

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

CITY OF PLYMOUTH

MARSHALL COUNTY, INDIANA

January 1, 2015 to December 31, 2015



**FILED**  
05/31/2017



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### SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Jeanine M. Xaver	10-01-14 to 12-31-19
Mayor	Mark Senter	01-01-12 to 12-31-19
President of the Board of Public Works and Safety	Mark Senter	01-01-12 to 12-31-19
President Pro Tempore of the Common Council	Michael A. Delp Don Ecker, Jr.	01-01-15 to 12-31-15 01-01-16 to 12-31-17
Superintendent of Utilities	Donnie Davidson	01-01-15 to 12-31-17
Airport Manager	Dave Lattimer	01-01-15 to 12-31-17
President of the Board of Aviation	Phil Bockman	01-01-15 to 12-31-17



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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

This report is supplemental to our audit report of the City of Plymouth (City), for the period from January 1, 2015 to December 31, 2015. It has been provided as a separate report so that the reader may easily identify any Federal Findings that pertain to the City. It should be read in conjunction with our Financial Statement and Federal Single Audit Report of the City, which provides our opinions on the City's financial statement and federal program compliance. This report may be found at [www.in.gov/sboa/](http://www.in.gov/sboa/).

The Federal Finding, identified in the above referenced audit report, is included in this report.

Any Corrective Action Plan for the Federal Finding, incorporated within this report, was not verified for accuracy.

*Paul D. Joyce*  
Paul D. Joyce, CPA  
State Examiner

April 12, 2017

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DEPARTMENT OF AVIATION  
CITY OF PLYMOUTH

DEPARTMENT OF AVIATION  
CITY OF PLYMOUTH  
FEDERAL FINDING

***FINDING 2015-001 - DAVIS-BACON ACT***

Federal Agency: Department of Transportation  
Federal Program: Airport Improvement Program  
CFDA Number: 20.106  
Federal Award Number and Year (or Other Identifying Number): AIP 3-18-0067-17

*Condition*

An effective internal control system was not in place at the City in order to ensure compliance with requirements related to the grant agreement and the Davis-Bacon Act wage rate requirements.

The City relied on a consultant to ensure compliance with the Davis-Bacon Act wage rate requirements. There were no controls in place to ensure that the City verified that the consultant received weekly payrolls from the contractors who worked on the airport project.

*Context*

The City did not monitor the consultant to confirm if the two contractors used during the project provided weekly payrolls.

*Criteria*

OMB Circular A-133, Subpart C, section .300 states in part:

"The auditee shall: . . . (b) Maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs. . . ."

*Cause*

Management had not developed a system of internal controls that segregated key functions.

*Effect*

The failure to establish an effective internal control system placed the City at risk of noncompliance with the grant agreement and the compliance requirement. A lack of segregation of duties within an internal control system could have also allowed noncompliance with the compliance requirement and allowed the misuse and mismanagement of federal funds and assets by not having proper oversight, reviews, and approvals over the activities of the program.

*Questioned Costs*

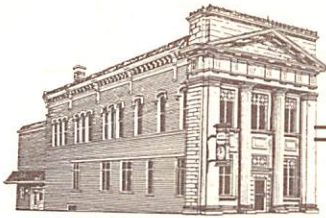
There were no questioned costs identified.

*Recommendation*

We recommended that the City's management establish controls, including segregation of duties, related to the grant agreement and Davis-Bacon Act wage rate requirements.

*Views of Responsible Officials*

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.



# City of Plymouth

Mark Senter  
Mayor

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www.plymouthin.com

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Clerk-Treasurer

City Attorney  
Sean Surrisi  
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Telephone (574) 936-2948

Council  
Bill Walters  
Jeff Houin  
Gary Cook  
Duane Culp  
Don Ecker, Jr.  
Shiloh Fonseca  
Shawn Grobe

## CORRECTIVE ACTION PLAN

### ***FINDING 2015-001***

Contact Person Responsible for Corrective Action: Airport Manager David Lattimer; Board of Aviation Commissioners President Phil Bockman  
Contact Phone Number: 574-935-5152

#### Views of Responsible Official:

We understand the need to provide reasonable assurance that the airport engineer is managing federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its federal programs. We appreciate the opportunity to comply with the criteria in the future.

#### Description of Corrective Action Plan:

According to IC 8-22-2-17 Federal, public, or private grants Sec. 17. (a) An eligible entity acting by and through its board under IC 8-21-8 may accept, receive, and receipt for federal monies and other monies, either public or private, for the acquisition, construction, enlargement, improvement, maintenance, equipment, or operation of airports and other air navigation facilities, and sites for them, and comply with federal law and rules and regulations made under them for the expenditure of federal monies on airports and other air navigation facilities.

(b) Subject to IC 8-21-8, **the board has exclusive power** on behalf of the entity to submit to the proper state and federal agencies applications for grants of funds for airport development and **to make or execute representations, assurances, and contracts** and to enter into agreements with state or federal agencies relative to the development of a municipal airport. As added by Acts 1980, P.L.8, SEC.73.

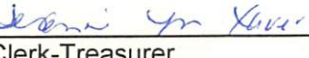
In order to correct the non-compliance with the Davis Bacon Act, the Board of Aviation Commissioners will begin accepting reports from the Grant Administrator at public meetings. The Clerk-Treasurer and the Aviation Board President will see that the Airport Manager has confirmed in writing that he has monitored the Grant Administrator to verify they are receiving and reviewing weekly payrolls from the contractors.


#### Anticipated Completion Date:

Immediately

Signed:   
Title: BOAC President  
Date: April 12, 2017

Signed:   
Title: Airport Manager  
Date: April 12, 2017

Signed:   
Title: Clerk-Treasurer  
Date: April 12, 2017

Signed:   
Title: Mayor  
Date: April 12, 2017

DEPARTMENT OF AVIATION  
CITY OF PLYMOUTH  
EXIT CONFERENCE

The contents of this report were discussed on April 12, 2017, with Mark Senter, Mayor; Jeanine M. Xaver, Clerk-Treasurer; Don Ecker, Jr., President Pro Tempore of the Common Council; Dave Lattimer, Airport Manager; Phil Bockman, President of the Board of Aviation; and Zachary Davis, Airport Assistant Manager.