

**PLYMOUTH COUNTY, IOWA
Independent Auditors' Report
Financial Statements
and
Supplemental Information
Schedule of Findings and Questioned Costs
June 30, 2014**

PLYMOUTH COUNTY, IOWA

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PLYMOUTH COUNTY, IOWA

COUNTY OFFICIALS

Name	Title	Term Expires
Jim Henrich	Board of Supervisors	December 31, 2016
Jack Guenther	Board of Supervisors	December 31, 2014
Don Kass	Board of Supervisors	December 31, 2014
Craig Anderson	Board of Supervisors	December 31, 2014
Mark Loutsch	Board of Supervisors	December 31, 2016
Stacey Feldman	County Auditor	December 31, 2016
Shelly Sitzmann	County Treasurer	December 31, 2014
Jolynn Goodchild	County Recorder	December 31, 2014
Mike Van Otterloo	County Sheriff	December 31, 2016
Darin J. Raymond	County Attorney	December 31, 2014
Robert Heyderhoff	County Assessor	December 31, 2015

INDEPENDENT AUDITORS' REPORT

To the Board of Supervisors
Plymouth County, Iowa

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Plymouth County, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. 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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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, as of June 30, 2014, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and the schedule of funding progress for the retiree health plan on pages 6 through 13, and pages 40 through 43, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Plymouth 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 eight years ended June 30, 2013 (which are not presented herein) and expressed unqualified opinions on those financial statements. We also previously audited in accordance with the standards referred to in the second paragraph of this report, the financial statements for the year ended June 30, 2005 (which are not presented herein) and expressed an adverse opinion on those financial statements due to the effects of the omission of general fixed assets. The other supplementary information included on pages 44 through 60, is presented for purposes of additional analysis and is not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements.

The other supplementary information and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional

procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information and schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated January 26, 2015, on our consideration of Plymouth County's internal control over financial reporting and on 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* in considering Plymouth County's internal control over financial reporting and compliance.



Certified Public Accountants

Le Mars, Iowa
January 26, 2015

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, 2014. WE ENCOURAGE READERS TO CONSIDER THIS INFORMATION IN CONJUNCTION WITH THE COUNTY'S FINANCIAL STATEMENTS, WHICH FOLLOW.

2014 FINANCIAL HIGHLIGHTS

- The assets of the County exceeded its liabilities at the end of FY14 by \$62,852,480 (net position).
 - Plymouth County's FY14 total net position increased by \$3,109,189 from FY13.
 - At the end of FY14, Plymouth County governmental funds reported a combined ending fund balances of \$10,079,799, which is 50% of the total of the governmental funds expenditures.
 - The unassigned general fund balance was \$1,602,405 in FY13 and \$2,048,922 in FY14 which increased by \$446,517 and is a 28% increase.
 - At the end of FY14, the unassigned fund balance for the general fund was \$2,048,922; which is 37% of the total general fund expenditures.
-

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 Position 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 (Agency Funds).

Notes to the Financial Statements provide additional information essential to a full understanding of the data provided in the basic financial statements.

Required Supplementary Information further explains and supports the financial statements with a comparison of the county's budget for the year, as well as presenting a schedule of funding progress for retiree health plan.

Supplemental Information provides detailed information about the non-major funds and the individual agency funds. In addition, the Schedule of Expenditures of Federal Awards provides details of various federal programs benefiting the County.

REPORTING THE COUNTY AS A WHOLE

The Statement of Net Position 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 position 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 Position** presents all of the County's assets and liabilities, with the difference between the two reported as "net position". Over time, increases or decreases in the County's net position 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 position changed during the fiscal year. All changes in net position 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 Position 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 13 governmental funds. These main governmental funds include: 1) the General Fund, 2) the Special Revenue funds such as the Rural Services Fund, Secondary Roads Fund, Local Option Sales Tax Fund, Joint Urban Renewal Fund 3), and the Debt Service 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 required financial statements for governmental funds 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 required financial statement for agency funds is a statement of fiduciary net position.

Reconciliations between the government-wide financial statements and the governmental fund financial statements follows the governmental fund financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of financial position. Plymouth County's total net position for FY14 totaled \$62,852,480. The analysis that follows focuses on the components of net position for the governmental activities.

Net Position of Governmental Activities

	2014	2013
Current and other assets	\$22,069,803	\$18,536,692
Capital assets	62,820,872	62,538,702
Total Assets	<u>84,890,675</u>	<u>81,075,394</u>
Long-term debt outstanding	8,477,527	7,523,694
Other liabilities	2,026,478	2,741,108
Total liabilities	<u>10,504,005</u>	<u>10,264,802</u>
Unavailable revenue – future property tax	11,534,190	11,067,301
Total deferred inflows of resources	<u>11,534,190</u>	<u>11,067,301</u>
Net position:		
Net Investment in Capital Assets	59,243,063	60,500,968
Restricted	9,202,799	5,591,857
Unrestricted	(5,593,382)	(6,349,534)
Total net position	<u>\$62,852,480</u>	<u>\$59,743,291</u>

The largest portion of the County's net position is invested in capital assets (e.g. land, infrastructure, buildings, and equipment), less the related debt. The debt related to capital assets is liquidated with resources other than capital assets. A portion (15%) of the County's net position represents resources that are subject to external restrictions on how they may be used. Unfortunately, there is not a positive balance in unrestricted net position, 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, of which \$5,950,000 is outstanding at June 30, 2014. This was not issued for County assets; it was for a grant awarded to Le Mars Business Initiative Corporation to be used for economic development purposes (Wells Corporate Campus).

Governmental Activities – Governmental activities increased the County's net position by \$3,109,189. Key elements of this increase are as follows:

Change in Net Position of Governmental Activities

Revenues:	2014	2013
Program revenues:		
Charges for service and sales	\$1,680,089	\$1,587,932
Operating grants and contributions	6,250,725	5,523,393
Capital grants and contributions	1,496,557	2,455,435
General revenues:		
Property tax	10,603,464	10,425,531
Interest & penalty on taxes	62,868	61,238
State tax credits	236,807	197,153
Local Option Sales Tax	1,050,222	1,028,536
General intergovernmental revenues	161,520	247,821
Unrestricted investment earnings	68,158	398,236
Gain on sale of assets	6,000	5,305
Miscellaneous	224,712	205,042
Total revenues	21,841,122	22,135,622
Program expenses:		
Public safety and legal services	3,359,698	3,244,176
Physical health and social services	392,801	385,950
Mental health	514,282	688,321
County environment and education	1,040,827	894,622
Roads and transportation	8,740,656	9,203,944
Government services to residents	778,598	853,682
Administration	3,689,575	3,749,871
Non-program services	-	25,600
Interest on long-term debt	215,496	441,543
Total expenses	18,731,933	19,487,709
Change in net position	3,109,189	\$2,647,913
Net position - beginning	59,743,291	57,346,129
Prior period adjustment	-	(250,750)
Net position – beginning, restated	59,743,291	57,095,379
Net position - ending	\$62,852,480	\$59,743,291

- Property tax revenue increased by \$177,933 in total due to various factors. Property tax revenue in the general fund and rural services fund increased due to increased taxable valuations (\$86,743,388) and slightly lowered property tax levies.
- Capital grants and contributions decreased primarily due to a decrease in Farm to Market projects in the Secondary Roads fund.
- Operating grants and contributions increased primarily due to an increase in mental health state funding backfill, received in the current year.

For the most part, increases in expenses closely paralleled inflation and growth in the demand for services. Roads and transportation decreased due to doing a few less projects.

Individual Major Fund Analysis

As Plymouth County completed FY14, its budgetary governmental funds reported a combined fund balance of \$10,079,799. FY13 combined fund balances were \$5,941,520. This represents a total increase of \$4,138,279. This significant increase is the result of a large general fund and secondary road fund balance when comparing to FY13.

The General Fund, as the operating fund of Plymouth County, ended FY14 with a balance of \$2,308,469. The General Fund ending fund balance in FY13 was \$1,853,787. This represents an increase of \$454,682 which is due to an increase in revenue and cuts in spending. The General Fund balance is growing and it is a goal for the FY15 budget to continue to increase to an even healthier state.

The Rural Services Fund ended FY14 with a balance of \$1,180,665. The ending fund balance for FY13 was \$1,057,658. This represents an increase of \$123,007. The Rural Services fund balance increased primarily from an increase in property tax collection. The county is continuing to expense some County Sheriff deputy's expenses from the rural services fund in addition to others in the general basic fund.

The Secondary Road Fund ended FY14 with a balance of \$4,592,468. The ending fund balance for FY13 was \$2,067,604. This represents an increase of \$2,524,864. The increase is due to timing of projects within the construction program.

The Joint Urban Renewal Fund ended FY14 with a balance of (\$304,631). The ending fund balance for FY13 was (\$59,115). The County received payment in FY 13 for their purchase of property known as "Winter Feed Lots". The other balance is from the City of Le Mars expenditures that the County incurred to grade and pave Key Avenue and the purchase of property known as Le Mars Industrial Park 2nd addition. The county intends to finance this deficit with future TIF revenues.

The Plymouth County Ethanol Urban Renewal Fund ended FY14 with a balance of \$(1,445,353). The ending fund balance for FY13 was \$(2,053,520). The deficit decreased \$608,167. Long-term debt was issued for \$2,225,000 to fund projects in the Urban Renewal areas. The fund balance deficit will be financed with future TIF revenues.

The Local Option Sales Tax Fund ended FY14 with a balance of \$1,741,575. The ending fund balance for FY13 was \$1,754,676. This represents a decrease of \$13,101. The decrease is attributed to a few more budgeted expenditures in FY 14 compared to the projects in the past years.

BUDGETARY HIGHLIGHTS

Over the course of the year, Plymouth County amended its budget one time. The amendment was made June 10, 2014 and resulted in the use of reserves by \$150,000. The main purpose of the amendment was the General Long Term Debt in the Ethanol Urban Renewal Area that was issued due to the Secondary Road TIF projects done in Merrill and on C38 Bridges. There were some other smaller off-setting revenues for these expenses as well.

The County's total receipts on a cash basis for FY14 were \$24,185,569. The county budgeted \$22,040,174 as projected revenues, for a difference of only \$2,145,395; an increase of 10%.

Total cash disbursements in FY14 were \$23,585,774 with the budgeted disbursements projected to be \$26,955,078, which was \$3,369,304 less than the amended budget. This was primarily due timing in TIF payments/expenses and the departments reducing spending.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of FY14, Plymouth County had approximately \$62.8 million invested in capital assets, net of accumulated depreciation. At the end of FY13, Plymouth County had approximately \$62.5 million invested in capital assets, net of accumulated depreciation.

Capital Assets of Governmental Activities at Year End

	2014	2013
Land (capital asset not being depreciated)	\$ 2,396,195	\$ 2,396,195
Buildings and improvements	7,266,062	7,458,898
Equipment	3,514,299	3,787,605
Infrastructure	49,550,265	46,951,290
Construction in progress (capital asset not being depreciated)	94,051	1,944,714
Total Governmental Activities Capital Assets	62,820,872	62,538,702
Less: Total Capital Assets not being depreciated	2,490,246	4,340,909
Total Governmental Activities Capital Assets being depreciated, net	\$60,330,626	\$ 58,197,793

The County had a total accumulated depreciation on June 30, 2014 of \$42,666,388. 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 FY14 Plymouth County had total bonded indebtedness of \$9,690,000, including general obligation and GO local option sales tax refunding bonds.

