

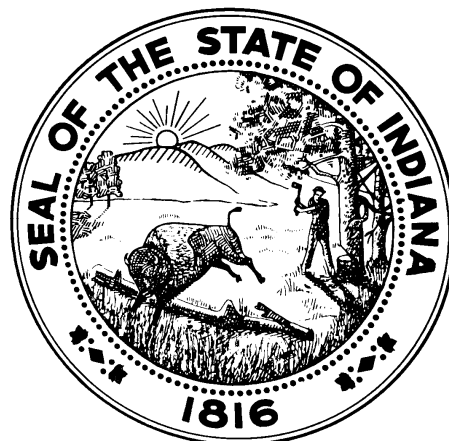
STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769

ANNUAL FINANCIAL REPORT

2008

CITY OF PLYMOUTH

MARSHALL COUNTY, INDIANA



FILED
08/03/2009

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SCHEDULE OF 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	01-01-08 to 12-31-09



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INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS
AND SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Plymouth (City), as of and for the year ended December 31, 2008, which collectively comprise the City's basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of the City's management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

As discussed in Note I, the City prepares its financial statements on the prescribed basis of accounting that demonstrates compliance with the cash and investment basis and budget laws of the State of Indiana, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash and investment balances of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of December 31, 2008, and the respective cash receipts and cash disbursements during the year then ended on the basis of accounting described in Note I.

In accordance with Government Auditing Standards, we have also issued a report dated July 2, 2009, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, 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 audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the U.S. Office of

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS
AND SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
(Continued)

Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The Schedules of Funding Progress, Schedule of Contributions From the Employer and Other Contributing Entities, and Budgetary Comparison Schedules, as listed in the Table of Contents, are not required parts of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management, regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

The City has not presented Management's Discussion and Analysis that accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the basic financial statements.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The Combining Schedules, as listed in the Table of Contents, Schedule of Capital Assets, and Schedule of Long-Term Debt are presented for additional analysis and are not required parts of the basic financial statements. The Combining Schedules, as listed in the Table of Contents, have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The Schedule of Capital Assets and Schedule of Long-Term Debt have not been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, accordingly, we express no opinion on them.

STATE BOARD OF ACCOUNTS

July 2, 2009



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

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Plymouth (City), as of and for the year ended December 31, 2008, which collectively comprise the City's basic financial statements and have issued our report thereon dated July 2, 2009. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be significant deficiencies or material weaknesses, as defined above.

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
(Continued)

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

The City's response to the finding identified in our audit is described in the accompanying section of the report entitled Corrective Action Plan. We did not audit the City's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the City's management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

July 2, 2009

CITY OF PLYMOUTH
STATEMENT OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS
For The Year Ended December 31, 2008

Functions/Programs	Program Receipts				Net (Disbursement) Receipt and Changes in Net Assets		
	Disbursements	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-Type Activities	Totals
Primary government:							
Governmental activities:							
General government	\$ 2,644,850	\$ 285,498	\$ 37,768	\$ -	\$ (2,321,584)	\$ -	\$ (2,321,584)
Public safety	3,690,148	480,376	-	-	(3,209,772)	-	(3,209,772)
Highways and streets	1,652,497	4,952	1,001,768	47,366	(598,411)	-	(598,411)
Sanitation	557,106	378,097	-	-	(179,009)	-	(179,009)
Health and welfare	29,125	238,585	1,438	-	210,898	-	210,898
Economic development	238,325	-	-	211,446	(26,879)	-	(26,879)
Culture and recreation	710,946	106,132	-	-	(604,814)	-	(604,814)
Urban redevelopment and housing	260,748	-	-	-	(260,748)	-	(260,748)
Total governmental activities	9,783,745	1,493,640	1,040,974	258,812	(6,990,319)	-	(6,990,319)
Business-type activities:							
Water Utility	1,697,069	1,622,486	-	-	-	(74,583)	(74,583)
Wastewater Utility	3,328,959	2,363,418	11,209	-	-	(954,332)	(954,332)
Total business-type activities	5,026,028	3,985,904	11,209	-	-	(1,028,915)	(1,028,915)
Total primary government	\$ 14,809,773	\$ 5,479,544	\$ 1,052,183	\$ 258,812	(6,990,319)	(1,028,915)	(8,019,234)
General receipts:							
Property taxes					4,860,196	-	4,860,196
Intergovernmental					2,173,893	-	2,173,893
Other local sources					1,521,126	-	1,521,126
Net proceeds from borrowings					-	3,663,254	3,663,254
Grants and contributions not restricted to specific programs					46,083	-	46,083
Investment earnings					502,561	136,741	639,302
Total general receipts					9,103,859	3,799,995	12,903,854
Change in net assets					2,113,540	2,771,080	4,884,620
Net assets - beginning					15,096,365	5,621,491	20,717,856
Net assets - ending					\$ 17,209,905	\$ 8,392,571	\$ 25,602,476
Assets							
Cash and investments					\$ 15,982,529	\$ 744,160	\$ 16,726,689
Restricted assets:							
Cash and investments					1,227,376	7,648,411	8,875,787
Total assets					\$ 17,209,905	\$ 8,392,571	\$ 25,602,476
Net Assets							
Restricted for:							
Highways and streets					\$ 293,038	\$ -	\$ 293,038
Culture and recreation					68,852	-	68,852
Debt service					-	730,577	730,577
Capital outlay					865,486	6,773,750	7,639,236
Customer deposits					-	108,387	108,387
Other purposes					-	229,264	229,264
Unrestricted					15,982,529	550,593	16,533,122
Total net assets					\$ 17,209,905	\$ 8,392,571	\$ 25,602,476

The notes to the financial statements are an integral part of this statement.

CITY OF PLYMOUTH
STATEMENT OF ASSETS AND FUND BALANCES AND RECEIPTS,
DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
GOVERNMENTAL FUNDS
For The Year Ended December 31, 2008

	General	Motor Vehicle Highway	Rainy Day	1993 Tax Increment Financing	UDAG Hospital	Other Governmental Funds	Totals
Receipts:							
Taxes	\$ 2,413,194	\$ 1,114,726	\$ -	\$ 977,644	\$ -	\$ 1,512,269	\$ 6,017,833
Licenses and permits	29,976	-	-	-	-	-	29,976
Intergovernmental	1,755,126	352,163	187,770	-	-	1,181,788	3,476,847
Charges for services	998,001	4,952	-	-	-	450,417	1,453,370
Fines and forfeits	8,068	-	-	-	-	2,226	10,294
Interfund loans	470,000	-	-	-	-	-	470,000
Other	463,159	622	58,350	110,010	125,062	86,742	843,945
Total receipts	6,137,524	1,472,463	246,120	1,087,654	125,062	3,233,442	12,302,265
Disbursements:							
General government	1,378,493	-	-	-	-	584,390	1,962,883
Public safety	3,588,936	-	-	-	-	9,531	3,598,467
Highways and streets	25,714	1,094,649	-	-	-	7,057	1,127,420
Sanitation	448,796	-	-	-	-	-	448,796
Health and welfare	29,125	-	-	-	-	-	29,125
Economic development	-	-	-	34,907	-	54,512	89,419
Culture and recreation	-	-	-	-	-	641,279	641,279
Urban redevelopment and housing	-	-	-	-	-	28,512	28,512
Interfund loans	-	-	-	-	-	470,000	470,000
Capital outlay:							
General government	11,988	-	-	-	-	669,979	681,967
Public safety	91,681	-	-	-	-	-	91,681
Highways and streets	24,121	453,618	-	-	-	47,338	525,077
Sanitation	108,310	-	-	-	-	-	108,310
Economic development	-	-	-	13,962	-	134,944	148,906
Culture and recreation	-	-	-	-	-	69,667	69,667
Urban redevelopment and housing	-	-	-	-	-	232,236	232,236
Total disbursements	5,707,164	1,548,267	-	48,869	-	2,949,445	10,253,745
Excess (deficiency) of receipts over disbursements	430,360	(75,804)	246,120	1,038,785	125,062	283,997	2,048,520
Other financing sources (uses):							
Transfers in	15,920	-	900,000	-	-	660,538	1,576,458
Transfers out	(900,000)	-	-	-	(623,000)	(53,458)	(1,576,458)
Other receipts	29,395	3,555	-	-	-	32,070	65,020
Total other financing sources (uses)	(854,685)	3,555	900,000	-	(623,000)	639,150	65,020
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(424,325)	(72,249)	1,146,120	1,038,785	(497,938)	923,147	2,113,540
Cash and investment fund balance - beginning	3,689,160	734,444	1,859,439	2,774,937	2,710,513	3,327,872	15,096,365
Cash and investment fund balance - ending	\$ 3,264,835	\$ 662,195	\$ 3,005,559	\$ 3,813,722	\$ 2,212,575	\$ 4,251,019	\$ 17,209,905
Cash and Investment Assets - Ending							
Cash and investments	\$ 3,264,835	\$ 662,195	\$ 3,005,559	\$ 3,813,722	\$ 2,212,575	\$ 3,023,643	\$ 15,982,529
Restricted assets:							
Cash and investments	-	-	-	-	-	1,227,376	1,227,376
Total cash and investment assets - ending	\$ 3,264,835	\$ 662,195	\$ 3,005,559	\$ 3,813,722	\$ 2,212,575	\$ 4,251,019	\$ 17,209,905
Cash and Investment Fund Balance - Ending							
Restricted for:							
Highways and streets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 293,038	\$ 293,038
Culture and recreation	-	-	-	-	-	68,852	68,852
Capital outlay	-	-	-	-	-	865,486	865,486
Unrestricted	3,264,835	662,195	3,005,559	3,813,722	2,212,575	3,023,643	15,982,529
Total cash and investment fund balance - ending	\$ 3,264,835	\$ 662,195	\$ 3,005,559	\$ 3,813,722	\$ 2,212,575	\$ 4,251,019	\$ 17,209,905

