

STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2765

EXAMINATION REPORT
OF
CITY OF PLYMOUTH
MARSHALL COUNTY, INDIANA
January 1, 2005 to December 31, 2005



FILED
08/08/2006

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Officials	2
Independent Accountant's Report	3
Schedule of Receipts, Disbursements, and Cash and Investment Balances.....	4
Notes to Schedule	5-6
Supplementary Information	
Schedule of Capital Assets	7
Schedule of Debt	8
Examination Result and Comment:	
Fee Schedule.....	9
Exit Conference	10
Officials Response	11-12

OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Toni L. Hutchings	01-01-04 to 12-31-07
Mayor	Gary L. Cook	01-01-04 to 12-31-07
President of the City Council	Kurt Garner Donald Gardner	01-01-05 to 12-31-05 01-01-06 to 12-31-06



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE CITY OF PLYMOUTH, MARSHALL COUNTY, INDIANA

We have examined the schedule of receipts, disbursements, and cash and investment balances of the City of Plymouth (City), for the period of January 1, 2005 to December 31, 2005. The City's management is responsible for the schedule. Our responsibility is to express an opinion based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence supporting the schedule of receipts, disbursements, and cash and investment balances and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

In our opinion, the schedule referred to above presents fairly, in all material respects, the cash transactions of the City for the year ended December 31, 2005, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

STATE BOARD OF ACCOUNTS

June 28, 2006

CITY OF PLYMOUTH
SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL, PROPRIETARY, AND FIDUCIARY FUND TYPES
As Of And For The Year Ended December 31, 2005

	Cash and Investments 1-1-05	Receipts	Disbursements	Cash and Investments 12-31-05
Governmental Funds:				
General	\$ 2,507,882	\$ 5,627,972	\$ 4,856,079	\$ 3,279,775
Motor Vehicle Highway	556,092	1,413,645	1,380,485	589,252
Local Road and Street	272,283	49,958	45,788	276,453
Park and Recreation	252,128	590,021	551,378	290,771
Law Enforcement Continuing Education	25,127	10,851	5,918	30,060
Riverboat	124,270	62,048	124,270	62,048
Rainy Day	201,678	200,000	201,678	200,000
Cemetery	166,865	186,761	221,582	132,044
Aviation	460,744	312,037	510,700	262,081
Emergency Medical Services	179,801	640,002	640,446	179,357
Drug Free Community	1,799	-	-	1,799
Police Federal Equitable Sharing	-	6,340	-	6,340
Owner-Occupied Rehabilitation Grant	-	15,000	-	15,000
Home Improvement Grant	123,355	6,721	10	130,066
Brownfield Site Assessment	594	-	-	594
Crime Prevention/K-9	66	3,880	1,458	2,488
Skate Park Gift	1,982	-	1,982	-
Aviation Rotary	29,463	197,755	188,913	38,305
Restitution	4,146	314	-	4,460
Deferral and Diversion	28,418	393	7,392	21,419
Transportation	2,331	10,000	6,564	5,767
D.A.R.E.	886	196	807	275
Park Nonreverting Operating	18,856	78,726	73,959	23,623
City Monetary Gift	2,033	50,631	41,915	10,749
Multi-County Drug Task Force	33,430	5,906	1,092	38,244
Cumulative Capital Improvement	303,589	30,418	-	334,007
Cumulative Capital Development	1,020,038	237,830	63,991	1,193,877
2000 TIF Tax Money	219,240	227,302	62,643	383,899
Vinall Downtown Project	-	185,700	124,763	60,937
Oak Road Improvements	21,495	-	-	21,495
1993 TIF Tax Money	1,331,289	681,707	197,108	1,815,888
CFF Senior Center Grant	845	-	-	845
UDAG Hospital	2,409,182	89,379	25,000	2,473,561
Park Nonreverting Capital	6,352	10,150	-	16,502
Plymouth Greenways	10,255	1,370	1,834	9,791
Proprietary Funds:				
Water Operating	131,987	1,696,046	1,676,811	151,222
Water Bond and Interest	681,619	469,941	460,728	690,832
Water Depreciation	1,544,637	323,464	56,688	1,811,413
Water Customer Deposit	90,114	32,779	26,347	96,546
Wastewater Operating	195,972	2,688,480	2,716,303	168,149
Wastewater Bond and Interest	356,383	708,815	708,815	356,383
Wastewater Depreciation	2,211,597	501,213	754,597	1,958,213
Wastewater Pretreatment	3,279	68,045	69,308	2,016
Fiduciary Funds:				
Police Officers' Pension	258,722	185,769	224,749	219,742
Firefighter's Pension	111,204	24,889	45,389	90,704
Park Deposits	4,360	23,650	23,650	4,360
Cemetery Trust	9,038	239	140	9,137
Cemetery Perpetual Trust	323,518	9,733	-	333,251
Park Gift	21,916	5,594	6,692	20,818
Financial Guarantee	39,269	29,499	23,748	45,020
Levy Excess	-	67,770	3,108	64,662
Payroll	241	4,436,340	4,436,375	206
Totals	<u>\$ 16,300,370</u>	<u>\$ 22,205,279</u>	<u>\$ 20,571,203</u>	<u>\$ 17,934,446</u>

The accompanying notes are an integral part of the schedules.

