

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

FINANCIAL STATEMENTS EXAMINATION REPORT
OF

WATER AND WASTEWATER UTILITIES
CITY OF PLYMOUTH

MARSHALL COUNTY, INDIANA

January 1, 2014 to December 31, 2014



FILED
02/18/2016

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Toni L. Hutchings Jeanine M. Xaver	01-01-12 to 09-30-14 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	01-01-14 to 12-31-15
Superintendent	Donnie Davidson	01-01-14 to 12-31-15



STATE OF INDIANA
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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE WATER AND WASTEWATER UTILITIES,
CITY OF PLYMOUTH, MARSHALL COUNTY, INDIANA

We have examined the accompanying financial statements of the Water and Wastewater Utilities (Utilities), departments of the City of Plymouth (City), as of and for the year ended December 31, 2014. The Utilities' management is responsible for the financial statements presented herein. Our responsibility is to express an opinion on the financial statements based on our examination.

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

As discussed in Note I, the financial statements of the Water and Wastewater Utilities, City of Plymouth, are intended to present the financial position, and the changes in financial position and cash flows of only that portion of the business-type activities of the City that is attributable to the transactions of the Utilities. They do not purport to, and do not, present fairly the financial position of the City of Plymouth as of December 31, 2014, and the changes in its financial position and its cash flows, where applicable, for the year then ended in conformity with 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 financial position of the Water and Wastewater Utilities, as of December 31, 2014, and the respective changes in financial position and cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Management has omitted the Management's Discussion and Analysis, Schedules of Changes in the Net Pension Liability and Related Ratios, and Schedule of Contributions, that accounting principles generally accepted in the United States of America, requires to be presented to supplement the financial statements. Such missing information, although not a part of the financial statements, is required by the Government Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

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

November 24, 2015

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FINANCIAL STATEMENTS AND ACCOMPANING REPORTS

The financial statements and accompanying notes were prepared by management of the Utilities. The financial statements and notes are presented as intended by the Utilities.

WATER AND WASTEWATER UTILITIES
CITY OF PLYMOUTH
STATEMENT OF NET POSITION
December 31, 2014

<u>Assets</u>	<u>Water Utility</u>	<u>Wastewater Utility</u>
Current assets:		
Cash and cash equivalents	\$ 862,814	\$ 631,213
Interest receivable	2,139	23,773
Accounts receivable (net of allowance)	90,785	103,155
Other receivables	56,035	68,474
Cylinder deposits	2,818	1,300
Inventories	222,366	273,698
Prepaid items	14,549	27,177
	<hr/>	<hr/>
Total current assets	1,251,506	1,128,790
Noncurrent assets:		
Restricted cash, cash equivalents and investments:		
Depreciation cash and cash equivalents	178,278	1,809,247
Depreciation investments	300,000	3,000,000
Bond and interest cash and cash equivalents	166,600	191,043
Bond and interest investments	-	315,000
Pretreatment cash and cash equivalents	-	75,765
Stormwater cash and cash equivalents	-	187,177
Customer deposits cash and cash equivalents	67,950	-
Customer deposits investments	100,000	-
	<hr/>	<hr/>
Total restricted assets	812,828	5,578,232
Capital assets:		
Land, improvements to land and construction in progress	323,916	811,579
Other capital assets (net of accumulated depreciation)	10,321,955	15,862,973
	<hr/>	<hr/>
Total capital assets	10,645,871	16,674,552
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Total noncurrent assets	11,458,699	22,252,784
Deferred outflows of resources:		
Unamortized loss on refunding	4,813	-
	<hr/>	<hr/>
Total assets	12,715,018	23,381,574
<u>Liabilities</u>		
Current liabilities:		
Accounts payable	15,560	10,893
Accrued wages payable	25,159	34,119
Taxes payable	7,961	-
Current liabilities payable from restricted assets:		
Customer deposits	167,950	-
Revenue bonds payable	193,265	150,000
Accrued interest payable	423	-
	<hr/>	<hr/>
Total current liabilities	410,318	195,012
Noncurrent liabilities:		
Revenue bonds payable (net of unamortized discounts)	-	2,567,266
	<hr/>	<hr/>
Total liabilities	410,318	2,762,278
<u>Net Position</u>		
Invested in capital assets, net of related debt	10,452,606	13,957,286
Restricted for debt service	166,600	506,043
Restricted for customer deposits	167,950	-
Restricted for capital outlay	478,278	5,072,189
Unrestricted	1,039,266	1,083,778
	<hr/>	<hr/>
Total net position	\$ 12,304,700	\$ 20,619,296