The notes to the financial statements are an integral part of this statement.

CITY OF PLYMOUTH
STATEMENT OF ASSETS AND FUND BALANCES AND
RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
PROPRIETARY FUNDS
As of and for the Year Ended December 31, 2008

	Water Utility	Wastewater Utility	Totals
Operating receipts:			
Unmetered water receipts	\$ 1,155	\$ -	\$ 1,155
Metered receipts	1,342,510	-	1,342,510
Residential, commercial and industrial sales	-	1,515,308	1,515,308
Wastewater surcharge receipts	-	497,769	497,769
Storm water receipts	-	174,582	174,582
Pretreatment receipts	-	52,918	52,918
Fire protection receipts	199,396	-	199,396
Penalties	15,683	20,784	36,467
Charges for services	20,531	67,437	87,968
Miscellaneous	40,945	30,158	71,103
Total operating receipts	1,620,220	2,358,956	3,979,176
Operating disbursements:			
Equipment and capital improvements	99,370	1,099,698	1,199,068
Water treatment disbursements - operations and maintenance	126,357	-	126,357
Transmission and distribution	326,043	-	326,043
Collection system - operations and maintenance	-	86,082	86,082
Pumping - operations and maintenance	126,617	-	126,617
Wastewater - operations and maintenance	-	90,577	90,577
Plant - operations	-	824,196	824,196
Plant - maintenance	-	70,971	70,971
Customer accounts	153,454	-	153,454
Administration and general	303,747	-	303,747
Insurance claims and premiums	-	158,044	158,044
Other	79,766	-	79,766
Salaries and wages	-	132,076	132,076
Employee pensions and benefits	-	93,365	93,365
Contractual services	-	15,643	15,643
Rents	-	1,200	1,200
Miscellaneous disbursements	19,337	21,503	40,840
Total operating disbursements	1,234,691	2,593,355	3,828,046
Excess (deficiency) of operating receipts over operating disbursements	385,529	(234,399)	151,130
Nonoperating receipts (disbursements):			
Interest revenue	70,017	66,724	136,741
Other nonoperating revenue	2,266	4,462	6,728
Net proceeds from borrowings	-	3,663,254	3,663,254
Grants	-	11,209	11,209
Debt service of principal	(320,000)	(685,000)	(1,005,000)
Interest disbursements	(142,378)	(50,604)	(192,982)
Total nonoperating receipts (disbursements)	(390,095)	3,010,045	2,619,950
Excess (deficiency) of receipts over disbursements and nonoperating receipts (disbursements)	(4,566)	2,775,646	2,771,080
Cash and investment fund balance - beginning	2,862,542	2,758,949	5,621,491
Cash and investment fund balance - ending	\$ 2,857,976	\$ 5,534,595	\$ 8,392,571
<u>Cash and Investment Assets - December 31</u>			
Cash and investments	\$ 155,938	\$ 588,222	\$ 744,160
Restricted assets:			
Cash and investments	2,702,038	4,946,373	7,648,411
Total cash and investment assets - December 31	\$ 2,857,976	\$ 5,534,595	\$ 8,392,571
<u>Cash and Investment Fund Balance - December 31</u>			
Restricted for:			
Debt service	\$ 717,728	\$ 12,849	\$ 730,577
Capital outlay	1,875,923	4,897,827	6,773,750
Customer deposits	108,387	-	108,387
Other (pretreatment and storm water)	-	229,264	229,264
Unrestricted	155,938	394,655	550,593
Total cash and investment fund balance - December 31	\$ 2,857,976	\$ 5,534,595	\$ 8,392,571

The notes to the financial statements are an integral part of this statement.

CITY OF PLYMOUTH
STATEMENT OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
FIDUCIARY FUNDS
For The Year Ended December 31, 2008

	<u>Pension</u> <u>Trust Funds</u>	<u>Private-Purpose</u> <u>Trust Funds</u>	<u>Agency</u> <u>Fund</u> <u>Payroll</u>
Additions:			
Contributions:			
Employer	\$ 109,610	\$ -	\$ -
Plan members	162,835	-	-
Other	-	148,379	-
	<u>272,445</u>	<u>148,379</u>	<u>-</u>
Total contributions			
Investment earnings:			
Interest	7,493	-	-
	<u>7,493</u>	<u>-</u>	<u>-</u>
Agency fund additions	-	-	4,862,245
	<u>-</u>	<u>-</u>	<u>4,862,245</u>
Total additions	<u>279,938</u>	<u>148,379</u>	<u>4,862,245</u>
Deductions:			
Benefits	294,329	-	-
Administrative and general	200	45,429	-
Agency fund deductions	-	-	4,862,292
	<u>294,529</u>	<u>45,429</u>	<u>4,862,292</u>
Total deductions			
Excess (deficiency) of total additions over total deductions	(14,591)	102,950	(47)
Cash and investment fund balance - beginning	<u>315,119</u>	<u>440,953</u>	<u>216</u>
Cash and investment fund balance - ending	<u>\$ 300,528</u>	<u>\$ 543,903</u>	<u>\$ 169</u>

The notes to the financial statements are an integral part of this statement.

CITY OF PLYMOUTH
NOTES TO FINANCIAL STATEMENTS

I. Summary of Significant Accounting Policies

A. Reporting Entity

The City was established under the laws of the State of Indiana. The City operates under a Council-Mayor form of government and provides the following services: public safety (police and fire), highways and streets, health and social services, culture and recreation, public improvements, planning and zoning, general administrative services, water, wastewater, and urban redevelopment and housing.

The City's financial reporting entity is composed of the following:

Primary Government: City of Plymouth

In determining the financial reporting entity, the City complies with the provisions of GASB Statement No. 14, *The Financial Reporting Entity*.

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

The Statement of Activities and Net Assets – Cash and Investment Basis displays information about the reporting government as a whole. It includes all funds of the reporting entity except for fiduciary funds. The statement distinguishes between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

Fund Financial Statements

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitutes its assets, fund equity, receipts, and disbursements. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

The City reports the following major governmental funds:

The general fund is the primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The motor vehicle highway fund is used to account for receipts and disbursements for street maintenance and construction.

The rainy day fund is used to account for transfers of unused and unencumbered funds under Indiana Code 36-1-8-5. The rainy day funds may be used solely for the operation of the City and its various departments, including, but not limited to, salaries and wages, costs of services, supplies, equipment, capital improvements, repairs and similar expenditures.

CITY OF PLYMOUTH
NOTES TO FINANCIAL STATEMENTS
(Continued)

The 1993 tax increment fund is used to account for special tax distributions and to account for transactions associated with City construction improvement projects.

The UDAG hospital fund is used to account for investment income from specific investments and to account for transactions associated with City construction improvement projects.

The City reports the following major proprietary funds:

The water utility fund accounts for the operation of the water distribution system.

The wastewater utility fund accounts for the operation of the wastewater treatment plant, pumping stations, and collection systems.

Additionally, the City reports the following fund types:

The pension trust funds account for the activities of the 1925 police and 1937 fire pension funds, which accumulate resources for pension benefit payments.

The private-purpose trust funds report a trust arrangements under which principal and income benefit the Thornburg Cemetery Trust and other funds.