	2014	2013
GO L.O.S.T. Refunding Bonds, Series 2010	\$ 1,515,000	\$ 1,995,000
GO UR Road Improvement Bonds, Series 2013	2,225,000	-
GO Refunding Bonds, Series 2011	5,950,000	6,455,000
Net Total Outstanding Debt	<u>\$ 9,690,000</u>	<u>\$ 8,450,000</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 2015 budget, tax rates, and fees that finance the various County services. The tax rate for FY15 in the Rural Basic Fund remains constant, at the 3.95000 maximum levy rate and the General Basic Fund remains constant at maximum levy rate of 3.50000 in order to properly fund operations of this fund for FY15. The General Fund ended FY14 with a \$457,330 net increase in fund balance from FY13 on a cash basis. (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 previously has been reported on an accrual basis.) The budget goal for the General Basic Fund is to help stabilize the General Fund Reserves by maintaining a minimum of \$1,800,000 fund balance. Plymouth County received an increase of \$42,270,020 of taxable valuation for FY15 from FY14, which increases the amount of property tax for the General Fund. The tax levy rate in the Debt Service Fund was .06212 in FY15 from .05271 in FY14 for the same \$100,000 in tax revenue, due to the TIF valuation reduction countywide.

Plymouth County levy rate in the General Basic Supplemental fund was decreased to 0.14452 in FY15 from 0.14908 for FY14. This levy creates \$200,000 of tax which will be used to purchase the Counties liability insurance and assist in funding the EMA program.

These factors were taken into account when adopting the budget for fiscal year 2015. The amounts available for appropriation in the General Fund are approximately \$6,565,679 and the General Basic Supplemental Fund is \$194,983. The amounts available for appropriation in the Special Revenue Funds are approximately \$16,143,997. The amounts available for appropriation in the Debt Service Fund are \$1,658,326 which now includes a bond payment in the Plymouth County Ethanol Urban Renewal Fund.

If these estimates are realized, Plymouth County's General Fund FY15 balance is expected to increase higher than the year-end balance than FY14. The Rural Fund balance in expected to maintain the about same or increase very slightly in FY15 from FY14, due to increased revenues but the County also will be adding some sheriff deputy expenses to the Rural Fund.

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 Auditor, Stacey Feldman. If you have any questions about this report or need additional information, contact:

Plymouth County Auditor's Office

Stacey Feldman – Plymouth County Auditor

**215 4th Ave. SW
Le Mars, Iowa, 51031
Phone: (712) 546-6100
Fax: (712) 546-5784**

PLYMOUTH COUNTY BOARD OF SUPERVISORS FOR FY 13-14:

Don Kass Jim Henrich Mark Loutsch Jack E. Guenther Craig Anderson

COUNTY OF PLYMOUTH, IOWA
STATEMENT OF NET POSITION
JUNE 30, 2014

	Governmental Activities
ASSETS	
Cash and Pooled Investments	\$ 6,542,704
Receivables:	
Property Tax	41,040
Future Property Tax	11,534,190
Accrued Interest	17,195
Accounts	29,046
Due from Other Governmental Agencies	775,332
Note Receivable	886,197
Inventories	1,582,229
Prepaid Assets	121,870
Restricted Assets:	
Cash and Pooled Investments	540,000
Land and Land Improvements	2,396,195
Construction in Progress	94,051
Infrastructure, Property and Equipment, Net of Accumulated Depreciation	60,330,626
Total Assets	<u>84,890,675</u>
LIABILITIES	
Accounts Payable	276,381
Due to Other Governmental Agencies	37,147
Accrued Interest Payable	19,056
Salaries and Benefits Payable	104,602
Long Term Liabilities:	
Due Within One Year:	
GO Urban Renewal Bonds	335,000
GO Refunding Bonds	510,000
GO L.O.S.T. Refunding Bonds	490,000
Compensated Absences	254,292
Due in More Than One Year:	
GO Urban Renewal Bonds	1,958,276
GO Refunding Bonds	5,440,000
GO L.O.S.T. Refunding Bonds	1,056,823
Net OPEB Liability	22,428
Total Liabilities	<u>10,504,005</u>
DEFERRED INFLOWS OF RESOURCES	
Unavailable Revenue - Future Property Tax	11,534,190
Total Deferred Inflows of Resources	<u>11,534,190</u>
NET POSITION	
Net Investment in Capital Assets	59,243,063
Restricted for:	
Supplemental Levy Purposes	18,669
Rural Services Purposes	1,170,347
Debt Service Purposes	578,515
Mental Health Purposes	921,905
Secondary Roads Purposes	4,465,892
Capital Projects	
Local Option Sales Tax Purposes	1,741,575
Revolving Loan	317,910
Other Purposes	169,138
Unrestricted	(5,774,534)
Total Net Position	<u>\$ 62,852,480</u>

See Accompanying Notes to Financial Statements

COUNTY OF PLYMOUTH, IOWA
STATEMENT OF ACTIVITIES
Year Ended June 30, 2014

Functions/Programs	Expenses	Program Revenues
		Charges for Services
Primary Government:		
Governmental Activities:		
Public safety and legal services	\$ 3,359,698	\$ 773,611
Physical health and social services	392,801	1,429
Mental health	514,282	-
County environment and education	1,040,827	141,260
Roads and transportation	8,740,656	256,608
Government services to residents	778,598	493,243
Administration	3,689,575	13,938
Debt Service	215,496	-
Total governmental activities	\$ 18,731,933	\$ 1,680,089

See Accompanying Notes to Financial Statements

Program Revenues		Net (Expense) Revenue and Changes in Net Position
Operating Grants Contributions	Capital Grants Contributions	Governmental Activities
\$ 31,953	\$ -	\$ (2,554,134)
1,101,303	-	709,931
-	-	(514,282)
15,546	-	(884,021)
4,866,376	1,496,557	(2,121,115)
21,158	-	(264,197)
-	-	(3,675,637)
214,389	-	(1,107)
<u>\$ 6,250,725</u>	<u>\$ 1,496,557</u>	<u>\$ (9,304,562)</u>

General Revenues:

Property and other county tax levied for:	
General Purposes	10,524,097
Debt Service	79,367
Interest and penalties on taxes	62,868
State tax credits	236,807
Local option sales tax	1,050,222
General intergovernmental revenues	161,520
Interest	68,158
Gain on Sale of Assets	6,000
Miscellaneous	224,712
Total general revenues	<u>12,413,751</u>
Change in net position	3,109,189
Net position - beginning	<u>59,743,291</u>
Net position - ending	<u>\$ 62,852,480</u>

See Accompanying Notes to Financial Statements

COUNTY OF PLYMOUTH, IOWA
BALANCE SHEET
Governmental Funds
JUNE 30, 2014

	General	Rural Services	Secondary Roads
Assets			
Cash and Pooled Investments	\$ 2,101,048	\$ 1,202,059	\$ 904,110
Receivables:			
Property Tax	37,612	1,324	
Future Property Tax	5,144,508	3,430,405	-
Accrued Interest	16,955	-	-
Accounts	27,663	-	1,383
Due from Other Funds	-	-	1,812,940
Due from Other Governmental Agencies	130,257	11,404	547,587
Note Receivable	-	-	-
Prepaid Assets	121,870	-	-
Inventories	-	-	1,582,229
Restricted Assets:			
Cash and Pooled Investments	-	-	-
Total Assets	<u>7,579,913</u>	<u>4,645,192</u>	<u>4,848,249</u>
Liabilities			
Accounts Payable	70,515	2,511	172,444
Due to Other Funds	-	-	-
Due to Other Governmental Agencies	2,462	27,584	-
Salaries and Benefits Payable	18,216	2,949	83,337
Total Liabilities	<u>91,193</u>	<u>33,044</u>	<u>255,781</u>
Deferred Inflows of Resources			
Unavailable Revenue - Delinquent Property Tax	35,743	1,078	-
Unavailable Revenue - Subsequent Year Property Tax	5,144,508	3,430,405	-
Total Deferred Inflows of Resources	<u>5,180,251</u>	<u>3,431,483</u>	<u>-</u>
Fund Balances (Deficits)			
Nonspendable for:			
Inventories	-	-	1,582,229
Prepaid Assets	121,870	-	-
Restricted for:			
Supplemental Levy Purposes	18,451	-	-
Mental Health Purposes	-	-	-
Rural Services Purposes	-	1,180,665	-
Secondary Road Purposes	-	-	3,010,239
Debt Service	-	-	-
Local Option Sales Tax Purposes	-	-	-
Revolving Loan	-	-	-
Other Purposes	-	-	-
Assigned for:			
Technology Purposes	119,226	-	-
Unassigned	2,048,922	-	-
Total Fund Balances (Deficits)	<u>2,308,469</u>	<u>1,180,665</u>	<u>4,592,468</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 7,579,913</u>	<u>\$ 4,645,192</u>	<u>\$ 4,848,249</u>

See Accompanying Notes to Financial Statements

Joint Urban Renewal	Plymouth County Ethanol Urban Renewal	Local Option Sales Tax	Other Governmental Funds	Total Governmental Funds
\$ 620,690	\$ -	\$ 212,544	\$ 1,502,253	\$ 6,542,704
1,552	-	-	552	41,040
1,997,874	497,132	-	464,271	11,534,190
237	-	-	3	17,195
-	-	-	-	29,046
-	-	1,445,353	-	3,258,293
-	-	85,615	469	775,332
886,197	-	-	-	886,197
-	-	-	-	121,870
-	-	-	-	1,582,229
-	-	-	540,000	540,000
<u>3,506,550</u>	<u>497,132</u>	<u>1,743,512</u>	<u>2,507,548</u>	<u>25,328,096</u>
-	-	1,937	28,974	276,381
1,812,940	1,445,353	-	-	3,258,293
-	-	-	7,101	37,147
-	-	-	100	104,602
<u>1,812,940</u>	<u>1,445,353</u>	<u>1,937</u>	<u>36,175</u>	<u>3,676,423</u>
367	-	-	496	37,684
1,997,874	497,132	-	464,271	11,534,190
<u>1,998,241</u>	<u>497,132</u>	<u>-</u>	<u>464,767</u>	<u>11,571,874</u>
-	-	-	-	1,582,229
-	-	-	-	121,870
-	-	-	-	18,451
-	-	-	922,085	922,085
-	-	-	-	1,180,665
-	-	-	-	3,010,239
-	-	-	597,473	597,473
-	-	1,741,575	-	1,741,575
-	-	-	317,910	317,910
-	-	-	169,138	169,138
-	-	-	-	119,226
(304,631)	(1,445,353)	-	-	298,938
<u>(304,631)</u>	<u>(1,445,353)</u>	<u>1,741,575</u>	<u>2,006,606</u>	<u>10,079,799</u>
<u>\$ 3,506,550</u>	<u>\$ 497,132</u>	<u>\$ 1,743,512</u>	<u>\$ 2,507,548</u>	<u>\$ 25,328,096</u>