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

WATER AND WASTEWATER UTILITIES
CITY OF PLYMOUTH
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
As Of And For The Year Ended December 31, 2014

	Water Utility	Wastewater Utility
Operating revenues:		
Metered revenue	\$ 1,518,116	\$ 1,903,146
Unmetered water revenue	2,504	-
Stormwater revenue	-	170,257
Surcharge revenue	-	900,309
Fire protection revenue	493,300	-
Penalties	18,019	21,097
Other	37,716	74,337
Total operating revenues	<u>2,069,655</u>	<u>3,069,146</u>
Operating expenses:		
Source of supply	78,776	-
Water treatment	232,111	-
Transmission and distribution	342,108	-
Pumping	148,970	-
Collection system	-	1,059,570
Stormwater	-	121,904
Customer accounts	187,484	8,218
Administration and general	427,293	582,383
Depreciation	263,026	696,386
Total operating expenses	<u>1,679,768</u>	<u>2,468,461</u>
Operating income	<u>389,887</u>	<u>600,685</u>
Nonoperating revenues (expenses):		
Interest and investment revenue	3,077	18,358
Tap fees	7,638	27,440
Transfer from general fund	-	350,000
Interest expense	(26,986)	(173,915)
Gain on disposal of fixed assets	-	1,000
Total nonoperating expenses	<u>(16,271)</u>	<u>222,883</u>
Change in net position	373,616	823,568
Capital contributions	2,138,518	185,322
Payments in lieu of taxes	(70,711)	(139,209)
Total net position - beginning	<u>9,863,277</u>	<u>19,749,615</u>
Total net position - ending	<u>\$ 12,304,700</u>	<u>\$ 20,619,296</u>

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

WATER AND WASTEWATER UTILITIES
CITY OF PLYMOUTH
STATEMENT OF CASH FLOWS
As Of And For The Year Ended December 31, 2014

	Water Utility	Wastewater Utility
Cash flows from operating activities:		
Receipts from customers and users	\$ 2,056,368	\$ 3,068,140
Payments to suppliers and contractors	(676,887)	(836,622)
Payments to employees	(711,808)	(912,159)
Net cash provided by operating activities	<u>667,673</u>	<u>1,319,359</u>
Cash flows from Noncapital and financing activities:		
Payment in lieu taxes	(70,711)	(139,209)
Cash flows from capital and related financing activities:		
Acquisition and construction of capital assets	(297,399)	(791,328)
Principal paid on capital debt	(380,000)	(140,000)
Interest paid on capital debt	(27,698)	(173,915)
Transfer from general fund (capital contributions)	-	350,000
Tap fees	7,638	27,440
Net cash used by capital and related financing activities	<u>(697,459)</u>	<u>(727,803)</u>
Cash flows from investing activities:		
Sale of Investments	199,000	-
Interest received	1,911	1,907
Net increase (decrease) in cash and cash equivalents	<u>100,414</u>	<u>454,254</u>
Cash and cash equivalents, January 1	<u>1,175,228</u>	<u>2,440,191</u>
Cash and cash equivalents, December 31	<u>\$ 1,275,642</u>	<u>\$ 2,894,445</u>
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$ 389,887	\$ 600,685
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation expense	263,026	696,386
(Increase) decrease in assets:		
Accounts receivable	1,673	(1,026)
Accounts receivable - other	(14,960)	20
Inventories	12,209	25,325
Prepaid items	(758)	761
Increase (decrease) in liabilities:		
Accounts payable	(4,029)	(32,190)
Accrued wages payables	20,625	29,398
Total adjustments	<u>277,786</u>	<u>718,674</u>
Net cash provided by operating activities	<u>\$ 667,673</u>	<u>\$ 1,319,359</u>
Noncash Investing, capital and financing activities:		
Contributed capital assets	\$ 2,138,518	\$ 185,322
Completed projects transferred to capital assets	52,400	22,751
Disposal of capital assets	-	12,598