The agency fund accounts for assets held by the City as an agent for payroll and payroll withholdings, and serves as control of accounts for certain cash transactions during the time they are a liability to the City.

C. Measurement Focus and Basis of Accounting

The government-wide, governmental fund, proprietary fund, and fiduciary fund financial statements are reported using the basis of accounting that demonstrates compliance with the cash and investment basis and budget laws of the State of Indiana, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Receipts are recorded when received and disbursements are recorded when paid.

The cash and investment basis of accounting differs from accounting principles generally accepted in the United States of America in that receipts are recognized when received in cash rather than when earned and disbursements are recognized when paid rather than when a liability is incurred. Investment transactions are not presented on the financial statements.

If the City utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting, while the fund financial statements for proprietary fund types would use the accrual basis of accounting. All government-wide financials would be presented on the accrual basis of accounting.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the enterprise fund statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their enterprise funds, subject to this same limitation. The City has elected not to follow subsequent private-sector guidance.

CITY OF PLYMOUTH
NOTES TO FINANCIAL STATEMENTS
(Continued)

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the governmental activities and business type activities. Elimination of these charges would distort the direct costs and program receipts reported for the various functions concerned.

Enterprise funds distinguish operating receipts and disbursements from nonoperating items. Operating receipts and disbursements generally result from providing services and producing and delivering goods in connection with an enterprise fund's principal ongoing operations. The principal operating receipts of the enterprise funds are charges to customers for sales and services. Operating disbursements for enterprise funds include the cost of sales and services and administrative costs. All receipts and disbursements not meeting this definition are reported as nonoperating receipts and disbursements. Internal service funds are used to account for activities provided to other departments or agencies primarily with the government. The City does not have any internal service funds.

D. Assets and Cash and Investment Balances

1. Cash and Investments

Investments are stated at cost. Any changes in fair value of the investments are reported as interest receipts in the year of the sale of the investment.

2. Property Taxes

Property taxes levied are collected by the County Treasurer and are distributed to the City in June and in 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.

3. Capital Assets

Capital assets arising from cash transactions acquired for use in governmental or proprietary fund operations are accounted for as capital outlay disbursements of the fund upon acquisition.

4. Long-Term Debt

Long-term debt arising from cash basis transactions of governmental and proprietary funds is not reported as liabilities in the basic financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as disbursements.

CITY OF PLYMOUTH
NOTES TO FINANCIAL STATEMENTS
(Continued)

5. Equity Classification

Government-Wide Statements

Equity is classified as net assets and displayed in two components:

- a. Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments, or (2) law through constitutional provisions or enabling legislation.
- b. Unrestricted net assets – All other net assets that do not meet the definition of "restricted."

It is the City's policy to first use restricted net assets prior to the use of unrestricted net assets when a disbursement is incurred for purposes for which both restricted and unrestricted net assets are available.

Fund Financial Statements

Governmental fund equity is classified as fund balance. Proprietary fund equity is classified the same as in the government-wide statements.

E. Receipts and Disbursements

1. Program Receipts

Amounts reported as program receipts include (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general receipts rather than as program receipts. Likewise, general receipts include all taxes.

2. Operating Receipts and Disbursements

Operating receipts and disbursements for proprietary funds result from providing services and producing and delivering goods and/or services. They also include all receipts and disbursements not related to capital and related financing, noncapital financing, or investing activities.

F. Internal and Interfund Balances and Activities

In the process of aggregating the financial information for the government-wide Statement of Activities and Net Assets – Cash and Investment Basis, some amounts reported as interfund activity and balances in the fund financial statements have been eliminated or reclassified.

Fund Financial Statements

1. Interfund services – Sales or purchases of goods and services between funds are reported as receipts and disbursements.

CITY OF PLYMOUTH
NOTES TO FINANCIAL STATEMENTS
(Continued)

2. Interfund reimbursements – Repayments from funds responsible for certain disbursements to the funds that initially paid for them are not reported as reimbursements but as adjustments to disbursements in the respective funds.
3. Interfund transfers – Flow of assets from one fund to another where repayment is not expected is reported as transfers in and out.

Government-Wide Financial Statements

Interfund activity and balances, if any, are eliminated or reclassified in the government-wide financial statements as follows:

Internal activities – Amounts reported as interfund transfers in the fund financial statements are eliminated in the government-wide Statement of Activities and Net Assets – Cash and Investment Basis except for the net amount of transfers between governmental and business-type activities, which are reported as Transfers – Internal Activities. The effects of interfund services between funds, if any, are not eliminated in the government-wide Statement of Activities and Net Assets – Cash and Investment Basis.

II. Stewardship, Compliance and Accountability

Budgetary Information

Annual budgets are adopted on the cash basis, which is not consistent with accounting principles generally accepted in the United States of America. All annual appropriations lapse at calendar year end.

Prior to the first required publication, the fiscal officer of the City submits to the governing board a proposed operating budget for the year commencing the following January 1. Prior to adoption, the budget is advertised and public hearings are conducted by the governing board to obtain taxpayer comments. In September of each year, the governing board, through the passage of a resolution/ ordinance, approves the budget for the next year. Copies of the budget resolution/ordinance and the advertisement for funds for which property taxes are levied or highway use taxes are received are sent to the Indiana Department of Local Government Finance. The budget becomes legally enacted after the fiscal officer of the City receives approval of the Indiana Department of Local Government Finance.

The City's management cannot transfer budgeted appropriations between object classifications of a budget without approval of the governing board. The Indiana Department of Local Government Finance must approve any revisions to the appropriations for any fund or any department of the General Fund. The legal level of budgetary control is by object and department within the fund for the General Fund and by object within the fund for all other budgeted funds.

CITY OF PLYMOUTH
NOTES TO FINANCIAL STATEMENTS
(Continued)

III. Detailed Notes on All Funds

A. Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. Indiana Code 5-13-8-1 allows a political subdivision of the State of Indiana to deposit public funds in a financial institution only if the financial institution is a depository eligible to receive state funds and has a principal office or branch that qualifies to receive public funds of the political subdivision. The City does not have a deposit policy for custodial credit risk.

The bank balances were insured by the Federal Deposit Insurance Corporation or the Public Deposit Insurance Fund, which covers all public funds held in approved depositories.

B. Interfund Transfers

Interfund transfers for the year ended December 31, 2008, were as follows:

Transfer From	Transfer To	2008
General Fund	Rainy Day Fund	\$ 900,000
UDAG Hospital	Other governmental	623,000
Other governmental	General Fund	15,920
	Other governmental	37,338
	Other governmental	200
Total		\$ 1,576,458

The City typically uses transfers for cash flow purposes as provided by various statutory provisions.

IV. Other Information

A. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; dental benefits to employees, retirees, and dependents (excluding postemployment benefits); and natural disasters.

The risks of torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters are covered by commercial insurance from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage for the past three years. There were no significant reductions in insurance by major category of risk.

Job Related Illnesses or Injuries To Employees

During 1991, the City joined together with other governmental entities in the Indiana Public Employers' Plan, a public entity risk pool currently operating as a common risk management and insurance program for approximately 350 member governmental entities. The risk pool was

CITY OF PLYMOUTH
NOTES TO FINANCIAL STATEMENTS
(Continued)

formed in 1990. The purpose of the risk pool is to provide a medium for the funding and administration of job related illnesses or injuries to employees. The City pays an annual premium to the risk pool for its share of the costs. The risk pool is considered a self-sustaining risk pool that will provide coverage for its members for up to \$1,000,000 per insured event.

Dental Benefits to Employees and Dependents

The City has chosen to establish a risk financing fund for risk associated with employee dental benefits. The risk financing fund is accounted for in the General Fund and other funds incurring payroll expenses, where assets are set aside for claim settlements.

B. Subsequent Events

Beginning in 2009, the State Pension Relief Fund shall pay to each unit of local government with Pre-1977 Local Police and Fire Fighter Pension obligations, the total amount of pension, disability, and survivor benefit payments. The Pre-1977 funds include the 1925 Police Pension Fund, the 1937 Firefighters' Fund, and the 1953 Police Pension Fund. For property taxes due and payable after December 31, 2008, the Department of Local Government Finance shall reduce the maximum permissible property tax levy of any civil taxing unit and special service district by the amount of the payment to be made in 2009 by the State for the obligations.

C. Rate Structure – Enterprise Funds

Water Utility

On March 13, 1989, the City Council adopted Ordinance 1465 to withdraw from the jurisdiction of the Indiana Utility Regulatory Commission. The current rate structure was approved by the Council on December 9, 2002.

Wastewater Utility

The current rate structure was approved by the City Council on March 24, 2008.