See Accompanying Notes to Financial Statements

PLYMOUTH COUNTY, IOWA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2014

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

Total Fund Balance - Governmental Funds (page 18)		\$ 10,079,799
Infrastructure, property, and equipment used in governmental activities are not financial resources and, therefore, are not reported in the funds.		62,820,872
Deferred revenues from the balance sheet that provide current financial resources for governmental activities.		37,684
Accrued expenses from the balance sheet that require current financial resources for governmental activities.		(19,056)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.		
	GO Urban Renewal Bonds	\$ (2,225,000)
	GO Refunding Bonds	(5,918,177)
	L.O.S.T. Refunding Bonds	(1,546,823)
	Compensated Absences	(254,292)
	Premium on GO Urban Renewal Bonds	(68,276)
	Premium on GO LOST Refunding Bonds	(31,823)
	Other postemployment benefits	(22,428)
		<u>(10,066,819)</u>
Total Net Position - Governmental Activities (page 14)		<u>\$ 62,852,480</u>

COUNTY OF PLYMOUTH, IOWA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
Governmental Funds
Year Ended June 30, 2014

	General	Rural Services	Secondary Roads
Revenue:			
Property and other county taxes	\$ 4,668,412	\$ 3,094,817	\$ -
Interest and penalties on taxes	62,868	-	-
Intergovernmental	621,064	172,843	6,360,948
Licenses and permits	-	16,885	9,230
Charges for services	1,035,945	5,800	-
Use of money and property	141,900	-	41,496
Miscellaneous	157,459	30	260,700
Total Revenue	<u>6,687,648</u>	<u>3,290,375</u>	<u>6,672,374</u>
Expenditures:			
Current operating:			
Public safety and legal services	2,921,474	360,427	-
Physical health and social services	323,922	17,275	-
Mental health	-	-	-
County environment and education	499,978	380,180	-
Roads and transportation	-	-	5,906,068
Government services to residents	762,506	-	-
Administration	1,786,347	34,486	-
Capital projects	-	-	3,469,183
Debt service:			
Principal	-	-	-
Interest	-	-	-
Total Expenditures	<u>6,294,227</u>	<u>792,368</u>	<u>9,375,251</u>
Excess (deficiency) of revenues over expenditures	<u>393,421</u>	<u>2,498,007</u>	<u>(2,702,877)</u>
Other financing sources (uses):			
Transfers in	-	-	4,993,210
Transfers (out)	-	(2,375,000)	-
Proceeds from sale of capital assets	9,000	-	-
Issuance of Debt	82,000	-	-
Premiums on issuance of long-term debt	-	-	-
Total other financing sources (uses)	<u>91,000</u>	<u>(2,375,000)</u>	<u>4,993,210</u>
Net Change in Fund Balances	484,421	123,007	2,290,333
Fund balances (deficits) - beginning of year	1,853,787	1,057,658	2,067,604
Increase (Decrease) in Reserve for:			
Prepaid Assets	(29,739)	-	-
Inventory	-	-	234,531
Fund balances (deficits) - end of year	<u>\$ 2,308,469</u>	<u>\$ 1,180,665</u>	<u>\$ 4,592,468</u>

See Accompanying Notes to Financial Statements

Joint Urban Renewal	Plymouth County Ethanol Urban Renewal	Local Option Sales Tax	Other Governmental Funds	Total Governmental Funds
\$ 1,879,449	\$ 530,114	\$ 1,050,222	\$ 426,005	\$ 11,649,019
-	-	-	-	62,868
-	-	-	1,227,918	8,382,773
-	-	-	-	26,115
-	-	-	4,982	1,046,727
3,595	-	-	1,622	188,613
-	-	-	54,166	472,355
1,883,044	530,114	1,050,222	1,714,693	21,828,470
-	-	-	43,201	3,325,102
-	-	-	10,100	351,297
-	-	-	512,948	512,948
-	-	-	507	880,665
-	-	-	-	5,906,068
-	-	-	14,236	776,742
1,079,809	266,168	448,802	150,406	3,766,018
-	-	-	-	3,469,183
-	-	-	1,067,000	1,067,000
-	-	-	237,891	237,891
1,079,809	266,168	448,802	2,036,289	20,292,914
803,235	263,946	601,420	(321,596)	1,535,556
-	-	-	1,007,772	6,000,982
(1,048,751)	(1,962,710)	(614,521)	-	(6,000,982)
-	-	-	-	9,000
-	2,225,000	-	-	2,307,000
-	81,931	-	-	81,931
(1,048,751)	344,221	(614,521)	1,007,772	2,397,931
(245,516)	608,167	(13,101)	686,176	3,933,487
(59,115)	(2,053,520)	1,754,676	1,320,430	5,941,520
-	-	-	-	(29,739)
-	-	-	-	234,531
\$ (304,631)	\$ (1,445,353)	\$ 1,741,575	\$ 2,006,606	\$ 10,079,799

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, 2014

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

Net change in fund balances - total governmental funds (page 21)	\$ 3,933,487
<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	\$ 3,233,356
Depreciation Expense	<u>(2,948,187)</u> 285,169
Governmental funds report the proceeds from the sale of capital assets as revenue whereas the statement of activities reports the gain or (loss) on the disposal of capital assets. This is the effect on the change in net position on the statement of activities.	(2,999)
Revenues reported in the funds that are available to provide current financial resources	4,667
Accrued interest expense that does not require current financial resources	(2,171)
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 asset is exhausted.	204,792
The effect of bond premium when new debt is issued, whereas, these amounts are deferred and amortized in the Statement of Activities.	(81,931)
Compensated absences that require current financial resources.	(9,923)
Proceeds from issuance of long-term debt	(2,307,000)
The effect of bond premium amortization on bond issue costs	24,566
The repayment of the principal of bonded long-term debt consumes the current financial resources of governmental funds without affecting the net position. 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:	1,067,000
Other postemployment benefits that do not require current financial resources	<u>(6,468)</u>
Change in net position of governmental activities (page 16)	<u>\$ 3,109,189</u>

COUNTY OF PLYMOUTH, IOWA
STATEMENT OF FIDUCIARY NET POSITION
Fiduciary Funds - Agency Funds
JUNE 30, 2014

ASSETS

Cash and Pooled Investments	\$	2,517,502
Receivables:		
Property Tax		42,287
Future Property Tax		30,097,087
Assessments		13,008
Accounts		14,650
Due from Other Governments		64,669
Total Assets		<u>32,749,203</u>

LIABILITIES

Accounts Payable		23,823
Due to Other Governments		32,721,610
Compensated Absences		3,770
Total Liabilities	\$	<u>32,749,203</u>

COUNTY OF PLYMOUTH, IOWA
Notes to Financial Statements
June 30, 2014

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 and general administrative services.

The County's Financial Statements are prepared in accordance with the U.S. generally accepted accounting principles (GAAP) as prescribed by the Governmental Accounting Standards Board. The more significant accounting policies established by GAAP and used by the County are discussed below.

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 that provide goods or services to the citizenry of the County but do not meet the criteria of a joint venture since there is no ongoing financial interest or responsibility by the participating governments. 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 governmental. The County has no business-type activities. 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 Statement of Net Position and the Statement of Activities report information on all of the nonfiduciary activities of the County. In the government-wide Statement of Net Position, 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 position is reported in three parts – net investment in

COUNTY OF PLYMOUTH, IOWA
Notes to Financial Statements
June 30, 2014

Note 1 - Summary of Significant Accounting (Continued)

capital assets, restricted net position; and unrestricted net position. The County first uses restricted resources to finance qualifying activities.

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. Exceptions to this general rule are interfund services provided; eliminations of these charges would distort the direct costs and program revenues reported for the various functions concerned.

This government-wide focus is more on the sustainability of the County as an entity and the change in the County's net position 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.

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 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, 2014

Note 1 - Summary of Significant Accounting (Continued)

The Secondary Roads Fund is used to account for the road use tax allocation from the State of Iowa, required transfers from the General and the Special Revenue, Rural Services Funds and other revenues to be used for secondary road construction and maintenance.

The Plymouth County Urban Renewal Fund is used to account for tax increment financing income that is generated from the County TIF districts.

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.

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.

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 60-day availability period is used for revenue recognition for all other governmental fund revenues with the exception of expenditure-driven grants. A one-year availability period is used for expenditure-driven grants.

Expenditures are recorded when the related fund liability is incurred. However, principal and interest on long-term debt, claims and judgments and compensated absences are recorded as expenditures only when the payment is due.

COUNTY OF PLYMOUTH, IOWA
Notes to Financial Statements
June 30, 2014

Note 1 - Summary of Significant Accounting (Continued)

Property tax, intergovernmental revenues (shared revenues, grants and reimbursements from other governments) and interest are considered to be susceptible to accrual. All other revenue items are considered to be measurable and available only when cash is received by the County.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, principal and interest on long-term debt, claims and judgments and compensated absences are recorded as expenditures only when payment is due. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Under the terms of grant agreements, the County funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net position available to finance the program. It is the County's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants and then by general revenues.

When an expenditure is incurred in governmental funds which can be paid either using restricted or unrestricted resources, it is the County's policy to pay the expenditure from restricted fund balance and then from less-restrictive classifications – committed, assigned, and then unassigned fund balances. Management's policy is to first spend restricted net position first then to spend from unrestricted net position.

- E. Budgets – The budgetary comparison and related disclosures are reported as Required Supplementary Information. During the year ended June 30, 2014, disbursements did not exceed the amounts budgeted in any function.
- 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, 2012 to compute the amounts for the accrual period July 1, 2013 to June 30, 2014. These taxes were due and payable in two installments on September 30, 2013 and March 31, 2014 at the County Treasurer's Office. Property tax receivable represents taxes that are due and payable but have not been collected.

COUNTY OF PLYMOUTH, IOWA
Notes to Financial Statements
June 30, 2014

Note 1 - Summary of Significant Accounting (Continued)

- 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, the related revenue is reported as a deferred inflow of resources in both government-wide and fund financial statements 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 to 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.
- 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 nonspendable fund balance which indicates that they are not available to liquidate current obligations.
- M. 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 position. 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

COUNTY OF PLYMOUTH, IOWA
Notes to Financial Statements
June 30, 2014

Note 1 - Summary of Significant Accounting (Continued)

- N. Deferred Outflow/Inflows of Resources – In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The County has no items that qualify for reporting in this category.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statements element, *deferred inflow of resources*, represents an acquisition of net position that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County has one type of item that qualifies for reporting in this category. The governmental activities in the government-wide statements and the governmental funds report unavailable revenues from subsequent year property taxes. The governmental funds report unavailable revenues from subsequent year property taxes and delinquent property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

- O. 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.
- P. 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 and includes the related employee benefits. 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, 2014. The compensated absence liability attributable to the governmental activities will be paid primarily by General and Secondary Roads Funds.
- Q. 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 Position.

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.

- R. Fund Equity – In the governmental fund financial statements, fund balances are classified as follows:

Nonspendable – Amounts which cannot be spent because they are in a nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted - Amounts restricted to specific purposes when constraints placed on the use of the resource are either externally imposed by creditors, grantors or state or federal laws or are imposed by law through constitutional provisions or enabling legislation.

COUNTY OF PLYMOUTH, IOWA
Notes to Financial Statements
June 30, 2014

Note 1 - Summary of Significant Accounting (Continued)

Committed – Amounts which can be used for specific purposes pursuant to constraints formally imposed by the Board of Supervisors through ordinance or resolution approved prior to year end. Committed amounts cannot be used for any other purpose unless the Board of Supervisors removes or changes the specified use by taking the same action it employed to commit those amounts.