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

WATER AND WASTEWATER UTILITIES
CITY OF PLYMOUTH
NOTES TO FINANCIAL STATEMENTS

I. Summary of Significant Accounting Policies

A. Reporting Entity

The financial statements reflect only the activity of the Water and Wastewater Utilities (Utilities) and are not intended to present fairly the position of the City of Plymouth (City), and the results of its operations and cash flows of its enterprise funds. The Utilities, whose operations are controlled by the City, represents a substantial portion of the City's enterprise funds.

B. Fund Financial Statements

Business-type activity financial statements consist of the Statement of Net Position; Statement of Revenues, Expenses, and Changes in Net Position; and the Statement of Cash Flows. Business-type activities rely to a significant extent on fees and charges for support.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The accounts of the business-type activity are maintained and the financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recognized when incurred.

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.

When both restricted and unrestricted resources are available for use, the Utilities' policy is to use restricted resources first, then unrestricted resources as they are needed.

D. Assets, Liabilities and Net Position or Equity

1. Deposits and Investments

The Utilities' cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

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

Nonparticipating certificates of deposit, demand deposits and similar nonparticipating negotiable instruments that are not reported as cash and cash equivalents are reported as investments at cost.

WATER AND WASTEWATER UTILITIES
CITY OF PLYMOUTH
NOTES TO FINANCIAL STATEMENTS
(Continued)

Debt securities are reported at fair value. Debt securities are defined as securities backed by the full faith and credit of the United States Treasury or fully insured or guaranteed by the United States or any United States government agency.

Open-end mutual funds are reported at fair value.

Money market investments that mature within one year or less at the date of their acquisition are reported at amortized cost. Other money market investments are reported at fair value.

Investment income, including changes in the fair value of investments, is reported as revenue in the operating statement.

2. Inventories and Prepaid Items

All inventories are valued at cost using the first in/first out (FIFO) method.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

3. Restricted Assets

Certain proceeds of the enterprise fund revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the Statement of Net Position because their use is limited by applicable bond indentures or governing body action.

The financial statements report \$812,828 and \$5,578,232 of restricted assets, in the Water Utility and the Wastewater Utility, respectively, of which \$167,950 in the Water Utility is restricted by enabling legislation.

4. Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the financial statements.

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.

Capitalization thresholds (the dollar values above which asset acquisitions are added to the capital asset accounts), depreciation methods and estimated useful lives of capital assets are as follows:

	<u>Capitalization Threshold</u>	<u>Depreciation Method</u>	<u>Estimated Useful Life</u>
Buildings	\$ 5,000	Straight-line	25 to 50 years
Improvements other than buildings	5,000	Straight-line	15 to 100 years
Machinery and equipment	5,000	Straight-line	10 to 25 years
Transportation equipment	5,000	Straight-line	5 years

WATER AND WASTEWATER UTILITIES
CITY OF PLYMOUTH
NOTES TO FINANCIAL STATEMENTS
(Continued)

For depreciated assets, the cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

5. Compensated Absences

- a. Sick Leave - Utility employees earn sick leave at the rate of 1/2 day per month after 3 calendar months, not to exceed 5 sick days per year. Unused sick leave may be accumulated to a maximum of 50 days. Accumulated sick leave is not paid to employees upon termination of employment.
- b. Vacation Leave - Utility employees earn vacation leave at rates from 5 days to 20 days per year based upon the number of years of service. Vacation leave does not accumulate from year to year.
- c. Personal Leave - Utility employees earn personal leave at the rate of 2 days per year. Personal leave does not accumulate from year to year.