D. Pension Plans

1. Agent Multiple-Employer and Single-Employer Defined Benefit Pension Plans

a. 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 the 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 member's 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.

CITY OF PLYMOUTH
NOTES TO FINANCIAL STATEMENTS
(Continued)

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. The 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 plan members for PERF are established by the Board of Trustees of PERF. The City's annual pension cost and related information, as provided by the actuary, is presented in this note.

Information to segregate the assets/liabilities and the actuarial study figures between the City and the Utilities is not available.

b. 1925 Police Officers' Pension Plan

Plan Description

The City contributes to the 1925 Police Officers' Pension Plan, which is a single-employer defined benefit pension plan. The plan is administered by the local pension board as authorized by state statute (IC 36-8-6). The plan provides retirement, disability, and death benefits to plan members and beneficiaries. The plan was established by the plan administrator, as provided by state statute. The plan administrator does not issue a publicly available financial report that includes financial statements and required supplementary information of the plan.

Funding Policy and Annual Pension Cost

The contribution requirements of plan members for the 1925 Police Officers' Pension Plan are established by state statute. The City's annual pension cost and related information as provided by the actuary, is presented in this note.

The use of the pay-as-you-go actuarial cost method by the City results in significant underfunding of the plan. Therefore, the Net Pension Obligation (NPO) is not reflected in the financial statements of the pension trust funds.

c. 1937 Firefighters' Pension Plan

Plan Description

The City contributes to the 1937 Firefighters' Pension Plan, which is a single-employer defined benefit pension plan. The plan is administered by the local pension board as authorized by state statute (IC 36-8-7). The plan provides retirement, disability, and death benefits to plan members and beneficiaries. The plan was established by the plan administrator, as provided by state statute. The plan administrator does not issue a publicly available financial report that includes financial statements and required supplementary information of the plan.

CITY OF PLYMOUTH
NOTES TO FINANCIAL STATEMENTS
(Continued)

Funding Policy and Annual Pension Cost

The contribution requirements of plan members for the 1937 Firefighters' Pension Plan are established by state statute. The City's annual pension cost and related information, as provided by the actuary, is presented in this note.

The use of the pay-as-you-go actuarial cost method by the City results in significant underfunding of the plan. Therefore, the Net Pension Obligation (NPO) is not reflected in the financial statements of the pension trust funds.

Actuarial Information for the Above Plans

	PERF	1925 Police Officers' Pension	1937 Firefighters' Pension
Annual required contribution	\$ 145,194	\$ 306,200	\$ 33,800
Interest on net pension obligation	(734)	96,100	39,500
Adjustment to annual required contribution	836	(119,400)	(49,100)
Annual pension cost	145,296	282,900	24,200
Contributions made	144,825	196,543	33,123
Increase (decrease) in net pension obligation	471	86,357	(8,923)
Net pension obligation, beginning of year	(10,120)	1,601,779	657,845
Net pension obligation, end of year	\$ (9,649)	\$ 1,688,136	\$ 648,922
Contribution rates:		1925 Police Officers' Pension	1937 Firefighters' Pension
City	5.75%	714%	55%
Plan members	3%	6%	6%
Actuarial valuation date	07-01-08	01-01-07	01-01-07
Actuarial cost method	Entry age	Entry age	Entry age
Amortization method	Level percentage of projected payroll, closed	Level percentage of projected payroll, closed	Level percentage of projected payroll, closed
Amortization period	30 years	30 years	30 years
Amortization period (from date)	07-01-97	01-01-05	01-01-05
Asset valuation method	75% of expected actuarial value plus 25% of market value	4 year phase in of unrealized and realized capital	4 year phase in of unrealized and realized capital

CITY OF PLYMOUTH
NOTES TO FINANCIAL STATEMENTS
(Continued)

Actuarial Assumptions	PERF	1925 Police Officers' Pension	1937 Firefighters' Pension
Investment rate of return	7.25%	6%	6%
Projected future salary increases:			
Total	5%	4%	4%
Attributed to inflation	4%	4%	4%
Attributed to merit/seniority	1%	0%	0%
Cost-of-living adjustments	2%	2.75/4%*	2.75/4%*

*2.75% converted members; 4% nonconverted members

Three Year Trend Information

	Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
PERF	06-30-06	\$ 140,413	82%	\$ (19,105)
	06-30-07	137,329	93%	(10,120)
	06-30-08	145,296	100%	(9,649)
1925 Police Officers' Pension Plan	12-31-05	269,900	67%	1,650,193
	12-31-06	228,100	121%	1,601,779
	12-31-07	282,900	69%	1,688,136
1937 Firefighters' Pension Plan	12-31-05	31,700	74%	655,962
	12-31-06	24,400	92%	657,845
	12-31-07	24,200	137%	648,922

Membership in the 1925 Police Officers' Pension Plan and the 1937 Firefighters' Pension Plan at January 1, 2008, was comprised of the following:

	1925 Police Officers' Pension	1937 Firefighters' Pension
Retirees and beneficiaries currently receiving benefits	11	2

2. Cost-Sharing Multiple-Employer Defined Benefit Pension Plan

1977 Police Officers' and Firefighters' Pension and Disability Fund

Plan Description

The City contributes to the 1977 Police Officers' and Firefighters' Pension and Disability Fund, a cost-sharing multiple-employer defined benefit pension plan administered by the Indiana Public Employees' Retirement Plan (PERF) for all police officers and firefighters hired after April 30, 1977.

CITY OF PLYMOUTH
NOTES TO FINANCIAL STATEMENTS
(Continued)

State statute (IC 36-8-8) regulates the operations of the system, including benefits, vesting and requirements for contributions by employers and by employees. Covered employees may retire at age 55 with 20 years of service. An employee with 20 years of service may leave service, but will not receive benefits until reaching age 55. The plan also provides for death and disability benefits.

PERF 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 Costs

Plan members are required to contribute 6% of the first-class police officers' and firefighters' salary and the City is to contribute at an actuarially determined rate. The current rate, which has not changed since the inception of the plan, is 21% of the first-class police officers' and firefighters' salary. The contribution requirements of plan members and the City are established by the Board of Trustees of PERF. The City's contributions to the plan for the years ending December 31, 2008, 2007, and 2006, were \$256,271, \$258,409, and \$307,117, respectively, equal to the required contributions for each year.

CITY OF PLYMOUTH
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF FUNDING PROGRESS

Public Employees' Retirement Fund

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Excess of Assets Over (Unfunded) AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Excess (Unfunded) AAL as a Percentage of Covered Payroll ((a-b)/c)
07-01-06	\$ 2,684,126	\$ 2,661,841	\$ 22,285	101%	\$ 2,444,070	1%
07-01-07	3,033,896	3,046,547	(12,651)	100%	2,480,525	(1%)
07-01-08	3,357,263	3,427,681	(70,418)	98%	2,540,225	(3%)

1925 Police Pension Plan

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Unfunded AAL as a Percentage of Covered Payroll ((a-b)/c)
01-01-02	\$ 136,015	\$ 4,138,800	\$ (4,002,785)	3%	\$ 38,200	(10,478%)
01-01-03	200,455	2,589,900	(2,389,445)	8%	39,300	(6,080%)
01-01-04	375,065	4,080,600	(3,705,535)	9%	39,900	(9,287%)
01-01-05	346,785	3,921,700	(3,574,915)	9%	41,000	(8,719%)
01-01-06	219,742	3,503,700	(3,283,958)	6%	-	No Covered Payroll
01-01-07	278,718	4,034,100	(3,755,382)	7%	42,900	(8,754%)

1937 Firefighters Pension Plan

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Unfunded AAL as a Percentage of Covered Payroll ((a-b)/c)
01-01-02	\$ 130,893	\$ 732,800	\$ (601,907)	18%	\$ 74,800	(805%)
01-01-03	143,522	745,900	(602,378)	19%	76,800	(784%)
01-01-04	156,359	789,200	(632,841)	20%	78,100	(810%)
01-01-05	127,390	384,500	(257,110)	33%	40,100	(641%)
01-01-06	90,704	464,700	(373,996)	20%	-	No Covered Payroll
01-01-07	71,840	466,000	(394,160)	15%	-	No Covered Payroll

CITY OF PLYMOUTH
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULES OF CONTRIBUTIONS FROM THE
 EMPLOYER AND OTHER CONTRIBUTING ENTITIES