Assigned – Amounts the Board of Supervisors intend to use for specific purposes.

Unassigned – All amounts not included in other classifications.

Note 2 - Deposits and Pooled Investments

The County's deposits at June 30, 2014 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 has non-negotiable certificates of deposits as of June 30, 2014 with various maturities extending no later than March, 2016.

At June 30, 2014 the County had the following investments meeting the disclosure requirement of Governmental Accounting Standards Board Statement No. 3, as amended by Statement No. 40.

	Credit Risk	Fair Value	Maturity
IPAIT	AAA	\$ 139,265	N/A

The County had investments in the Iowa Public Agency Investment Trust (IPAIT) which are valued at fair value. IPAIT was created pursuant to Iowa Code Chapter 28E and is registered with the Securities and Exchange Commission (SEC) in accordance with 17 C.F.R. Section 270.2a-7.

Custodial Credit Risk: The County has no policy in place regarding custodial credit risk and deposits with financial institutions, however, deposits are insured by the state sinking fund, which provides for additional assessments against depositories to avoid loss of public funds.

Interest rate risk: The County's investment policy limits the investment of operating funds (funds expected to be expended in the current budget year or within 15 months of receipt) to instruments that mature within 397 days. Funds not identified as operating funds may be invested in investments with maturities longer than 397 days, but the maturities shall be consistent with the needs and use of the County.

COUNTY OF PLYMOUTH, IOWA
Notes to Financial Statements
June 30, 2014

Note 3 - Notes Receivable

Plymouth County Revolving Loan Fund – During the year ended June 30, 2007 the Plymouth County Revolving Loan Fund was created. The purpose of the fund is to promote economic development in Plymouth County. During the year ended June 30, 2014, the County made no contributions to the Plymouth County Revolving Loan Fund. The County records the loan activity of this fund as a Special Revenue Fund.

The proceeds from the businesses remain in the Plymouth County Revolving Loan Fund for future loans to other businesses. Loan repayments totaled \$71,431 during the year ended June 30, 2014. The loan receivable was paid off during the year ended June 30, 2014.

Plymouth County loaned the Le Mars Business Initiative Corporation (LBIC) funds from the Joint Urban Renewal Fund to be repaid as lots are sold by LBIC for business development in Le Mars, Iowa. Loan repayments totaled \$23,744 during the year ended June 30, 2014. The loan balance as of June 30, 2014 totals \$881,197. The County also loaned Mach-Tig LLC \$20,000 in fiscal year 2011 to promote economic development within the County. Loan repayments totaled \$5,000 during the year ended June 30, 2014. The loan balance as of June 30, 2014 totals \$5,000.

Note 4 - Interfund Receivables and Payables

The detail of interfund receivables and payables at June 30, 2014 is as follows:

<u>Fund Due To</u>	<u>Fund Due From</u>	<u>Amount</u>	
Local Option Sales Tax	Plymouth County Ethanol Urban Renewal	\$ 1,445,353	*
Secondary Roads	Joint Urban Renewal	1,812,940	*
		\$ 3,258,293	

* The purpose of these interfund balances is to finance short-term cash flow shortages.

Note 5 - Capital Assets

A summary of changes in capital assets is as follows:

	Balance July 1, 2013	Additions	Deletions	Balance June 30, 2014
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 2,396,195	\$ -	\$ -	\$ 2,396,195
Construction in Progress	1,944,714	2,966,676	4,817,339	94,051
Total capital assets not being depreciated	4,340,909	2,966,676	4,817,339	2,490,246
Capital assets being depreciated:				
Buildings	9,655,242	-	-	9,655,242
Equipment	8,685,865	183,408	103,483	8,765,790
Infrastructure	79,675,371	4,900,611	-	84,575,982
Total capital assets being depreciated	98,016,478	5,084,019	103,483	102,997,014
Less accumulated depreciation for:				
Buildings	2,196,344	192,836	-	2,389,180
Equipment	4,898,260	453,715	100,484	5,251,491
Infrastructure	32,724,081	2,301,636	-	35,025,717
Total accumulated depreciation	39,818,685	2,948,187	100,484	42,666,388
Total capital assets being depreciated, net	58,197,793	2,135,832	2,999	60,330,626
Governmental activities capital assets, net	\$ 62,538,702	\$ 5,102,508	\$ 4,820,338	\$ 62,820,872

COUNTY OF PLYMOUTH, IOWA
Notes to Financial Statements
June 30, 2014

Note 5 - Capital Assets (Continued)

Depreciation expense was charged to the functions as follows:

Public safety and legal services	\$ 55,155
Physical health and social services	3,434
Mental health	9,325
County environment and education	40,977
Roads and transportation	2,645,050
Government services to residents	810
Administration	193,436
	\$ 2,948,187

Reconciliation of Net Investment in Capital Assets:

	Governmental Activities
Land	\$ 2,396,195
Construction in Progress	94,051
Capital Assets (net of accumulated depreciation)	60,330,626
Less: GO Urban Renewal Bonds	(2,225,000)
Less: GO L.O.S.T. Refunding Bonds	(1,515,000)
Less: Premium on GO Urban Renewal Bonds	(31,823)
Less: Premium on GO L.O.S.T. Refunding Bonds	(68,276)
Add: Unspent Bond Proceeds	262,290
Net Investment in Capital Assets	\$ 59,243,063

Note 6 - Long-Term Liabilities

The County's computed legal debt limit as of June 30, 2014, is \$122,992,858 of which \$9,690,000 is committed for outstanding general obligation bonds.

The following is a summary of changes in long-term liability for the year ended June 30, 2014:

	GO L.O.S.T. Refunding Bonds	GO Refunding Bonds	GO Urban Renewal Road Improvement Bonds	General County Purpose Bond	Compensated Absences	Other Post- Employment Benefits	Total
Balance Beginning of Year	\$1,995,000	\$6,455,000	\$ -	\$ -	\$ 244,369	\$ 15,960	\$ 8,710,329
Increases	-	-	2,225,000	82,000	254,292	6,468	2,567,760
Decreases	480,000	505,000	-	82,000	244,369	-	1,311,369
Balance End of Year	\$1,515,000	\$5,950,000	\$ 2,225,000	\$ -	\$ 254,292	\$ 22,428	\$ 9,966,720
Due Within One Year	\$ 490,000	\$ 510,000	\$ 335,000	\$ -	\$ 254,292	\$ -	\$ 1,589,292

COUNTY OF PLYMOUTH, IOWA
Notes to Financial Statements
June 30, 2014

Note 6 - Long-Term Liabilities (Continued)

Bonds Payable

A summary of the County's June 30, 2014 general obligation and local option sales tax bond indebtedness is as follows:

	Date Of Issue	Interest Rates	Annual Payments	Amount Originally Issued	Outstanding June 30, 2014
<i>GO Local Option Sales Tax Refunding: Series 2010</i>	2010	2.45 – 3.0%	\$480,000 - \$520,000	\$3,355,000	\$ 1,515,000
<i>General Obligation Refunding Bonds: Series 2011</i>	2011	.8 – 3.45%	\$385,000 - \$620,000	\$6,455,000	5,950,000
<i>GO Urban Renewal Road Improvements Bonds Series 2013</i>	2013	2.00%	\$335,000 - \$560,000	\$2,225,000	<u>2,225,000</u>
					<u>\$ 9,690,000</u>

In June 2010, the County issued \$3,355,000 of General Obligation Local Option Sales Tax Refunding Bonds in an advance refunding of the 2002 L.O.S.T. Revenue Bonds. The 2010 bonds have an average interest rate of 2.82%. The net proceeds from this issuance were used to purchase U.S. government securities and were deposited in an escrow account with Bankers Trust Company. The balance in the escrow was used to refund the remaining \$2,305,000 on December 1, 2012 when the notes became callable. As a result, the County will reduce its debt service payments over the next fifteen years by \$8,282 and obtain an economic gain of \$6,769.

On August 23, 2011 the County issued \$6,455,000 of General Obligation Refunding Bonds, Series 2011 in a crossover advance refunding of the Series 2005 GO Urban Renewal Bonds. The 2012 bonds have an average interest rate of 2.6% and the 2005 bonds being refunded have an average rate of 4.2%. The net proceeds from the issuance were used to purchase U.S. government securities and were deposited in an escrow account with Bankers Trust Company. The balance in the escrow was used to refund the remaining \$6,100,000 of the 2005 bonds on June 1, 2013 when these notes became callable. As a result of this refunding, the County will reduce its debt service payments over the next twelve years by \$312,137, and obtain an economic gain of \$231,098.

In July 2013, the County authorized the issuance of \$2,225,000 of General Obligation Urban Renewal Bonds for the purpose of funding the County's road improvement projects in the urban renewal areas. The 2013 bonds have an interest rate of 2.0% and mature on June 1, 2019.

The County also issued a \$82,000 general county purpose bond on March 17, 2014 which was repaid by the debt service fund on April 15, 2014. The proceeds were used to finance capital acquisitions of the County.

The Governmental General Obligation bonds are shown net of unamortized bond premiums on the GO Urban Renewal Bonds and GO LOST Refunding Bonds of \$68,276 and \$31,823, respectively.

COUNTY OF PLYMOUTH, IOWA
Notes to Financial Statements
June 30, 2014

Note 6 - Long-Term Liabilities (Continued)

The annual requirements to amortize all bonds outstanding as of June 30, 2014, are as follows:

Fiscal Year	GO L.O.S.T. Refunding Bonds Principal	Go Refunding Principal	GO Urban Renewal Road Improvement Bonds Principal	Interest	Total
2015	\$ 490,000	\$ 510,000	\$ 335,000	\$ 221,325	\$ 1,556,325
2016	505,000	520,000	415,000	195,734	1,635,734
2017	520,000	525,000	495,000	166,688	1,706,688
2018	-	535,000	560,000	140,845	1,235,845
2019	-	540,000	420,000	118,945	1,078,945
2020-2024	-	2,935,000	-	336,902	3,271,902
2025	-	385,000	-	13,283	398,283
	<u>\$ 1,515,000</u>	<u>\$ 5,950,000</u>	<u>\$ 2,225,000</u>	<u>\$ 1,193,722</u>	<u>\$ 10,883,722</u>

\$597,473 is available to service the General Obligation Refunding Bonds. The general obligation bonds are to be retired through property tax levies. The Local Sales Tax Refunding 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, 2014	Actual Balance June 30, 2014
Jail Bond Sinking Fund	Sinking Fund	\$ 524,283	\$ 540,000*

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

Note 7 - Interfund Transfers

The detail of interfund transfers for the year ended June 30, 2014 is as follows:

	Rural Services	Local Option Sales Tax	Joint Urban Renewal	Plymouth County Ethanol Urban Renewal	Total Transfer In:
Secondary Roads	\$2,375,000	\$ 300,000	\$ 396,668	\$ 1,921,542	\$ 4,993,210
Debt Service	-	314,521	652,083	41,168	1,007,772
Transfer Out:	<u>\$2,375,000</u>	<u>\$ 614,521</u>	<u>\$ 1,048,751</u>	<u>\$ 1,962,710</u>	<u>\$ 6,000,982</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, 2014

Note 8 - Risk Management

The 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 679 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. Capital contributions are made during the first six years of membership and are maintained at a level determined by the Board not to exceed 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, 2014 were \$241,897.

