

B36941

STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769

EXAMINATION REPORT
OF
CITY OF PLYMOUTH
MARSHALL COUNTY, INDIANA
January 1, 2009 to December 31, 2009



FILED
05/13/2010

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Officials	2
Independent Accountant's Report.....	3
Financial Information: Schedule of Receipts, Disbursements, and Cash and Investment Balances	4
Notes to Financial Information	5-7
Supplementary Information: Schedule of Capital Assets.....	8
Schedule of Long-Term Debt	9
Exit Conference.....	10

OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Toni L. Hutchings	01-01-08 to 12-31-11
Mayor	Mark Senter	01-01-08 to 12-31-11
President of the Board of Public Works and Safety	Mark Senter	01-01-08 to 12-31-11
President of the Common Council	Charles Ripley	01-01-09 to 12-31-10



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

INDEPENDENT ACCOUNTANT'S REPORT

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

We have examined the financial information presented herein of the City of Plymouth (City), for the period of January 1, 2009 to December 31, 2009. The City's management is responsible for the financial information presented herein. 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 financial information presented herein 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 financial information referred to above presents fairly, in all material respects, the financial information of the City for the year ended December 31, 2009, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

The Schedule of Capital Assets and Schedule of Long-Term Debt, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the basic financial information. They have not been subjected to the examination procedures applied to the basic financial information and, accordingly, we express no opinion on them.

STATE BOARD OF ACCOUNTS

May 5, 2010

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, 2009

	Cash and Investments 01-01-09	Receipts	Disbursements	Cash and Investments 12-31-09
Governmental Funds:				
General	\$ 3,264,834	\$ 5,939,152	\$ 5,531,879	\$ 3,672,107
Motor Vehicle Highway	662,194	1,645,438	1,450,233	857,399
Local Road and Street	293,038	44,969	299,356	38,651
Cumulative Capital Development	865,406	410,763	178,308	1,097,861
Cumulative Capital Improvement	417,036	30,173	39,800	407,409
Park and Recreation	266,933	619,532	570,677	315,788
Rainy Day	3,005,560	831,469	-	3,837,029
1993 TIF Tax Money	3,813,722	965,930	106,044	4,673,608
2000 TIF Tax Money	411,340	228,020	117,263	522,097
2005 TIF Tax Money	225,958	458,544	147,046	537,456
Aviation	562,440	311,766	151,369	722,837
Aviation Rotary	19,079	97,773	97,065	19,787
Cemetery	149,666	358,144	268,129	239,681
City Monetary Gift	11,920	-	2,264	9,656
Community Improvement	2,881	11,366	14,247	-
Crime Prevention/K-9	3,116	1,772	2,525	2,363
D.A.R.E.	335	-	-	335
Deferral and Diversion	28,192	7,200	21,131	14,261
EDA TechFarm	523,288	57,000	10,155	570,133
FEMA Flood Mitigation Grant	46,412	203,268	249,680	-
Home Improvement Grant	137,839	-	-	137,839
Law Enforcement Continuing Education	40,727	8,196	12,797	36,126
Multi-County Drug Task Force	37,531	-	-	37,531
Owner-Occupied Rehabilitation Grant	3,386	-	-	3,386
Park Gift	19,010	5,880	5,426	19,464
Park Nonreverting Capital	80	30,000	-	30,080
Park Nonreverting Operating	68,852	41,343	62,453	47,742
Plymouth Greenways Trail Project	11,367	100	412	11,055
Restitution	4,960	194	-	5,154
Riverboat	62,392	61,579	61,450	62,521
Transportation	432	5,568	6,000	-
UDAG Hospital	2,212,575	12,155	140,256	2,084,474
Unsafe Building	37,406	-	-	37,406
Proprietary Funds:				
Water Operating	155,938	1,546,738	1,518,349	184,327
Water Bond and Interest	717,728	2,443,860	2,910,083	251,505
Water Depreciation	1,875,922	-	296,372	1,579,550
Water Customer Deposit	108,388	23,087	20,608	110,867
Wastewater Operating	394,655	1,880,468	1,980,930	294,193
Wastewater Bond and Interest	12,849	398,553	332,527	78,875
Wastewater Depreciation	2,053,200	229,723	112,014	2,170,909
Wastewater Construction	2,844,626	15,412	2,166,451	693,587
Wastewater Stormwater	193,568	175,254	83,818	285,004
Wastewater Pre-treatment	35,697	58,179	46,583	47,293
Fiduciary Funds:				
Police Officers' Pension	249,752	259,952	224,992	284,712
Firefighters' Pension	50,777	51,594	49,928	52,443
Cemetery Perpetual Trust	371,296	11,221	-	382,517
Cemetery Trust	9,973	270	162	10,081
Financial Guarantee	158,144	108,164	27,758	238,550
Park Deposits/Cemetery Deposits	4,490	25,300	23,980	5,810
Payroll	169	4,995,825	4,995,669	325
Totals	\$ 26,447,079	\$ 24,610,894	\$ 24,336,189	\$ 26,721,784