	<u>Year Ending</u>	<u>Annual Required Contribution (ARC)</u>	<u>Percentage of ARC Contributed</u>
1925 Police Officers' Pension Plan	12-31-02	\$ 442,600	44%
	12-31-03	460,600	56%
	12-31-04	476,100	27%
	12-31-05	289,700	63%
	12-31-06	250,500	110%
	12-31-07	306,200	64%
1937 Firefighters' Pension Plan	12-31-02	\$ 93,200	0%
	12-31-03	105,100	0%
	12-31-04	109,400	25%
	12-31-05	39,900	59%
	12-31-06	33,300	68%
	12-31-07	33,800	98%

City of Plymouth
 Required Supplementary Information
 Budget Comparison Schedules
 General Fund and Major Special Revenue Funds
 For the Year Ended December 31, 2008

	General Fund				Motor Vehicle Highway			
	Budget Amounts		Actual Budgetary Basis	Variance With Final Budget Favorable	Budget Amounts		Actual Budgetary Basis	Variance With Final Budget Favorable
	Original	Final	Amounts	(Unfavorable)	Original	Final	Amounts	(Unfavorable)
Operating receipts:								
Taxes:								
Property	2,487,456	2,487,456	2,413,194	(74,262)	1,195,018	1,195,018	1,114,726	(80,292)
Special assessments	-	-	-	-	-	-	-	-
Licenses and permits	20,145	20,145	29,976	9,831	-	-	-	-
Intergovernmental	1,709,913	1,709,913	1,755,126	45,213	364,578	364,578	352,163	(12,415)
Charges for services	1,035,783	1,035,783	998,001	(37,782)	1,000	1,000	4,952	3,952
Fines and forfeits	4,000	4,000	8,068	4,068	-	-	-	-
Interfund loans	-	-	470,000	470,000	-	-	-	-
Other	230,940	230,940	463,159	232,219	-	-	622	622
Total operating receipts	5,488,237	5,488,237	6,137,524	649,287	1,560,596	1,560,596	1,472,463	(88,133)
Interfund services provided and used	189,000	189,000	29,395	(159,605)	-	-	3,555	3,555
Transfers in	-	-	15,920	15,920	-	-	-	-
Total receipts	5,677,237	5,677,237	6,182,839	505,602	1,560,596	1,560,596	1,476,018	(84,578)
Operating disbursements:								
Current:								
General government:								
Engineering	-	77,363	49,836	27,527	-	-	-	-
Law Department	-	46,600	40,991	5,609	-	-	-	-
Mayor and Council	-	166,722	123,498	43,224	-	-	-	-
Financial Board and Clerk-Treasurer	-	835,996	713,241	122,755	-	-	-	-
City Properties and Maintenance	-	117,443	78,813	38,630	-	-	-	-
City Garage and Warehouse	-	455,941	433,937	22,004	-	-	-	-
City Lights and Power	-	210,000	174,268	35,732	-	-	-	-
Board of Public Works and Safety	-	18,323	15,931	2,392	-	-	-	-
Animal Welfare	-	29,125	29,125	-	-	-	-	-
Aviation	-	-	-	-	-	-	-	-
Total general government	-	1,957,513	1,659,640	297,873	-	-	-	-
Public safety:								
Storm Sewer	-	171,328	153,797	17,531	-	-	-	-
Building Commission	-	126,988	113,395	13,593	-	-	-	-
Police Department	-	2,238,672	2,040,370	198,302	-	-	-	-
Fire Department	-	1,547,548	1,336,653	210,895	-	-	-	-
Total public safety	-	4,084,536	3,644,215	440,321	-	-	-	-
Highway and streets	-	-	-	-	-	1,639,442	1,548,267	91,175
Sanitation	-	447,200	403,309	43,891	-	-	-	-
Economic development	-	-	-	-	-	-	-	-
Total operating disbursements	-	6,489,249	5,707,164	782,085	-	1,639,442	1,548,267	91,175
Transfers out	-	-	900,000	(900,000)	-	-	-	-
Total disbursements	-	6,489,249	6,607,164	(117,915)	-	1,639,442	1,548,267	91,175
Net change in fund balances	5,677,237	(812,012)	(424,325)	387,687	1,560,596	(78,846)	(72,249)	6,597
Fund balances - beginning	3,689,160	3,689,160	3,689,160	-	734,444	734,444	734,444	-
Fund balances - December 31	\$ 9,366,397	\$ 2,877,148	\$ 3,264,835	\$ 387,687	\$ 2,295,040	\$ 655,598	\$ 662,195	\$ 6,597

City of Plymouth
 Required Supplementary Information
 Budget Comparison Schedules
 General Fund and Major Special Revenue Funds
 For the Year Ended December 31, 2008
 (Continued)

	Rainy Day				UDAG Hospital			
	Budget Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Favorable (Unfavorable)	Budget Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Favorable (Unfavorable)
	Original	Final			Original	Final		
Operating receipts:								
Taxes:								
Property	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	-	-	187,770	187,770	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Other	-	-	58,350	58,350	-	-	125,062	125,062
Total operating receipts	-	-	246,120	246,120	-	-	125,062	125,062
Interfund services provided and used	-	-	-	-	-	-	-	-
Transfers in	-	-	900,000	900,000	-	-	-	-
Total receipts	-	-	1,146,120	1,146,120	-	-	125,062	125,062
Operating disbursements:								
Current:								
General government:								
Engineering	-	-	-	-	-	-	-	-
Law Department	-	-	-	-	-	-	-	-
Mayor and Council	-	-	-	-	-	-	-	-
Financial Board and Clerk-Treasurer	-	-	-	-	-	-	-	-
City Properties and Maintenance	-	-	-	-	-	-	-	-
City Garage and Warehouse	-	-	-	-	-	-	-	-
City Lights and Power	-	-	-	-	-	-	-	-
Board of Public Works and Safety	-	-	-	-	-	-	-	-
Animal Welfare	-	-	-	-	-	-	-	-
Aviation	-	-	-	-	-	-	-	-
Total general government	-	-	-	-	-	-	-	-
Public safety:								
Storm Sewer	-	-	-	-	-	-	-	-
Building Commission	-	-	-	-	-	-	-	-
Police Department	-	-	-	-	-	-	-	-
Fire Department	-	-	-	-	-	-	-	-
Total public safety	-	-	-	-	-	-	-	-
Highway and streets	-	-	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	-	-
Total operating disbursements	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	623,000	-
Total disbursements	-	-	-	-	-	-	623,000	-
Net change in fund balances	-	-	1,146,120	1,146,120	-	-	(497,938)	125,062
Fund balances - beginning	1,859,439	1,859,439	1,859,439	-	2,710,513	2,710,513	2,710,513	-
Fund balances - December 31	<u>\$ 1,859,439</u>	<u>\$ 1,859,439</u>	<u>\$ 3,005,559</u>	<u>\$ 1,146,120</u>	<u>\$ 2,710,513</u>	<u>\$ 2,710,513</u>	<u>\$ 2,212,575</u>	<u>\$ -</u>

CITY OF PLYMOUTH
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2008

	Local Road And Street	Cemetery Operating	Aviation	Park Nonreverting Operating	Donations	Transportation	Law Enforcement Continuing Education
Receipts:							
Taxes	\$ -	\$ 170,515	\$ 418,864	\$ -	\$ -	\$ -	\$ -
Intergovernmental	83,212	13,123	616,415	3,168	-	-	-
Charges for services	-	83,803	29,124	69,695	-	-	4,290
Fines and forfeits	-	-	-	-	-	-	2,226
Other	-	14,777	25	7,386	300	-	1,544
Total receipts	83,212	282,218	1,064,428	80,249	300	-	8,060
Disbursements:							
General government	-	252,922	158,060	-	2,468	-	-
Public safety	-	-	-	-	-	-	6,021
Highways and streets	-	-	-	-	-	7,057	-
Economic development	-	-	-	-	-	-	-
Culture and recreation	-	-	-	90,690	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-	-
Interfund loans	-	-	470,000	-	-	-	-
Capital outlay:							
General government	-	33,414	53,877	-	-	-	-
Highways and streets	47,338	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-	-
Total disbursements	47,338	286,336	681,937	90,690	2,468	7,057	6,021
Excess (deficiency) of receipts over disbursements	35,874	(4,118)	382,491	(10,441)	(2,168)	(7,057)	2,039
Other financing sources (uses):							
Transfers in	-	-	37,338	-	-	3,000	-
Transfers out	-	-	-	(200)	-	-	-
Other receipts	-	-	-	28,197	-	-	-
Total other financing sources (uses)	-	-	37,338	27,997	-	3,000	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	35,874	(4,118)	419,829	17,556	(2,168)	(4,057)	2,039
Cash and investment fund balance - beginning	257,164	153,784	142,611	51,296	14,088	4,489	38,689
Cash and investment fund balance - ending	<u>\$ 293,038</u>	<u>\$ 149,666</u>	<u>\$ 562,440</u>	<u>\$ 68,852</u>	<u>\$ 11,920</u>	<u>\$ 432</u>	<u>\$ 40,728</u>
<u>Cash and Investment Assets - Ending</u>							
Cash and investments	\$ -	\$ 149,666	\$ 562,440	\$ -	\$ 11,920	\$ 432	\$ 40,728
Restricted assets:							
Cash and investments	293,038	-	-	68,852	-	-	-
Total cash and investment assets - ending	\$ 293,038	\$ 149,666	\$ 562,440	\$ 68,852	\$ 11,920	\$ 432	\$ 40,728
<u>Cash and Investment Fund Balance - Ending</u>							
Restricted for:							
Highways and streets	\$ 293,038	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Culture and recreation	-	-	-	68,852	-	-	-
Capital outlay	-	-	-	-	-	-	-
Unrestricted	-	149,666	562,440	-	11,920	432	40,728
Total cash and investment fund balance - ending	\$ 293,038	\$ 149,666	\$ 562,440	\$ 68,852	\$ 11,920	\$ 432	\$ 40,728