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. For members requiring specific coverage from \$3,000,000 to \$15,000,000, such excess coverage is also reinsured. Property and automobile physical damage risks are retained by the Pool up to \$250,000 each occurrence, each location, with excess coverage reinsured by Lexington Insurance Company.

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, 2014, no liability has been recorded in the County's financial statements. As of June 30, 2014, settled claims have not exceeded the risk pool or reinsurance company coverage since the pool's inception.

COUNTY OF PLYMOUTH, IOWA
Notes to Financial Statements
June 30, 2014

Note 8 - Risk Management (Continued)

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 casualty claims and claim 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% of its casualty capital contributions. However, the refund is reduced by the amount of capital distributions previously received by the withdrawing member and an amount equal to the annual casualty operating contribution which the withdrawing member would have made for the one-year period following withdrawal.

The County also carries commercial insurance purchased from other insurers for coverage associated with workers compensation and employee blanket bond in the amount of \$500,000 and \$100,000, respectively. 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 9 - 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 plan administered by the State of Iowa. IPERS provides retirement and death benefits which are established by the state statute to plan 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, IA 50306-9117.

Most regular plan members are required to contribute 5.95% of their annual covered salary and the County is required to contribute 8.93% of covered salary. Certain employees in special risk occupations and the County contribute an actuarially defined contribution rate. Contribution requirements are established by state statute. The County contribution to IPERS for the years ended June 30, 2014, 2013 and 2012 were \$492,168, \$470,613 and \$429,951, respectively, equal to the required contributions for each year.

Note 10 - Other Postemployment Benefits (OPEB)

Plan Description. The County operates a single-employer retiree benefit plan which provides medical/prescription drug benefits for retirees and their spouses. There are 103 active and 1 retired members in the plan. Participants must be age 55 or older at retirement.

The medical/prescription drug benefits are provided through a medical plan administered by Wellmark. Retirees under age 65 pay the same premium for the medical/prescription drug benefit as active employees, which results in an implicit subsidy and an OPEB liability.

Funding Policy. The contribution requirements of plan members are established and may be amended by the County. The County currently finances the retiree benefit plan on a pay-as-you-go basis.

Annual OPEB Cost and Net OPEB Obligation. The County's annual OPEB cost is calculated based on the annual required contribution (ARC) of the County, an amount actuarially determined in accordance with GASB Statement No. 45. The ARC represents a level of

COUNTY OF PLYMOUTH, IOWA
Notes to Financial Statements
June 30, 2014

Note 10 - Postemployment Benefits (OPEB) (Continued)

funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed 30 years.

The following table shows the components of the County's annual OPEB cost for the year ended June 30, 2014, the amount actually contributed to the plan and changes in the County's net OPEB obligation:

Annual required contribution	\$ 6,976
Interest on net OPEB obligation	176
Adjustment to annual required contribution	(240)
Annual OPEB cost	6,912
Contributions made	(444)
Increase in net OPEB obligation	6,468
Net OPEB obligation beginning of year	15,960
Net OPEB obligation end of year	\$ 22,428

For calculation of the net OPEB obligation, the actuary has set the transition day as July 1, 2008. The end of year net OPEB obligation was calculated by the actuary as the cumulative difference between the actuarially determined funding requirements and the actual contributions for the year ended June 30, 2014.

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation is summarized as follows:

Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
June 30, 2014	\$ 6,912	14.3%	\$ 22,428
June 30, 2013	\$ 6,912	14.3%	\$ 15,960
June 30, 2012	\$ 6,912	14.3%	\$ 9,828

Funded Status and Funding Progress. As of July 1, 2011, the most recent actuarial valuation date for the period July 1, 2013 through June 30, 2014, the actuarial accrued liability was \$66,541, with no actuarial value of assets, resulting in an unfunded actuarial accrued liability (UAAL) of \$66,541. The covered payroll (annual payroll of active employees covered by the plan) was approximately \$4,530,000 and the ratio of the UAAL to covered payroll was 1.47%. As of June 30, 2014, there were no trust fund assets.

Actuarial Methods and Assumptions. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the health care cost trend. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information in the section following the Notes to Financial Statements, will present multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Projections of benefits for financial reporting purposes are based on the plan as understood by the employer and the plan members and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the

COUNTY OF PLYMOUTH, IOWA
Notes to Financial Statements
June 30, 2014

Note 10 - Postemployment Benefits (OPEB) (Continued)

employer and plan members to that point. The actuarial methods and assumptions used include techniques designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

As of July 1, 2011 actuarial valuation date, the projected unit credit actuarial cost method was used. The actuarial assumptions includes a 4.5% discount rate based on the County's funding policy. The projected annual medical trend rate is 7%. The ultimate medical trend rate is 5%. The medical trend rate is reduced 1% each year until reaching the 5% ultimate trend rate.

Mortality rates are from the RP2000 Group Annuity Mortality Table. Annual retirement and termination probabilities were based on 25% for actives currently electing coverage beginning at age 55 and 0% for actives currently waiving coverage.

Projected claim costs of the medical plan are \$1,005 per month for retirees less than age 65. The salary increase rate was assumed to be 3% per year. The UAAL is being amortized as a level percentage of projected payroll expense on an open basis over 30 years.

Note 11 - 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 \$3,236,020 through November 2016. As of June 30, 2014, the communities have made payments totaling \$2,592,373. In August 2010, the communities agreed on a new 28E repayment schedule due to the issuance of the LOST refunding bonds which reduced the future bond payments. The new agreement reduced the payments remaining from the area communities from \$1,499,589 to \$1,495,292 with the final payments due December 1, 2016.

Note 12 - 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, 2014, the County estimates that no material liabilities will result from such audits.

Note 13 - Commitments

The County has entered into construction contracts totaling \$6,355,905 for bridge and roadway construction. As of June 30, 2014, \$4,906,320 had been incurred against the contracts. The balance of \$1,449,585 will be paid as work on the project progresses.

In 2013, the County pledged \$400,000 to Floyd Valley Hospital for three fiscal years for construction projects at the hospital. The County paid \$150,000 in 2014 and will pay \$150,000 in 2015 and \$100,000 in 2016 to fulfill this pledge.

COUNTY OF PLYMOUTH, IOWA
Notes to Financial Statements
June 30, 2014

Note 14 - Deficit Fund Balances

The County has two funds with deficit fund balances at June 30, 2014. The County intends to finance the deficits in the Urban Renewal funds with future TIF revenues.

The fund deficits were as follows:

Special Revenue – Plymouth County Ethanol Urban Renewal	\$ 1,445,353
Special Revenue – Joint Urban Renewal	304,631

Note 15 – Prospective Accounting Change

The Governmental Accounting Standards Board has issued Statement No. 68, *Accounting and Financial Reporting for Pensions – an Amendment of GASB No. 27*. This statement will be implemented for the fiscal year ending June 30, 2015. The revised requirements establish new financial reporting requirements for state and local governments which provide their employees with pension benefits, including additional note disclosures and required supplementary information. In addition, the Statement of Net Position is expected to include a significant liability for the government's proportionate share of the employee pension plan.

REQUIRED SUPPLEMENTARY INFORMATION

COUNTY OF PLYMOUTH, IOWA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE, BUDGET
AND ACTUAL - ALL GOVERNMENTAL FUNDS (CASH BASIS)
Year Ended June 30, 2014

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Amended		
Revenue:				
Property and other county taxes	\$ 11,918,896	11,918,896	\$ 11,735,119	\$ (183,777)
Interest and penalties on taxes	58,000	58,000	61,654	3,654
Intergovernmental	7,729,200	8,073,200	10,560,195	2,486,995
Licenses and permits	24,600	24,600	26,115	1,515
Charges for services	1,048,250	1,083,838	1,074,746	(9,092)
Use of money and property	164,105	187,849	195,306	7,457
Miscellaneous	600,400	693,791	532,434	(161,357)
Total Revenue	<u>21,543,451</u>	<u>22,040,174</u>	<u>24,185,569</u>	<u>2,145,395</u>
Expenditures:				
Current operating:				
Public safety and legal services	3,291,486	3,418,486	3,354,054	64,432
Physical health and social services	358,888	368,888	354,819	14,069
Mental Health	1,181,338	1,181,338	999,036	182,302
County environment and education	943,804	958,270	879,270	79,000
Roads and transportation	7,463,000	8,709,000	7,969,674	739,326
Government services to residents	788,192	791,942	777,039	14,903
Administration	4,208,974	4,519,874	4,067,405	452,469
Debt service	1,717,335	1,923,335	1,304,891	618,444
Capital projects	4,079,945	5,083,945	3,879,586	1,204,359
Total Expenditures	<u>24,032,962</u>	<u>26,955,078</u>	<u>23,585,774</u>	<u>3,369,304</u>
Excess (Deficiency) of revenues over expenditures	<u>(2,489,511)</u>	<u>(4,914,904)</u>	<u>599,795</u>	<u>5,514,699</u>
Other financing sources (uses):				
Transfers in	3,820,000	3,820,000	3,779,440	(40,560)
Transfers out	(3,820,000)	(3,820,000)	(3,779,440)	40,560
Proceeds from sale of capital assets	-	-	9,000	9,000
Proceeds from issuance of debt	2,382,000	4,657,393	2,388,931	(2,268,462)
Total other financing sources (uses)	<u>2,382,000</u>	<u>4,657,393</u>	<u>2,397,931</u>	<u>(2,259,462)</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	<u>\$ (107,511)</u>	<u>\$ (257,511)</u>	<u>2,997,726</u>	<u>\$ 3,255,237</u>
Balance beginning of year			<u>4,084,978</u>	
Balance end of year			<u>\$ 7,082,704</u>	

COUNTY OF PLYMOUTH, IOWA
Notes to Required Supplementary Information – Budgetary Reporting
June 30, 2014

The budgetary comparison is presented as Required Supplementary Information in accordance with Governmental Accounting Standards Board Statement No. 41 for governments with significant budgetary perspective differences resulting from not being able to present budgetary comparisons for the General Fund and each major Special Revenue Fund.

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, one budget amendment increased budgeted disbursements by \$2,922,116. The budget amendment is 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 the year ended June 30, 2014, disbursements did not exceed the amounts budgeted in any functions.

COUNTY OF PLYMOUTH, IOWA
Notes to Required Supplementary Information – Budgetary Reporting
June 30, 2014

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 2013-14 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		Modified Accrual Basis
	Cash Basis	Accrual Adjustments	
Revenues	\$ 24,185,569	\$ (2,357,099)	\$ 21,828,470
Expenditures	23,585,774	(3,292,860)	20,292,914
Net	599,795	935,761	1,535,556
Other Financing Sources	2,397,931	-	2,397,931
Beginning Fund Balance	4,084,978	1,856,542	5,941,520
Increase in Reserve for Inventory	-	234,531	234,531
Decrease in Reserve for Prepaid Assets	-	(29,739)	(29,739)
Ending Fund Balance	<u>\$ 7,082,704</u>	<u>\$ 2,997,095</u>	<u>\$ 10,079,799</u>

PLYMOUTH COUNTY
Schedule of Funding Progress for the Retiree Health Plan
Required Supplementary Information

Year Ended June 30,	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
2010	July 1, 2008	-	\$ 59,051	\$ 59,051	0.00%	\$4,675,000	1.26%
2011	July 1, 2008	-	\$ 59,051	\$ 59,051	0.00%	\$4,675,000	1.26%
2012	July 1, 2011	-	\$ 66,541	\$ 66,541	0.00%	\$4,530,000	1.47%
2013	July 1, 2011	-	\$ 66,541	\$ 66,541	0.00%	\$4,530,000	1.47%
2014	July 1, 2011	-	\$ 66,541	\$ 66,541	0.00%	\$4,530,000	1.47%

See Note 10 in the accompanying Notes to Financial Statements for the plan description, funding policy, annual OPEB Cost and Net OPEB Obligation, funded status and funding progress.