The accompanying notes are an integral part of the financial information.

CITY OF PLYMOUTH
NOTES TO FINANCIAL INFORMATION

Note 1. Introduction

The City was established under the laws of the State of Indiana. The City provides the following services: public safety, health and social services, culture and recreation, and general administrative services.

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 FINANCIAL INFORMATION
(Continued)

Note 6. Pension Plans

1. 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.

2. 1925 Police Officers' Pension Plan and 1937 Firefighters' Pension Plan

Plan Description

The primary government contributes to the 1925 Police Officers' Pension Plan and the 1937 Firefighters' Pension Plan which are single-employer defined benefit pension plans. The plans are administered by the local pension boards as authorized by state statutes (IC 36-8-6 and IC 36-8-7 respectively). The plans provide retirement, disability, and death benefits to plan members and beneficiaries. The plans were established by the plan administrators, as provided by state statute. The 1925 Police Officers and the 1937 Firefighters' Pension Plans are funded by the State of Indiana through the Public Employees' Retirement Fund as provided under IC 5-10.3-11. PERF issues a publicly available financial report that includes financial statements and required supplementary information for the plans 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

CITY OF PLYMOUTH
NOTES TO FINANCIAL INFORMATION
(Continued)

Note 7. Long-Term Debt

The City has entered into various debt obligations such as bonds for utility plant in service improvements for the Water and Wastewater Utilities. The outstanding principal for the Water and Wastewater Utilities at December 31, 2009, was \$1,990,000 and \$3,385,000, 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
 As of December 31, 2009

Capital assets are reported at actual or estimated historical cost based on appraisals or deflated current replacement cost. Contributed or donated assets are reported at estimated fair value at the time received.

General infrastructure assets (those reported by governmental activities) are included regardless of their acquisition date or amount. The government was able to estimate the historical cost for the initial reporting of these assets through backtrending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year). As the government constructs or acquires additional capital assets each period, including infrastructure assets, they are reported at historical cost.

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 3,340,212
Infrastructure	24,762,926
Buildings	4,894,523
Improvements other than buildings	5,433,922
Machinery and equipment	<u>6,694,885</u>
Total governmental activities, capital assets not being depreciated	<u>\$ 45,126,468</u>
Business-type activities:	
Water Utility:	
Capital assets, not being depreciated:	
Land	\$ 177,016
Construction in progress	39,973
Buildings	4,456,323
Improvements other than buildings	7,872,069
Machinery and equipment	<u>1,050,496</u>
Total Water Utility capital assets	<u>13,595,877</u>
Wastewater Utility:	
Capital assets, not being depreciated:	
Land	164,463
Construction in progress	261,773
Buildings	12,389,005
Improvements other than buildings	13,522,318
Machinery and equipment	<u>2,248,516</u>
Total Wastewater Utility capital assets	<u>28,586,075</u>
Total business-type activities capital assets	<u>\$ 42,181,952</u>

CITY OF PLYMOUTH
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 As of December 31, 2009

The City has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Business-type activities:		
Water Utility:		
Revenue bonds:		
Waterworks refunding revenue bonds of 2009	\$ 1,990,000	\$ 348,008
Wastewater Utility:		
Revenue bonds:		
Sewage works revenue bonds of 2008	3,385,000	324,655
Total business-type activities debt	<u>\$ 5,375,000</u>	<u>\$ 672,663</u>

CITY OF PLYMOUTH
EXIT CONFERENCE

The contents of this report were discussed on May 5, 2010, with Toni L. Hutchings, Clerk-Treasurer; and Mark Senter, Mayor. Our examination disclosed no material items that warrant comment at this time.