CITY OF PLYMOUTH
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2008
 (Continued)

	Deferral Program	Unsafe Building	Riverboat	Parks And Recreation	Park Donation	Community Improvement	D.A.R.E.
Receipts:							
Taxes	\$ -	\$ -	\$ -	\$ 420,296	\$ -	\$ -	\$ -
Intergovernmental	1,520	-	61,727	34,106	-	-	-
Charges for services	-	-	-	63,517	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other	-	-	-	223	19,307	-	-
Total receipts	1,520	-	61,727	518,142	19,307	-	-
Disbursements:							
General government	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	-
Culture and recreation	-	-	-	546,516	2,534	-	-
Urban redevelopment and housing	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Capital outlay:							
General government	-	-	68,845	-	-	-	-
Highways and streets	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	-
Culture and recreation	-	-	-	24,848	38,459	-	-
Urban redevelopment and housing	-	-	-	-	-	-	-
Total disbursements	-	-	68,845	571,364	40,993	-	-
Excess (deficiency) of receipts over disbursements	1,520	-	(7,118)	(53,222)	(21,686)	-	-
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Other receipts	-	-	-	3,493	-	-	-
Total other financing sources (uses)	-	-	-	3,493	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	1,520	-	(7,118)	(49,729)	(21,686)	-	-
Cash and investment fund balance - beginning	26,672	37,406	69,510	316,662	40,696	2,881	335
Cash and investment fund balance - ending	<u>\$ 28,192</u>	<u>\$ 37,406</u>	<u>\$ 62,392</u>	<u>\$ 266,933</u>	<u>\$ 19,010</u>	<u>\$ 2,881</u>	<u>\$ 335</u>
<u>Cash and Investment Assets - Ending</u>							
Cash and investments	\$ 28,192	\$ 37,406	\$ 62,392	\$ 266,933	\$ 19,010	\$ 2,881	\$ 335
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 28,192</u>	<u>\$ 37,406</u>	<u>\$ 62,392</u>	<u>\$ 266,933</u>	<u>\$ 19,010</u>	<u>\$ 2,881</u>	<u>\$ 335</u>
<u>Cash and Investment Fund Balance - Ending</u>							
Restricted for:							
Highways and streets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Culture and recreation	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Unrestricted	28,192	37,406	62,392	266,933	19,010	2,881	335
Total cash and investment fund balance - ending	<u>\$ 28,192</u>	<u>\$ 37,406</u>	<u>\$ 62,392</u>	<u>\$ 266,933</u>	<u>\$ 19,010</u>	<u>\$ 2,881</u>	<u>\$ 335</u>

CITY OF PLYMOUTH
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2008
 (Continued)

	Levy Excess	2000 Tax Increment Financing	2005 Tax Increment Financing	FEMA Flood Mitigation Grant Fund	Owner Occupied Rehabilitation Grant	Home Improvement Grant
Receipts:						
Taxes	\$ -	\$ 143,012	\$ 179,993	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other	-	13,245	3,677	-	-	-
Total receipts	-	156,257	183,670	-	-	-
Disbursements:						
General government	-	-	-	3,588	-	-
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Economic development	-	49,772	1,510	-	-	-
Culture and recreation	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Capital outlay:						
General government	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Economic development	-	116,398	18,546	-	-	-
Culture and recreation	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-
Total disbursements	-	166,170	20,056	3,588	-	-
Excess (deficiency) of receipts over disbursements	-	(9,913)	163,614	(3,588)	-	-
Other financing sources (uses):						
Transfers in	-	-	-	50,000	-	-
Transfers out	(15,920)	-	-	-	-	-
Other receipts	-	-	-	-	-	-
Total other financing sources (uses)	(15,920)	-	-	50,000	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(15,920)	(9,913)	163,614	46,412	-	-
Cash and investment fund balance - beginning	15,919	421,253	62,343	-	3,386	137,839
Cash and investment fund balance - ending	<u>\$ (1)</u>	<u>\$ 411,340</u>	<u>\$ 225,957</u>	<u>\$ 46,412</u>	<u>\$ 3,386</u>	<u>\$ 137,839</u>
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ (1)	\$ 411,340	\$ 225,957	\$ 46,412	\$ 3,386	\$ 137,839
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ (1)</u>	<u>\$ 411,340</u>	<u>\$ 225,957</u>	<u>\$ 46,412</u>	<u>\$ 3,386</u>	<u>\$ 137,839</u>
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
Highways and streets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Culture and recreation	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Unrestricted	(1)	411,340	225,957	46,412	3,386	137,839
Total cash and investment fund balance - ending	<u>\$ (1)</u>	<u>\$ 411,340</u>	<u>\$ 225,957</u>	<u>\$ 46,412</u>	<u>\$ 3,386</u>	<u>\$ 137,839</u>

CITY OF PLYMOUTH
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2008
 (Continued)

	CDBG Solomon Group Project	Crime Prevention	USDA Grant	Aviation Rotary	Restitution	Multi-County Drug Task Force
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	211,446	-	-	-	-	-
Charges for services	-	-	-	199,988	-	-
Fines and forfeits	-	-	-	-	-	-
Other	811	3,325	-	-	-	-
Total receipts	212,257	3,325	-	199,988	-	-
Disbursements:						
General government	-	-	-	167,352	-	-
Public safety	-	3,322	-	-	-	188
Highways and streets	-	-	-	-	-	-
Economic development	-	-	3,230	-	-	-
Culture and recreation	-	-	-	-	-	-
Urban redevelopment and housing	28,512	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Capital outlay:						
General government	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Urban redevelopment and housing	232,236	-	-	-	-	-
Total disbursements	260,748	3,322	3,230	167,352	-	188
Excess (deficiency) of receipts over disbursements	(48,491)	3	(3,230)	32,636	-	(188)
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	(37,338)	-	-
Other receipts	-	-	-	-	-	380
Total other financing sources (uses)	-	-	-	(37,338)	-	380
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(48,491)	3	(3,230)	(4,702)	-	192
Cash and investment fund balance - beginning	48,490	3,113	3,230	23,780	4,960	37,339
Cash and investment fund balance - ending	\$ (1)	\$ 3,116	\$ -	\$ 19,078	\$ 4,960	\$ 37,531
Cash and Investment Assets - Ending						
Cash and investments	\$ (1)	\$ 3,116	\$ -	\$ 19,078	\$ 4,960	\$ 37,531
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ (1)	\$ 3,116	\$ -	\$ 19,078	\$ 4,960	\$ 37,531
Cash and Investment Fund Balance - Ending						
Restricted for:						
Highways and streets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Culture and recreation	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Unrestricted	(1)	3,116	-	19,078	4,960	37,531
Total cash and investment fund balance - ending	\$ (1)	\$ 3,116	\$ -	\$ 19,078	\$ 4,960	\$ 37,531

CITY OF PLYMOUTH
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2008
 (Continued)