CITY OF PLYMOUTH
NOTES TO SCHEDULE

Note 1. Introduction

The City was established under the laws of the State of Indiana. The City provides the following services: public safety (police and fire), highway and streets, health and social services, culture and recreation, public improvements, planning and zoning, general administrative services, water, wastewater, and urban redevelopment.

Note 2. Fund Accounting

The City uses funds to report on its cash and investments and the results of its operations on a cash basis. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions or activities.

Note 3. Budgets

The operating budget is initially prepared and approved at the local level. In addition, funds for which property taxes are levied or highway use taxes are received are subject to final approval by the Indiana Department of Local Government Finance.

Note 4. Property Taxes

Property taxes levied are collected by the County Treasurer and are distributed to the City in June and December. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's March 1 (lien date) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100% of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which become delinquent if not paid by May 10 and November 10, respectively. All property taxes collected by the County Treasurer and available for distribution were distributed to the City on or prior to December 31 of the year collected.

Note 5. Deposits and Investments

Deposits, made in accordance with Indiana Code 5-13, with financial institutions in the State of Indiana at year end were entirely insured by the Federal Depository Insurance Corporation or by the Indiana Public Deposit Insurance Fund. This includes any deposit accounts issued or offered by a qualifying financial institution.

State statute (IC 5-13-9) authorizes the City to invest in securities including, but not limited to, federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

CITY OF PLYMOUTH
NOTES TO SCHEDULE
(Continued)

Note 6. Pension Plans

Public Employees' Retirement Fund

Plan Description

The City contributes to the Indiana Public Employees' Retirement Fund (PERF), a defined benefit pension plan. PERF is an agent multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All full-time employees are eligible to participate in this defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through the PERF Board, most requirements of the system, and give the City authority to contribute to the plan. The PERF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of members' contributions, set by state statute at 3% of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

PERF administers the plan and issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for its participants. That report may be obtained by contacting:

Public Employees' Retirement Fund
Harrison Building, Room 800
143 West Market Street
Indianapolis, IN 46204
Ph. (317) 233-4162

Funding Policy and Annual Pension Cost

The contribution requirements of the plan members for PERF are established by the Board of Trustees of PERF.

Note 7. Long-Term Debt

The City has entered into various debt obligations such as bonds for utility plant in service improvements and a capital lease for land. The outstanding principal at December 31, 2005, was \$5,320,000 and \$31,673, respectively.

Note 8. Other Report

In addition, a report was prepared for the Water and Wastewater Utilities of the City of Plymouth.

CITY OF PLYMOUTH
SUPPLEMENTARY INFORMATION
SCHEDULE OF CAPITAL ASSETS
For The Year Ended December 31, 2005

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 1,778,787
Infrastructure	1,107,944
Buildings	4,821,751
Improvements other than buildings	3,713,497
Machinery and equipment	5,589,640
Construction in progress	<u>445,171</u>
 Total governmental activities, capital assets not being depreciated	 \$ <u>17,456,790</u>
Business-type activities:	
Water Utility:	
Capital assets, not being depreciated:	
Land	\$ 177,016
Construction in progress	17,000
Capital assets, being depreciated:	
Buildings	4,404,630
Improvements other than buildings	7,032,680
Machinery and equipment	962,863
Less accumulated depreciation for:	
Buildings	(973,881)
Improvements other than buildings	(2,786,443)
Machinery and equipment	<u>(873,354)</u>
 Total Water Utility capital assets, net	 <u>7,960,511</u>
Wastewater Utility:	
Capital assets, not being depreciated:	
Land	164,463
Construction in progress	138,671
Capital assets, being depreciated:	
Buildings	11,515,498
Improvements other than buildings	10,781,954
Machinery and equipment	1,749,911
Less accumulated depreciation for:	
Buildings	(3,672,923)
Improvements other than buildings	(3,429,807)
Machinery and equipment	<u>(1,234,224)</u>
 Total Waste Water Utility capital assets, net	 <u>16,013,543</u>
 Total business-type activities capital assets, net	 \$ <u>23,974,054</u>