OTHER SUPPLEMENTARY INFORMATION

COUNTY OF PLYMOUTH, IOWA
 COMBINING BALANCE SHEET
 Governmental Nonmajor Funds
 JUNE 30, 2014

	Special Revenue Funds			
	Debt Service	Mental Health	Revolving Loan Fund	Veteran Affairs County Grant
Assets				
Cash and Pooled Investments	\$ 57,455	\$ 957,884	\$ 317,910	\$ 992
Receivables:				
Property Tax	116	436	-	-
Future Property Tax	100,500	363,771	-	-
Accrued Interest	-	-	-	-
Due from Other Governmental Agencies	-	-	-	-
Restricted Assets:				
Cash and Pooled Investments	540,000	-	-	-
Total Assets	<u>698,071</u>	<u>1,322,091</u>	<u>317,910</u>	<u>992</u>
Liabilities				
Accounts Payable	-	28,736	-	-
Due to Other Governmental Agencies	-	7,101	-	-
Salaries and Benefits Payable	-	-	-	100
Total Liabilities	<u>-</u>	<u>35,837</u>	<u>-</u>	<u>100</u>
Deferred Inflows of Resources				
Unavailable Revenue - Delinquent Property Tax	98	398	-	-
Unavailable Revenue - Subsequent Year Property Tax	100,500	363,771	-	-
Total Deferred Inflows of Resources	<u>100,598</u>	<u>364,169</u>	<u>-</u>	<u>-</u>
Fund Balances (Deficits)				
Restricted for:				
Supplemental Levy Purposes	-	-	-	-
Mental Health Purposes	-	922,085	-	-
Rural Services Purposes	-	-	-	-
Secondary Road Purposes	-	-	-	-
Debt Service	597,473	-	-	-
Local Option Sales Tax Purposes	-	-	-	-
Revolving Loan	-	-	317,910	-
Capital Projects	-	-	-	-
Other Purposes	-	-	-	892
Total Fund Balances	<u>597,473</u>	<u>922,085</u>	<u>317,910</u>	<u>892</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 698,071</u>	<u>\$ 1,322,091</u>	<u>\$ 317,910</u>	<u>\$ 992</u>

<u>Special Revenue Funds</u>				
<u>Recorder's Records Management Fund</u>	<u>REAP</u>	<u>Forfeiture Fund</u>	<u>Total</u>	
\$ 13,502	\$ 42,210	\$ 112,300	\$	1,502,253
-	-	-		552
-	-	-		464,271
2	-	1		3
469	-	-		469
-	-	-		540,000
<u>13,973</u>	<u>42,210</u>	<u>112,301</u>		<u>2,507,548</u>
-	-	238		28,974
-	-	-		7,101
-	-	-		100
-	-	238		36,175
-	-	-		496
-	-	-		464,271
-	-	-		464,767
-	-	-		-
-	-	-		922,085
-	-	-		-
-	-	-		-
-	-	-		597,473
-	-	-		-
-	-	-		317,910
-	-	-		-
13,973	42,210	112,063		169,138
<u>13,973</u>	<u>42,210</u>	<u>112,063</u>		<u>2,006,606</u>
\$ 13,973	\$ 42,210	\$ 112,301	\$	2,507,548

COUNTY OF PLYMOUTH, IOWA
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES
 Governmental Nonmajor Funds
 YEAR ENDED JUNE 30, 2014

	Special Revenue Funds			
	Debt Service	Mental Health	Revolving Loan Fund	Veteran Affairs County Grant
Revenue:				
Property and other county taxes	\$ 79,344	\$ 346,661	\$ -	\$ -
Intergovernmental	217,642	981,758	-	10,000
Charges for services	-	-	-	-
Use of money and property	552	-	959	-
Miscellaneous	-	50	-	-
Total Revenue	297,538	1,328,469	959	10,000
Expenditures:				
Current operating:				
Public safety and legal services	-	-	-	-
Physical health and social services	-	-	-	10,100
Mental health	-	512,948	-	-
County environment and education	-	-	-	-
Government services to residents	-	-	-	-
Administration	-	-	150,406	-
Debt service:				
Principal	1,067,000	-	-	-
Interest	237,891	-	-	-
Total Expenditures	1,304,891	512,948	150,406	10,100
Excess (Deficiency) of revenues over expenditures	(1,007,353)	815,521	(149,447)	(100)
Other financing sources (uses):				
Transfers in	1,007,772	-	-	-
Total other financing sources (uses)	1,007,772	-	-	-
Net Change in Fund Balances	419	815,521	(149,447)	(100)
Fund balances - beginning of year	597,054	106,564	467,357	992
Fund balances - end of year	\$ 597,473	\$ 922,085	\$ 317,910	\$ 892

Special Revenue Funds			
Recorder's Records Management Fund	REAP	Forfeiture Fund	Total
\$ -	\$ -	\$ -	\$ 426,005
-	17,762	756	1,227,918
4,982	-	-	4,982
32	68	11	1,622
-	-	54,116	54,166
5,014	17,830	54,883	1,714,693
-	-	43,201	43,201
-	-	-	10,100
-	-	-	512,948
-	-	507	507
14,236	-	-	14,236
-	-	-	150,406
-	-	-	1,067,000
-	-	-	237,891
14,236	-	43,708	2,036,289
(9,222)	17,830	11,175	(321,596)
-	-	-	1,007,772
-	-	-	1,007,772
(9,222)	17,830	11,175	686,176
23,195	24,380	100,888	1,320,430
\$ 13,973	\$ 42,210	\$ 112,063	\$ 2,006,606

COUNTY OF PLYMOUTH, IOWA
COMBINING SCHEDULE OF FIDUCIARY NET POSITION
Agency Funds
JUNE 30, 2014

	County Recorder	County Sheriff	Ag Extension Education	County Assessor
ASSETS				
Cash and Pooled Investments	\$ 61,163	\$ 76,741	\$ 2,478	\$ 377,416
Receivables:				
Property Tax	-	-	262	575
Future Property Tax Assessments	-	-	219,000	480,800
Accounts	263	-	-	-
Due from Other Governments	-	-	-	-
Total Assets	<u>61,426</u>	<u>76,741</u>	<u>221,740</u>	<u>858,791</u>
LIABILITIES				
Accounts Payable	-	1,047	-	22,001
Due to Other Governments	61,426	75,694	221,740	834,052
Compensated Absences	-	-	-	2,738
Total Liabilities	<u>\$ 61,426</u>	<u>\$ 76,741</u>	<u>\$ 221,740</u>	<u>\$ 858,791</u>

Schools	Area Schools	Corporations	Townships	City Special Assessments
\$ 202,982	\$ 11,883	\$ 67,845	\$ 5,137	\$ 1,911
20,004	1,291	20,009	141	-
17,525,253	1,077,529	10,411,194	378,744	-
-	-	-	-	13,008
-	-	-	-	-
-	-	-	-	-
17,748,239	1,090,703	10,499,048	384,022	14,919
-	-	-	-	-
17,748,239	1,090,703	10,499,048	384,022	14,919
-	-	-	-	-
\$ 17,748,239	\$ 1,090,703	\$ 10,499,048	\$ 384,022	\$ 14,919

COUNTY OF PLYMOUTH, IOWA
 COMBINING SCHEDULE OF FIDUCIARY NET POSITION (Continued)
 Agency Funds
 JUNE 30, 2014

	Auto License-Use Tax	Joint Disaster	Brucellosis & Tuberculosis Eradication
ASSETS			
Cash and Pooled Investments	\$ 688,109	\$ 74,173	\$ 51
Receivables:			
Property Tax	-	-	5
Future Property Tax	-	-	4,567
Assessments	-	-	-
Accounts	-	-	-
Due from Other Governments	-	30,228	-
Total Assets	<u>688,109</u>	<u>104,401</u>	<u>4,623</u>
LIABILITIES			
Accounts Payable	-	761	-
Due to Other Governments	688,109	102,608	4,623
Compensated Absences	-	1,032	-
Total Liabilities	<u>\$ 688,109</u>	<u>\$ 104,401</u>	<u>\$ 4,623</u>

Tax Redemption	Emergency 911	Future Tax Payment	Recorder's Electronic Fee Fund	Drainage Districts	Total
\$ 35,409	\$ 721,330	\$ 112,817	\$ 413	\$ 77,644	\$ 2,517,502
-	-	-	-	-	42,287
-	-	-	-	-	30,097,087
-	-	-	-	-	13,008
-	14,387	-	-	-	14,650
-	34,441	-	-	-	64,669
35,409	770,158	112,817	413	77,644	32,749,203
-	14	-	-	-	23,823
35,409	770,144	112,817	413	77,644	32,721,610
-	-	-	-	-	3,770
\$ 35,409	\$ 770,158	\$ 112,817	\$ 413	\$ 77,644	\$ 32,749,203

COUNTY OF PLYMOUTH, IOWA
 COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
 Agency Funds
 Year Ended June 30, 2014

	Balance June 30, 2013	Addi- tions	Deduc- tions	Balance June 30, 2014
County Recorder				
<i>Assets</i>				
Cash and Pooled Investments	\$ 60,362	\$ 458,850	\$ 458,049	\$ 61,163
Accounts Receivable	667	1,528	1,932	263
Total Assets	<u>61,029</u>	<u>460,378</u>	<u>459,981</u>	<u>61,426</u>
<i>Liabilities</i>				
Due to Other Governments	<u>61,029</u>	<u>460,378</u>	<u>459,981</u>	<u>61,426</u>
Total Liabilities	<u>61,029</u>	<u>460,378</u>	<u>459,981</u>	<u>61,426</u>
County Sheriff				
<i>Assets</i>				
Cash and Pooled Investments	<u>74,567</u>	<u>457,631</u>	<u>455,457</u>	<u>76,741</u>
Total Assets	<u>74,567</u>	<u>457,631</u>	<u>455,457</u>	<u>76,741</u>
<i>Liabilities</i>				
Account Payable	889	118,806	118,648	1,047
Due to Other Governments	<u>73,678</u>	<u>338,825</u>	<u>336,809</u>	<u>75,694</u>
Total Liabilities	<u>74,567</u>	<u>457,631</u>	<u>455,457</u>	<u>76,741</u>
Agricultural Extension Education				
<i>Assets</i>				
Cash and Pooled Investments	2,241	212,439	212,202	2,478
Property Tax Receivable	231	262	231	262
Future Property Tax Receivable	<u>213,000</u>	<u>219,000</u>	<u>213,000</u>	<u>219,000</u>
Total Assets	<u>215,472</u>	<u>431,701</u>	<u>425,433</u>	<u>221,740</u>
<i>Liabilities</i>				
Due to Other Governments	<u>215,472</u>	<u>431,701</u>	<u>425,433</u>	<u>221,740</u>
Total Liabilities	<u>215,472</u>	<u>431,701</u>	<u>425,433</u>	<u>221,740</u>
County Assessor				
<i>Assets</i>				
Cash and Pooled Investments	380,229	458,397	461,210	377,416
Property Tax Receivable	494	575	494	575
Future Property Tax Receivable	<u>458,000</u>	<u>480,800</u>	<u>458,000</u>	<u>480,800</u>
Total Assets	<u>838,723</u>	<u>939,772</u>	<u>919,704</u>	<u>858,791</u>
<i>Liabilities</i>				
Accounts Payable	2,259	22,001	2,259	22,001
Compensated Absences	2,358	2,738	2,358	2,738
Due to Other Governments	<u>834,106</u>	<u>915,033</u>	<u>915,087</u>	<u>834,052</u>
Total Liabilities	<u>\$ 838,723</u>	<u>\$ 939,772</u>	<u>\$ 919,704</u>	<u>\$ 858,791</u>