	Cumulative Capital Improvement	Cumulative Capital Development	Park Nonreverting Capital	Plymouth Greenways Trail	EDA Tech FARM	Totals
Receipts:						
Taxes	\$ -	\$ 179,589	\$ -	\$ -	\$ -	\$ 1,512,269
Intergovernmental	32,000	125,071	-	-	-	1,181,788
Charges for services	-	-	-	-	-	450,417
Fines and forfeits	-	-	-	-	-	2,226
Other	-	21,096	162	864	-	86,742
Total receipts	32,000	325,756	162	864	-	3,233,442
Disbursements:						
General government	-	-	-	-	-	584,390
Public safety	-	-	-	-	-	9,531
Highways and streets	-	-	-	-	-	7,057
Economic development	-	-	-	-	-	54,512
Culture and recreation	-	-	-	1,539	-	641,279
Urban redevelopment and housing	-	-	-	-	-	28,512
Interfund loans	-	-	-	-	-	470,000
Capital outlay:						
General government	-	467,131	-	-	46,712	669,979
Highways and streets	-	-	-	-	-	47,338
Economic development	-	-	-	-	-	134,944
Culture and recreation	-	-	6,360	-	-	69,667
Urban redevelopment and housing	-	-	-	-	-	232,236
Total disbursements	-	467,131	6,360	1,539	46,712	2,949,445
Excess (deficiency) of receipts over disbursements	32,000	(141,375)	(6,198)	(675)	(46,712)	283,997
Other financing sources (uses):						
Transfers in	-	-	200	-	570,000	660,538
Transfers out	-	-	-	-	-	(53,458)
Other receipts	-	-	-	-	-	32,070
Total other financing sources (uses)	-	-	200	-	570,000	639,150
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	32,000	(141,375)	(5,998)	(675)	523,288	923,147
Cash and investment fund balance - beginning	385,036	1,006,781	6,078	12,042	-	3,327,872
Cash and investment fund balance - ending	\$ 417,036	\$ 865,406	\$ 80	\$ 11,367	\$ 523,288	\$ 4,251,019
Cash and Investment Assets - Ending						
Cash and investments	\$ 417,036	\$ -	\$ -	\$ 11,367	\$ 523,288	\$ 3,023,643
Restricted assets:						
Cash and investments	-	865,406	80	-	-	1,227,376
Total cash and investment assets - ending	\$ 417,036	\$ 865,406	\$ 80	\$ 11,367	\$ 523,288	\$ 4,251,019
Cash and Investment Fund Balance - Ending						
Restricted for:						
Highways and streets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 293,038
Culture and recreation	-	-	-	-	-	68,852
Capital outlay	-	865,406	80	-	-	865,486
Unrestricted	417,036	-	-	11,367	523,288	3,023,643
Total cash and investment fund balance - ending	\$ 417,036	\$ 865,406	\$ 80	\$ 11,367	\$ 523,288	\$ 4,251,019

CITY OF PLYMOUTH
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 PENSION TRUST FUNDS
 For The Year Ended December 31, 2008

	<u>Police Pension</u>	<u>Fire Pension</u>	<u>Totals</u>
Additions:			
Contributions:			
Employer	\$ 96,185	\$ 13,425	\$ 109,610
State	<u>137,761</u>	<u>25,074</u>	<u>162,835</u>
Total contributions	<u>233,946</u>	<u>38,499</u>	<u>272,445</u>
Investment receipts:			
Interest	<u>6,050</u>	<u>1,443</u>	<u>7,493</u>
Total additions	<u>239,996</u>	<u>39,942</u>	<u>279,938</u>
Deductions:			
Benefits	245,128	49,201	294,329
Administrative and general	<u>100</u>	<u>100</u>	<u>200</u>
Total deductions	<u>245,228</u>	<u>49,301</u>	<u>294,529</u>
Deficiency of total additions over total deductions	(5,232)	(9,359)	(14,591)
Cash and investment fund balance - beginning	<u>254,984</u>	<u>60,135</u>	<u>315,119</u>
Cash and investment fund balance - ending	<u>\$ 249,752</u>	<u>\$ 50,776</u>	<u>\$ 300,528</u>

CITY OF PLYMOUTH
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 PRIVATE-PURPOSE TRUST FUNDS
 For The Year Ended December 31, 2008

	Cemetery Perpetual Care	Financial Guarantee	Park Deposits	Cemetery Trust	Totals
Additions:					
Contributions:					
Other	\$ 10,170	\$ 117,351	\$ 20,600	\$ 258	\$ 148,379
Deductions:					
Administrative and general	-	22,000	23,270	159	45,429
Excess (deficiency) of total additions over total deductions	10,170	95,351	(2,670)	99	102,950
Cash and investment fund balance - beginning	361,126	62,793	7,160	9,874	440,953
Cash and investment fund balance - ending	<u>\$ 371,296</u>	<u>\$ 158,144</u>	<u>\$ 4,490</u>	<u>\$ 9,973</u>	<u>\$ 543,903</u>

CITY OF PLYMOUTH
SUPPLEMENTARY INFORMATION
SCHEDULE OF CAPITAL ASSETS

As of December 31, 2008

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	\$ 3,059,239
Infrastructure	24,762,926
Buildings	4,885,640
Improvements other than buildings	5,334,166
Machinery and equipment	<u>6,395,880</u>
 Total governmental activities, capital assets not being depreciated	 <u>\$ 44,437,851</u>

<u>Primary Government</u>	<u>Ending Balance</u>
Business-type activities:	
Water Utility:	
Capital assets, not being depreciated:	
Land	\$ 177,016
Construction in progress	4,308
Buildings	4,451,216
Improvements other than buildings	7,757,779
Machinery and equipment	<u>1,035,352</u>
 Total Water Utility capital assets	 <u>13,425,671</u>
 Wastewater Utility:	
Capital assets, not being depreciated:	
Land	164,463
Construction in progress	825,559
Buildings	11,352,839
Improvements other than buildings	11,534,255
Machinery and equipment	<u>2,200,575</u>
 Total Wastewater Utility capital assets	 <u>26,077,691</u>
 Total business-type activities capital assets	 <u>\$ 39,503,362</u>

CITY OF PLYMOUTH
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 As of December 31, 2008

The City has entered into the following debt:

Description of Debt	Ending Principal Balance	Due Within One Year
Business-type Activities:		
Water Utility		
Revenue bonds:		
1999 Waterworks improvements	\$ 2,710,000	\$ 335,000
Wastewater Utility		
Revenue bonds:		
2008 Sewage works improvements	3,505,000	60,000
Total business-type activities debt:	<u>\$ 6,215,000</u>	<u>\$ 395,000</u>

SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



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

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

Compliance

We have audited the compliance of the City of Plymouth (City) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended December 31, 2008. The City's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

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 the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the City's compliance with those requirements.

In our opinion, the City complied in all material respects with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2008. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying Schedule of Findings and Questioned Costs as item 2008-1.

Internal Control Over Compliance

The management of the City is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the City's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, 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 the City's internal control over compliance.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133
(Continued)

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in the entity's internal control that might be significant deficiencies or material weaknesses as defined below. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

A control deficiency in a City's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies in internal control over compliance described in item 2008-1 of the accompanying Schedule of Findings and Questioned Costs to be significant deficiencies.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control. We did not consider any of the deficiencies described in the accompanying Schedule of Findings and Questioned Costs to be material weaknesses.

The City's response to the findings identified in our audit is described in the accompanying Corrective Action Plan. We did not audit the City's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the City's management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

July 2, 2009

CITY OF PLYMOUTH
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Year Ended December 31, 2008

Federal Grantor Agency/Pass-Through Entity Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended
<u>U.S. Department of Housing and Urban Development</u>			
Indiana Office of Community and Rural Affairs Community Development Block Grants/State's Program	14.228	CF-06-244	\$ 211,446
<u>U.S. Department of Justice</u>			
Direct Grant Bulletproof Vest Partnership Program	16.607		1,520
<u>U.S. Department of Transportation</u>			
Direct Grant Airport Improvement Program	20.106	AIP3-18-0067-09 AIP3-18-0067-10	- - 82,992 111,240
Total for program			194,232
Indiana Department of Transportation Highway Planning and Construction	20.205	STP-9950(030)	35,846
Indiana Criminal Justice Institute Alcohol Traffic Safety and Drunk Driving Prevention Incentive Grants	20.601		6,140
Total for federal grantor agency			236,218
<u>U.S. Department of Homeland Security</u>			
Direct Grant Disaster Grants - Public Assistance	97.036		39,707
Indiana Department of Homeland Security State Homeland Security Grant Program	97.073		34,396
Total for federal grantor agency			74,103
Total federal awards expended			\$ 523,287

The accompanying note is an integral part of the Schedule of Expenditures of Federal Awards.

