

**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, 2022 to December 31, 2022



**FILED**  
07/06/2023



TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Schedule of Officials .....	2
Transmittal Letter .....	3
Clerk-Treasurer:	
Audit Result and Comment:	
Annual Financial Report.....	6-7
Exit Conference .....	8

SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Lynn M. Gorski	01-01-22 to 12-31-23
Mayor	Mark W. Senter	01-01-22 to 12-31-23
President of the Board of Public Works and Safety	Mark W. Senter	01-01-22 to 12-31-23
President Pro Tempore of the Common Council	Don Ecker, Jr.	01-01-22 to 12-31-23
Superintendent of Utilities	Donnie Davidson	01-01-22 to 12-31-23



**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](http://www.in.gov/sboa)

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

This report is supplemental to the audit report of the City of Plymouth (City), for the period from January 1, 2022 to December 31, 2022. It has been provided as a separate report so that the reader may easily identify any Audit Results and Comments that pertain to the City. It should be read in conjunction with the Financial Statement Audit Report of the City, which provides our opinions on the City's financial statement. This report may be found at [www.in.gov/sboa/](http://www.in.gov/sboa/).

As authorized under Indiana Code 5-11-1, we performed procedures to determine compliance with applicable Indiana laws and uniform compliance guidelines established by the Indiana State Board of Accounts. The Audit Result and Comment contained herein describes the identified reportable instance of noncompliance found as a result of these procedures. Our tests were not designed to identify all instances of noncompliance; therefore, noncompliance may exist that is unidentified.

Any Official Response to the Audit Result and Comment, incorporated within this report, was not verified for accuracy.

Beth Kelley, CPA, CFE  
Deputy State Examiner

June 20, 2023

(This page intentionally left blank.)

CLERK-TREASURER  
CITY OF PLYMOUTH

CLERK-TREASURER  
CITY OF PLYMOUTH  
AUDIT RESULT AND COMMENT

**ANNUAL FINANCIAL REPORT**

*Condition and Context*

Supplemental and other information are required to be entered annually into the Annual Financial Report (AFR) via the Indiana Gateway for Government Units (Gateway) financial reporting system. The supplementary information and other information section entered by the City contained numerous errors. The City had also not established effective internal controls over the AFR information into Gateway, which resulted in the following errors:

*Grants*

1. The Airport Improvement Program, COVID-19 - Airports Programs, and Infrastructure Investment and Jobs Act Programs grant was omitted, which resulted in the understatement of expenditures in the amount of \$821,315.
2. Other errors included incorrect federal program names, pass-through entities, and identifying numbers.

Audit adjustments were proposed, accepted by the City, and made to the Schedule of Expenditures of Federal Awards presented in the Federal Compliance Audit Report.

*Leases and Debt*

The City omitted reporting \$2,920,015 in Ending Principal Balance and \$3,436,968 Principal and Interest Due Within One Year. In addition, the City omitted reporting \$458,500 in annual lease payments.

Adjustments were proposed, accepted by the City, and made to the Schedule of Leases and Debt presented as Other Information in the Financial Statement Audit Report.

CLERK-TREASURER  
CITY OF PLYMOUTH  
AUDIT RESULT AND COMMENT  
(Continued)

*Criteria*

The Indiana State Board of Accounts (SBOA) is required under Indiana Code 5-11-1-27(e) to define the acceptable minimum level of internal control standards. To provide clarifying guidance, the State Examiner compiled the standards contained in the manual, *Uniform Internal Control Standards for Indiana Political Subdivisions*. All political subdivisions subject to audit by SBOA are expected to adhere to these standards. The standards include adequate control activities. According to this manual:

"Control activities are the actions and tools established through policies and procedures that help to detect, prevent, or reduce the identified risks that interfere with the achievement of objectives. Detection activities are designed to identify unfavorable events in a timely manner whereas prevention activities are designed to deter the occurrence of an unfavorable event. Examples of these activities include reconciliations, authorizations, approval processes, performance reviews, and verification processes.

An integral part of the control activity component is segregation of duties. . . .

There is an expectation of segregation of duties. If compensating controls are necessary, documentation should exist to identify both the areas where segregation of duties are not feasible or practical and the compensating controls implemented to mitigate the risk. . . ."

Indiana Code 5-11-1-4(a) states:

"The state examiner shall require from every audited entity financial reports covering the full period of each fiscal year. These reports shall be prepared, verified, and filed with the state examiner not later than sixty (60) days after the close of each fiscal year. The reports must be in the form and content prescribed by the state examiner and filed electronically in the manner prescribed under [IC 5-14-3.8-7](#)."

CLERK-TREASURER  
CITY OF PLYMOUTH  
EXIT CONFERENCE

The contents of this report were discussed on June 20, 2023, with Lynn M. Gorski, Clerk-Treasurer; Don Ecker, Jr., President Pro Tempore of the Common Council; Mark W. Senter, Mayor; Shiloh Carothers Milner, Common Council member; Greg Compton, Common Council member; and Sean Surrisi, City Attorney.