(Continued)

COUNTY OF PLYMOUTH, IOWA
 COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES - (Continued)
 Agency Funds
 Year Ended June 30, 2014

	Balance June 30, 2013	Addi- tions	Deduc- tions	Balance June 30, 2014
Schools				
<i>Assets</i>				
Cash and Pooled Investments	\$ 185,990	\$ 17,102,694	\$ 17,085,702	\$ 202,982
Property Tax Receivable	17,576	20,004	17,576	20,004
Future Property Tax Receivable	17,142,189	17,525,253	17,142,189	17,525,253
Total Assets	<u>17,345,755</u>	<u>34,647,951</u>	<u>34,245,467</u>	<u>17,748,239</u>
<i>Liabilities</i>				
Due to Other Governments	<u>17,345,755</u>	<u>34,647,951</u>	<u>34,245,467</u>	<u>17,748,239</u>
Total Liabilities	<u>17,345,755</u>	<u>34,647,951</u>	<u>34,245,467</u>	<u>17,748,239</u>
Area Schools				
<i>Assets</i>				
Cash and Pooled Investments	10,538	1,020,137	1,018,792	11,883
Property Tax Receivable	1,106	1,291	1,106	1,291
Future Property Tax Receivable	1,022,869	1,077,529	1,022,869	1,077,529
Total Assets	<u>1,034,513</u>	<u>2,098,957</u>	<u>2,042,767</u>	<u>1,090,703</u>
<i>Liabilities</i>				
Due to Other Governments	<u>1,034,513</u>	<u>2,098,957</u>	<u>2,042,767</u>	<u>1,090,703</u>
Total Liabilities	<u>1,034,513</u>	<u>2,098,957</u>	<u>2,042,767</u>	<u>1,090,703</u>
Corporations				
<i>Assets</i>				
Cash and Pooled Investments	68,433	10,369,913	10,370,501	67,845
Property Tax Receivable	15,229	20,009	15,229	20,009
Future Property Tax Receivable	10,417,043	10,411,194	10,417,043	10,411,194
Total Assets	<u>10,500,705</u>	<u>20,801,116</u>	<u>20,802,773</u>	<u>10,499,048</u>
<i>Liabilities</i>				
Due to Other Governments	<u>10,500,705</u>	<u>20,801,116</u>	<u>20,802,773</u>	<u>10,499,048</u>
Total Liabilities	<u>10,500,705</u>	<u>20,801,116</u>	<u>20,802,773</u>	<u>10,499,048</u>
Townships				
<i>Assets</i>				
Cash and Pooled Investments	4,436	388,047	387,346	5,137
Property Tax Receivable	119	141	119	141
Future Property Tax Receivable	388,059	378,744	388,059	378,744
Total Assets	<u>392,614</u>	<u>766,932</u>	<u>775,524</u>	<u>384,022</u>
<i>Liabilities</i>				
Due to Other Governments	<u>392,614</u>	<u>766,932</u>	<u>775,524</u>	<u>384,022</u>
Total Liabilities	<u>\$ 392,614</u>	<u>\$ 766,932</u>	<u>\$ 775,524</u>	<u>\$ 384,022</u>

(Continued)

COUNTY OF PLYMOUTH, IOWA
 COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES - (Continued)
 Agency Funds
 Year Ended June 30, 2014

	Balance June 30, 2013	Addi- tions	Deduc- tions	Balance June 30, 2014
City Special Assessments				
<i>Assets</i>				
Cash and Pooled Investments	\$ 6,155	\$ 25,971	\$ 30,215	\$ 1,911
Assessments Receivable	16,621	13,008	16,621	13,008
Total Assets	<u>22,776</u>	<u>38,979</u>	<u>46,836</u>	<u>14,919</u>
<i>Liabilities</i>				
Due to Other Governments	22,776	38,979	46,836	14,919
Total Liabilities	<u>22,776</u>	<u>38,979</u>	<u>46,836</u>	<u>14,919</u>
Auto License and Use Tax				
<i>Assets</i>				
Cash and Pooled Investments	589,931	8,597,550	8,499,372	688,109
Total Assets	<u>589,931</u>	<u>8,597,550</u>	<u>8,499,372</u>	<u>688,109</u>
<i>Liabilities</i>				
Due to Other Governments	589,931	8,597,550	8,499,372	688,109
Total Liabilities	<u>589,931</u>	<u>8,597,550</u>	<u>8,499,372</u>	<u>688,109</u>
Joint Disaster				
<i>Assets</i>				
Cash and Pooled Investments	70,216	101,134	97,177	74,173
Due from Other Governments	28,661	30,228	28,661	30,228
Total Assets	<u>98,877</u>	<u>131,362</u>	<u>125,838</u>	<u>104,401</u>
<i>Liabilities</i>				
Accounts Payable	60	761	60	761
Compensated Absences	906	1,032	906	1,032
Due to Other Governments	97,911	129,569	124,872	102,608
Total Liabilities	<u>98,877</u>	<u>131,362</u>	<u>125,838</u>	<u>104,401</u>
Brucellosis and Tuberculosis Eradication				
<i>Assets</i>				
Cash and Pooled Investments	45	6,728	6,722	51
Property Tax Receivable	4	5	4	5
Future Property Tax	4,427	4,567	4,427	4,567
Total Assets	<u>4,476</u>	<u>11,300</u>	<u>11,153</u>	<u>4,623</u>
<i>Liabilities</i>				
Due to Other Governments	4,476	11,300	11,153	4,623
Total Liabilities	<u>\$ 4,476</u>	<u>\$ 11,300</u>	<u>\$ 11,153</u>	<u>\$ 4,623</u>

(Continued)

COUNTY OF PLYMOUTH, IOWA
 COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES - (Continued)
 Agency Funds
 Year Ended June 30, 2014

	Balance June 30, 2013	Addi- tions	Deduc- tions	Balance June 30, 2014
Tax Redemption				
<i>Assets</i>				
Cash and Pooled Investments	\$ 40,478	\$ 328,166	\$ 333,235	\$ 35,409
Total Assets	<u>40,478</u>	<u>328,166</u>	<u>333,235</u>	<u>35,409</u>
<i>Liabilities</i>				
Due to Other Governments	40,478	328,166	333,235	35,409
Total Liabilities	<u>40,478</u>	<u>328,166</u>	<u>333,235</u>	<u>35,409</u>
E-911				
<i>Assets</i>				
Cash and Pooled Investments	575,113	260,715	114,498	721,330
Accounts Receivable	18,552	14,387	18,552	14,387
Accrued Interest	68	-	68	-
Due from Other Governments	22,622	34,441	22,622	34,441
Total Assets	<u>616,355</u>	<u>309,543</u>	<u>155,740</u>	<u>770,158</u>
<i>Liabilities</i>				
Accounts Payable	744	14	744	14
Due to Other Governments	615,611	309,529	154,996	770,144
Total Liabilities	<u>616,355</u>	<u>309,543</u>	<u>155,740</u>	<u>770,158</u>
Future Tax				
<i>Assets</i>				
Cash and Pooled Investments	122,841	120,654	130,678	112,817
Total Assets	<u>122,841</u>	<u>120,654</u>	<u>130,678</u>	<u>112,817</u>
<i>Liabilities</i>				
Due to Other Governments	122,841	120,654	130,678	112,817
Total Liabilities	<u>122,841</u>	<u>120,654</u>	<u>130,678</u>	<u>112,817</u>
Recorder's Electronic Fee Fund				
<i>Assets</i>				
Cash	497	4,977	5,061	413
Accounts Receivable	464	-	464	-
Total Assets	<u>961</u>	<u>4,977</u>	<u>5,525</u>	<u>413</u>
<i>Liabilities</i>				
Due to Other Governments	961	4,977	5,525	413
Total Liabilities	<u>\$ 961</u>	<u>\$ 4,977</u>	<u>\$ 5,525</u>	<u>\$ 413</u>

(Continued)

COUNTY OF PLYMOUTH, IOWA
 COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES - (Continued)
 Agency Funds
 Year Ended June 30, 2014

	Balance July 1, 2013	Addi- tions	Deduc- tions	Balance June 30, 2014
Drainage Districts				
<i>Assets</i>				
Cash and Pooled Investments	\$ 17,365	\$ 72,695	\$ 12,416	\$ 77,644
Total Assets	<u>17,365</u>	<u>72,695</u>	<u>12,416</u>	<u>77,644</u>
<i>Liabilities</i>				
Due to Other Governments	17,365	72,695	12,416	77,644
Total Liabilities	<u>17,365</u>	<u>72,695</u>	<u>12,416</u>	<u>77,644</u>
Total All Agency Funds				
<i>Assets</i>				
Cash and Pooled Investments	2,209,437	39,986,698	39,678,633	2,517,502
Receivables:				
Property Tax	34,759	42,287	34,759	42,287
Future Property Tax	29,645,587	30,097,087	29,645,587	30,097,087
Accounts	19,683	15,915	20,948	14,650
Assessments	16,621	13,008	16,621	13,008
Accrued Interest	68	-	68	-
Due from Other Governments	51,283	64,669	51,283	64,669
Total Assets	<u>31,977,438</u>	<u>70,219,664</u>	<u>69,447,899</u>	<u>32,749,203</u>
<i>Liabilities</i>				
Accounts Payable	3,952	141,582	121,711	23,823
Due to Other Governments	31,970,222	70,074,312	69,322,924	32,721,610
Compensated Absences	3,264	3,770	3,264	3,770
Total Liabilities	<u>\$31,977,438</u>	<u>\$70,219,664</u>	<u>\$69,447,899</u>	<u>\$32,749,203</u>

COUNTY OF PLYMOUTH, IOWA
Schedule of Revenues By Source and Expenditures By Function - All Governmental Funds
For the Last Ten Years