CITY OF PLYMOUTH
NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

I. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the City of Plymouth (City) and is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Accordingly, the amount of federal awards expended is based on when the activity related to the award occurs. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

CITY OF PLYMOUTH
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Auditor's Results

Financial Statements:

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

Material weaknesses identified?	no
Significant deficiencies identified that are not considered to be material weaknesses?	none reported

Noncompliance material to financial statements noted? no

Federal Awards:

Internal control over major programs:

Material weaknesses identified?	no
Significant deficiencies identified that are not considered to be material weaknesses?	yes

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

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? yes

Identification of Major Programs:

CFDA Number	Name of Federal Program or Cluster
14.228	Community Development Block Grants/State's Program
20.106	Airport Improvement Program

Dollar threshold used to distinguish between Type A and Type B programs: \$300,000

Auditee qualified as low-risk auditee? no

Section II – Financial Statement Findings

No matters are reportable.

CITY OF PLYMOUTH
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Section III – Federal Award Findings and Questioned Costs

FINDING 2008-1, SUBRECIPIENT MONITORING

Federal Agency: U.S. Department of Housing and Urban Development
Federal Program: Community Development Block Grants
CFDA Number: 14.228
Pass-Through Entity: Indiana Office of Community and Rural Affairs

In reference to all grantees other than states, 24 CFR 85.37(b) states:

"All other grantees shall follow the provisions of this part which are applicable to awarding agencies when awarding and administering subgrants (whether on a cost reimbursement or fixed amount basis) of financial assistance to local and Indian tribal governments. Grantees shall: (1) Ensure that every subgrant includes a provision for compliance with this part; (2) Ensure that every subgrant includes any clauses required by Federal statute and executive orders and their implementing regulations; and (3) Ensure that subgrantees are aware of requirements imposed upon them by Federal statutes and regulations."

Further, in reference to program monitoring, 24 CFR 85.40(a) states:

"Grantees are responsible for managing the day-to-day operations of grant and subgrant supported activities. Grantees must monitor grant and subgrant supported activities to assure compliance with applicable Federal requirements and that performance goals are being achieved. Grantee monitoring must cover each program, function or activity."

The City of Plymouth, the pass-through entity, provided limited oversight and monitoring of the subrecipient, The Solomon Group, during the CDBG award period. The performance goals of the grant were subsequently not met within the required deadlines.

The National Objective to be met by this grant project was to serve 62 beneficiaries with at least 32, or 51%, qualifying as low to moderate income households by June 30, 2008. As of May 2009, the number of beneficiaries served is 11 persons, with a total of 8 who are low to moderate income qualified.

The failure of the City of Plymouth to appropriately monitor its subrecipient may result in ineligibility for further CDBG funding.

We recommended that the City of Plymouth establish a set of procedures for subrecipient monitoring in the future, and that they provide more oversight to ensure that grant performance goals are met.

CITY OF PLYMOUTH
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters are reportable.

RESOLUTION NO. 2009-373
A RESOLUTION OF THE COMMON COUNCIL OF THE
CITY OF PLYMOUTH APPROVING THE CORRECTIVE ACTION PLAN
IN RESPONSE TO STATE BOARD OF ACCOUNTS FINDING 2008-1:
SUBRECIPIENT MONITORING
FEDERAL AGENCY: U.S. DEPARTMENT OF HOUSING AND URBAN
DEVELOPMENT
FEDERAL PROGRAM: COMMUNITY DEVELOPMENT BLOCK GRANTS
CFDA NUMBER: 14.228
FEDERAL AWARD NUMBER: CF-06-244
PASS-THROUGH ENTITY: INDIANA OFFICE OF COMMUNITY AND
RURAL AFFAIRS
Statement of Intent and Purpose

The City of Plymouth, as a pass-through entity, received a Community Development Block Grant on January 4, 2007 in the amount of Three hundred ninety thousand and twelve dollars (\$390,012). The subrecipient is The Solomon Group. The project purpose was to build infrastructure in support of affordable housing. The objective of this grant project was to serve by June 30, 2008, Sixty-two (62) beneficiaries with at least Thirty-two (32), or 51%, qualifying as low to moderate income households. As of May 2009, the number of beneficiaries served is Eleven (11) persons, with a total of Eight (8) who are low to moderate income qualified.

Obviously the performance goals of the grant have not been met by the required deadline.

In accordance with federal and state regulations, the City should address the audit finding by adopting a Corrective Action Plan with the focus of meeting the objectives of this specific grant, as well as any future grants. The intent and purpose of this resolution is to approve just such a Corrective Action Plan.

NOW, THEREFORE, BE IT RESOLVED by the Common Council of the City of Plymouth, Indiana as follows:

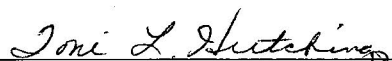
Section 1. The attached Corrective Action Plan is hereby approved.

Section 2. The administration shall forthwith implement the attached Corrective Action Plan.

PASSED AND ADOPTED this 26th day of May, 2009.



Mark Senter, Presiding Officer



Toni L. Hutchings, IAMC/CMC/CPFA
Clerk-Treasurer

CITY OF PLYMOUTH CORRECTIVE ACTION PLAN
FEDERAL AGENCY: U.S. DEPARTMENT OF HOUSING AND URBAN
DEVELOPMENT
FEDERAL PROGRAM: COMMUNITY DEVELOPMENT BLOCK GRANTS
CFDA NUMBER: 14.228
FEDERAL AWARD NUMBER: CF-06-244
PASS-THROUGH ENTITY: INDIANA OFFICE OF COMMUNITY AND
RURAL AFFAIRS

Introduction

In January of 2007, the City of Plymouth was awarded a CDBG grant in the amount of \$390,012. The purpose of the grant was to build infrastructure in support of affordable housing. The Solomon Group is the subrecipient that, as a developer, was to market the project, screen the applicants, build the homes and sell them to qualified low to moderate income households. The concept was that by obtaining a grant for infrastructure needs, the cost of which is frequently borne by developers, this particular developer instead would be able to hold down the cost of building homes within the same general area (very near a school), and thereby establish a selling price affordable to qualified low to moderate income families.

The Indiana Office of Community and Rural Affairs is the pass-through entity for this particular grant. Meetings have been held with IOCRA officials about approaching deadlines and the low number of qualified applicants being processed. Procedures were insisted upon and actions suggested with the objective of increasing the pool of potential purchasers. And of course, we have all experienced and observed the current economic conditions that include an unstable housing market and a tightening of consumer credit, caused in no small part by bad mortgage loans and sharp increases in home foreclosures contemporaneous with the history of this particular CDBG grant.

The annual State Board of Accounts audit of the City of Plymouth has resulted in Finding 2008-1, entitled "Subrecipient Monitoring." The finding is critical of the City's "limited oversight and monitoring of the subrecipient." Although an argument can be made that, at least beginning in 2008, the City intensified its oversight and monitoring of The Solomon Group. Furthermore, it is entirely unclear under the present state of the national and local economy, if any amount of oversight would have produced a different result. Nevertheless, the City does not take lightly its share of responsibility in the failure to meet performance goals set out in the grant agreement by the established timetable. Accordingly, it is appropriate to develop, approve and implement policies and procedures designed to correct subrecipient monitoring deficiencies, and steps to be taken to ensure grant performance goals are met. It is the intent of this document to do just that.

I.

It is the policy of the City of Plymouth to not participate in grant programs with performance goals that are entirely the responsibility of third parties. In other words, it is not prudent to place in a third party's hands the City's reputation, standing and eligibility with state and federal grant agencies. By doing so the City loses control of the actions necessary to vigorously remain in compliance with agency expectations, and instead must rely on the efforts of third parties over whom the City has little control other than to urge, cajole, suggest and demand.

II.

With regard to this particular grant, a meeting shall be convened with the principals of The Solomon Group and the Mayor, Clerk-Treasurer, City Attorney and any other persons deemed appropriate by the Mayor. The purpose of the meeting shall be to develop an immediate action plan designed to meet the performance goals of the grant award, albeit untimely. At least one action to be considered would be the City's role in increased marketing efforts. Another action to be considered is for the developer to establish a sales price below cost to avoid the expense of litigation and the probability of reimbursing the City should it be required to re-pay the grant award. Subsequent meetings shall be conducted on a monthly basis to monitor compliance and progress with the agreed upon action plan.

III.

The City Attorney shall conduct a review of all legal remedies available with regard to The Solomon Group's failure to meet the performance goals of this particular grant. Although the City has been advised to avoid reimbursing HUD the grant proceeds as it would have a deleterious affect upon the City's ability to participate in future grant programs, reimbursement unfortunately may be one of the few remedies available. Non-compliance with program goals must be sanctioned.

CITY OF PLYMOUTH
EXIT CONFERENCE

The contents of this report were discussed on July 2, 2009, with Toni L. Hutchings, Clerk-Treasurer. The official concurred with our audit finding.