CITY OF PLYMOUTH
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF DEBT
 For The Year Ended December 31, 2005

Description of Asset	Ending Balance	Due Within One Year
Governmental Activities:		
Capital Lease:		
Master's Real Estate (Land)	\$ 31,673	\$ 9,523
Total governmental activities long-term debt	<u>\$ 31,673</u>	
Business-type Activities:		
Water Utility:		
Revenue bonds:		
1998 Waterworks Refunding	\$ 680,000	265,000
1999 Waterworks Improvement	<u>2,945,000</u>	25,000
Total Water Utility	<u>3,625,000</u>	
Wastewater Utility:		
Revenue bonds:		
1996 Sewage Works Refunding	<u>1,695,000</u>	615,000
Total Wastewater Utility	<u>1,695,000</u>	
Total business-type activities	<u>\$ 5,320,000</u>	

CITY OF PLYMOUTH
EXAMINATION RESULT AND COMMENT

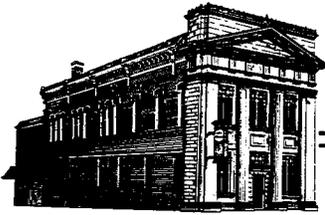
FEE SCHEDULE (Applies to the Park Department)

The Park Board approved a fee schedule for 2005 at their January 4th meeting. However, on 16 occasions during 2005, the Board waived fees for the rental of clubhouses, shelters, centers, pavilions and the amphitheater.

Each governmental unit is responsible for complying with the ordinances, resolutions, and policies it adopts. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

CITY OF PLYMOUTH
EXIT CONFERENCE

The contents of this report were discussed on July 6, 2006, with Gary L. Cook, Mayor; and Toni L. Hutchings, Clerk-Treasurer. The official response has been made a part of this report and may be found on pages 11 and 12.



City of Plymouth

Gary L. Cook
Mayor

124 N. Michigan Street P.O. Box 492
Plymouth, Indiana 46563
www.plymouthin.com

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Clerk-Treasurer

City Attorney
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Telephone (574) 936-7989

Council
Max D. Schuh
Chuck Ripley
Donald Gardner
Kurt W. Garner
Jack B. Greenlee

July 11, 2006

State Board of Accounts
302 West Washington Street, Room E 418
Indianapolis Indiana 46204-2738

OFFICIAL RESPONSE

This letter is an official response to the results and comments of the exit conference for the City of Plymouth, which was held on Thursday, July 6, 2006 in the City of Plymouth.

As elected city officials, we understand our responsibility to the taxpayers of the city to fairly and impartially administer and enforce the ordinances of the City of Plymouth and the State of Indiana as they fall under our jurisdiction. In keeping with this spirit, we fully agree with the comments in the audit stating that by waiving fees, the park department is not following the policies that it adopted.

Clerk-Treasurer Hutchings wrote a letter to the park superintendent giving him the opportunity to write a brief statement to be included in this official response. In the letter, she advised Superintendent Hite that he needed to discuss this information with the park board and that in the future, they should adopt a fee schedule, which should then be written into ordinance form by the city attorney to be adopted by the Common Council. Park Superintendent Hite's response is attached to this letter.

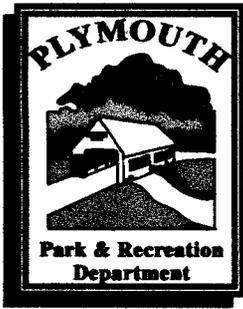
We realize that it is the responsibility of each governmental unit to comply with the ordinances, resolutions and policies that it adopts. To reinforce this thought with the appointed officials and appointed board members who serve the city, we are forwarding the audit comment from the 2005 audit as well as this official response to the Common Council, Park Board and Aviation Board.



Gary L. Cook
Mayor, City of Plymouth



Toni L. Hutchings
Clerk-Treasurer, City of Plymouth



Plymouth Parks and Recreation Department

1660 North Michigan Street, Plymouth, IN 46563
Park Office: 574-936-2876, Email: parks@plymouthin.com
Superintendent - Michael Hite

Park Board
Jim Causey, Pres.
Andy Metsker, V.P.
Sally Greenlee, Sect.
Mary Beth Hunter
Robert Beiter
Dave Morrow

July 11, 2006

TO: State Board of Accounts

FROM: Michael Hite, Park Superintendent

CONTENT: Response on the waiving of rental fees in the year 2005

The fees waived in 2005 were either for non-profit organizations or groups that either donated structures or made other monetary contributions to the park. The Park Board felt this to be logical because the groups were mostly from the organizations within the City of Plymouth.

The 2007 Fee Schedule will include this practice.