	Modified Accrual Basis of Accounting			
	2014	2013	2012	2011
Revenue:				
Property and other county tax	\$ 11,649,019	11448720	\$ 9,877,179	\$ 9,920,821
Interest and penalty on property tax	62,868	61238	63,172	78,080
Intergovernmental	8,382,773	6308678	8,972,935	7,385,918
Licenses and permits	26,115	22375	17,800	24,285
Charges for services	1,046,727	1125503	1,115,565	1,114,377
Use of money and property	188,613	509734	207,602	189,653
Miscellaneous	472,355	336,511	496,728	458,852
Total Revenue	21,828,470	19,812,759	20,750,981	19,171,986
Expenditures:				
Current operating:				
Public safety and legal services	3,325,102	3223465	3,071,623	2,853,341
Physical health and social services	351,297	382695	364,859	376,388
Mental health	512,948	679483	2,147,497	1,984,771
County environment and education	880,665	970421	799,208	927,079
Roads and transportation	5,906,068	6482247	6,245,662	6,195,661
Government services to residents	776,742	849607	710,910	656,140
Administration	3,766,018	3270103	3,727,087	3,956,335
Non-program services	-	-	-	13,975
Capital projects	3,469,183	3426005	1,140,267	1,560,203
Debt service	1,304,891	1,430,742	1,509,270	1,271,516
Total	\$ 20,292,914	\$ 20,714,768	\$ 19,716,383	\$ 19,795,409

Modified Accrual Basis of Accounting					
2010	2009	2008	2007	2006	2005
\$ 8,990,258	\$ 8,308,557	\$ 7,029,638	\$ 7,038,897	\$ 6,477,719	\$ 6,066,442
59,147	52,946	66,489	44,774	51,572	41,285
6,932,868	7,024,793	7,434,084	7,907,071	6,366,280	5,764,705
22,993	30,113	18,916	20,915	16,411	19,970
859,404	1,022,824	943,907	900,890	1,027,574	714,999
177,048	228,436	332,861	427,026	512,097	361,449
380,740	349,320	314,448	288,332	285,461	237,226
17,422,458	17,016,989	16,140,343	16,627,905	14,737,114	13,206,076
2,855,860	2,734,558	2,658,332	2,486,684	2,535,343	2,275,934
414,025	328,814	264,204	255,798	239,609	246,990
1,660,599	1,902,737	2,009,963	1,638,704	1,565,248	1,431,115
906,846	769,916	869,298	778,989	655,145	7,743,681
6,386,246	6,178,260	6,461,398	6,699,545	4,793,094	4,890,445
665,248	674,508	602,053	618,032	787,097	588,414
2,270,447	2,142,876	1,974,168	2,138,733	2,167,003	2,418,039
29,204	84,500	20,000	110,352	327,239	41,639
1,021,659	1,083,632	831,956	1,172,569	1,647,786	2,454,669
1,610,201	1,252,667	941,037	950,554	941,384	665,329
\$ 17,820,335	\$ 17,152,468	\$ 16,632,409	\$ 16,849,960	\$ 15,658,948	\$ 22,756,255

PLYMOUTH COUNTY, IOWA
Schedule of Expenditures of Federal Awards (Cash Basis)
Year Ended June 30, 2014

	CFDA Number	Agency or Pass-Through Number	Program Disburse- ments
Indirect:			
DEPARTMENT OF AGRICULTURE			
Iowa Department of Human Services:			
Human Services Administrative Reimbursements:			
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561		11,704
DEPARTMENT OF JUSTICE			
Iowa Department of Justice:			
Crime Victim Assistance	16.575	VA-14-57-CJ	23,810
DEPARTMENT OF TRANSPORTATION			
Iowa Department of Transportation:			
Highway Planning and Construction	20.205	BROS-CO75(131)-8J-75	184,717
Highway Planning and Construction		BROS-CO75(85)	465,302
			650,019 *
Iowa Governor's Traffic Safety Bureau			
Alcohol Impaired Driving Countermeasures Incentive Grants	20.601	013-410, Task 45	483
Federal Hazardous Materials	20.703		4,316
DEPARTMENT OF HEALTH AND HUMAN SERVICES:			
Iowa Department of Human Services:			
Public Health Emergency Preparedness	93.069		144,581
Human Services Administrative Reimbursements:			
Refugee and Entrant Assistance - State Administered Programs	93.566		26
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596		3,413
Foster Care - Title IV-E	93.658		4,486
Adoption Assistance	93.659		1,514
Social Services Block Grant	93.667		3,677
Children's Health Insurance Program	93.767		49
Medical Assistance Program	93.778		19,365
Child Support Enforcement	93.563		1,035
			33,565
Iowa Department of Public Health:			
Medical Reserve Corps	93.074		1,666
Public Health Emergency Preparedness	93.069		15,195
			16,861

(Continued)

PLYMOUTH COUNTY, IOWA
Schedule of Expenditures of Federal Awards (Cash Basis) - (Continued)
Year Ended June 30, 2014

	CFDA Number	Agency or Pass-Through Number	Program Disburse- ments
DEPARTMENT OF HOMELAND SECURITY			
Iowa Department of Homeland Security and Emergency Management			
Emergency Management Performance Grants	97.042		30,228
Homeland Security Grant Program	97.067		3,000
Public Assistance Disaster Grant	97.036		240,618
			<u>273,846</u>
Total Expenditures of Federal Awards			<u>\$ 1,159,185</u>

* Total disbursements from these programs exceeded 50% of the total federal awards and are considered major programs.

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, 2014

Part I: Summary of the Independent Auditor's Results

- (a) Unmodified opinions were issued on the financial statements.
- (b) A material weakness in internal control over financial reporting was 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) A material weakness in internal control over major programs was disclosed by the audit of the financial statements.
- (e) An unmodified opinion was issued on compliance with requirements applicable to each major program.
- (f) The audit disclosed a finding which was required to be reported in accordance with Office of Management and Budget Circular A-133, Section .510(a).
- (g) The major program was as follows:

<u>CFDA Number</u>	<u>Program Name</u>
20.205	Highway Planning and Construction

- (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 Statements

Instances of Noncompliance

No matters were reported.

There were no prior year audit findings.

Material Weakness

II-A-14: Financial Reporting
(2014-001)

Observation – During the audit, we identified material amounts of receivables, payables, and capital asset additions not recorded in the County's financial statements. Adjustments were subsequently made by the County to properly include these amounts in the financial statements.

Recommendation – The County should implement procedures to ensure all receivables, payables, and capital asset additions are identified in the County's financial statements.

Response – We will double check these in the future to avoid missing any receivables, payables, or capital asset transactions.

Conclusion – Response accepted

PLYMOUTH COUNTY
Schedule of Findings and Questioned Costs
Year Ended June 30, 2014

Part III: Findings and Questioned Costs For Federal Awards

Instances of Non Compliance

No matters were reported.

Material Weakness

**III-A-14: Grant Administration/Schedule of Expenditures of Federal Awards
(2014-002)**

Observation – During the audit, we identified adjustments necessary for the Schedule of Expenditures of Federal Awards. Adjustments were subsequently made by the County to properly include all amounts and information in the Schedule of Expenditures of Federal Awards.

Recommendation – The County should implement procedures to ensure all federal grants are identified and included in the County's Schedule of Expenditures of Federal Awards at the appropriate amounts.

Response – The County understands the nature of the weaknesses and will double check all grants in the future to ensure all information is properly included in the Schedule of Expenditures of Federal Awards.

Conclusion – Response accepted

PLYMOUTH COUNTY
Schedule of Findings and Questioned Costs
Year Ended June 30, 2014

Part IV: Other Findings Related to Required Statutory Reporting

IV-A-14 Certified Budget – Disbursements for the year ended June 30, 2014 did not exceed the amounts budgeted in any function

IV-B-14 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.

IV-C-14 Travel Expenses – No expenditures of County money for travel expenses of spouses of County officials or employees were noted.

IV-D-14 Business Transactions – There were no business transactions between the County and County officials and/or employees during the year ended June 30, 2014.

IV-E-14 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.

IV-F-14 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, 2014 for the County Extension Office did not exceed the amount budgeted.

IV-G-14 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).

IV-H-14 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.

IV-I-14 Certified Budgets – Disbursements for the year ended June 30, 2014 exceeded the amounts budgeted in the Joint Disaster and County Assessor areas.

Recommendation – The budgets should have been amended in accordance with Chapter 331.435 of the Code of Iowa before disbursements were allowed to exceed the budget.

Response – We will amend the budgets when required in the future.

Conclusion – Response accepted.



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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133**

To the Board of Supervisors
Plymouth County, Iowa

Report on Compliance for Each Major Federal Program

We have audited Plymouth County's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Plymouth County's major federal programs for the year ended June 30, 2014. Plymouth County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Plymouth County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; 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 on compliance for each major federal program. However, our audit does not provide a legal determination of Plymouth County's compliance.

Opinion on Each Major Federal Program

In our opinion, Plymouth County, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2014.

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant

deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be a material weakness.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as item III-A-14 (2014-001) to be a material weakness.

A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We identified no significant deficiencies.

Plymouth County's response on internal control over compliance findings identified in our audit is described in the schedule of findings and questioned costs. Plymouth County's response was not subjected to the auditing procedures applied in the audit of compliance, and accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.



Williams & Company, P.C.

Le Mars, Iowa
January 26, 2015



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

To the Board of Supervisors
Plymouth County, Iowa

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Plymouth County, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise Plymouth County's basic financial statements and have issued our report thereon dated January 26, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Plymouth County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Plymouth County's internal control. Accordingly, we do not express an opinion on the effectiveness of Plymouth County's internal control.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified a certain deficiency in internal control over financial reporting that we consider to be a material weakness.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item II-A-14 to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Plymouth County's financial statements are free from 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, 2014 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.

Plymouth County's Response to Findings

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

We would like to acknowledge the many courtesies and assistance extended to us by personnel of Plymouth County during the course of our audit. Should you have any questions concerning any of the above matters, we would be pleased to discuss them with you at your convenience.

Williams & Company, P.C.
Certified Public Accountants

Le Mars, Iowa
January 26, 2015



Plymouth County Auditor

Stacey Feldman

Plymouth County Courthouse

215 4th Ave. SE

Le Mars, IA 51031

Phone: 712-546-6100

Fax: 712-546-5784

sfeldman@co.plymouth.ia.us

**Schedule of Findings and Questioned Costs
Corrective Action Plan
June 30, 2014**

Department of Transportation

Plymouth County, respectfully submits the following corrective action plan for the year ended June 30, 2014.

The audit was performed by Williams & Company, P.C., P.O. Box 1010, Le Mars, Iowa, for the fiscal year ended June 30, 2014.

The finding from the June 30, 2014 Schedule of Findings and Questioned Costs is discussed below. The finding is numbered consistently with the number assigned in the schedule.

Material Weakness:

III-A-14 - Grant Administration/Schedule of Expenditures of Federal Awards
(2014-001)

Observation – During the audit, we identified adjustments necessary for the Schedule of Expenditures of Federal Awards. Adjustments were subsequently made by the County to properly include all amounts and information in the Schedule Expenditures of Federal Awards.

Recommendation – The County should implement procedures to ensure all federal grants are identified and included in the County's Schedule of Expenditures of Federal Awards at the appropriate amounts.

Response – The County understands the nature of the weakness and will double check all grants in the future to ensure all information is properly included in the Schedule of Expenditures of Federal Awards.

If the Department of Transportation has questions regarding this plan, please call Stacey Feldman at 712-546-6100.

Sincerely yours,

PLYMOUTH COUNTY

Stacey Feldman, Auditor