No liability is reported for vacation, sick, and personal leave.

6. Long-Term Obligations

Long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Position. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

II. 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 Utilities do not have a deposit policy for custodial credit risk. At December 31, 2014, the Utilities had deposit balances in the amount of \$1,675,642 in the Water Utility and \$6,209,445 in the Wastewater Utility.

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.

WATER AND WASTEWATER UTILITIES
CITY OF PLYMOUTH
NOTES TO FINANCIAL STATEMENTS
(Continued)

B. Capital Assets

Capital asset activity for the year ended December 31, 2014, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Water Utility:				
Capital assets, not being depreciated:				
Land	\$ 177,016	\$ -	\$ -	\$ 177,016
Construction in progress	<u>-</u>	<u>199,300</u>	<u>52,400</u>	<u>146,900</u>
Total capital assets, not being depreciated	<u>177,016</u>	<u>199,300</u>	<u>52,400</u>	<u>323,916</u>
Capital assets, being depreciated:				
Buildings	4,486,604	1,982,086	-	6,468,690
Improvements other than buildings	8,497,692	234,400	-	8,732,092
Machinery and equipment	<u>1,525,350</u>	<u>108,522</u>	<u>-</u>	<u>1,633,872</u>
Totals	<u>14,509,646</u>	<u>2,325,008</u>	<u>-</u>	<u>16,834,654</u>
Less accumulated depreciation for:				
Buildings	1,648,265	107,798	-	1,756,063
Improvements other than buildings	3,608,829	114,139	-	3,722,968
Machinery and equipment	<u>992,579</u>	<u>41,089</u>	<u>-</u>	<u>1,033,668</u>
Totals	<u>6,249,673</u>	<u>263,026</u>	<u>-</u>	<u>6,512,699</u>
Total capital assets, being depreciated, net	<u>8,259,973</u>	<u>2,061,982</u>	<u>-</u>	<u>10,321,955</u>
Total Water Utility capital assets, net	<u>\$ 8,436,989</u>	<u>\$ 2,261,282</u>	<u>\$ 52,400</u>	<u>\$ 10,645,871</u>
	Beginning Balance	Increases	Decreases	Ending Balance
Wastewater Utility:				
Capital assets, not being depreciated:				
Land	\$ 164,463	\$ -	\$ -	\$ 164,463
Construction in progress	<u>12,493</u>	<u>657,374</u>	<u>22,751</u>	<u>647,116</u>
Total capital assets, not being depreciated	<u>176,956</u>	<u>657,374</u>	<u>22,751</u>	<u>811,579</u>
Capital assets, being depreciated:				
Buildings	12,629,412	12,493	-	12,641,905
Improvements other than buildings	14,467,063	195,581	-	14,662,644
Machinery and equipment	<u>2,561,193</u>	<u>136,233</u>	<u>12,598</u>	<u>2,684,828</u>
Totals	<u>29,657,668</u>	<u>344,307</u>	<u>12,598</u>	<u>29,989,377</u>
Less accumulated depreciation for:				
Buildings	5,787,996	283,743	-	6,071,739
Improvements other than buildings	5,517,860	305,313	-	5,823,173
Machinery and equipment	<u>2,136,760</u>	<u>107,330</u>	<u>12,598</u>	<u>2,231,492</u>
Totals	<u>13,442,616</u>	<u>696,386</u>	<u>12,598</u>	<u>14,126,404</u>
Total capital assets, being depreciated, net	<u>16,215,052</u>	<u>(352,079)</u>	<u>-</u>	<u>15,862,973</u>
Total Wastewater Utility capital assets, net	<u>\$ 16,392,008</u>	<u>\$ 305,295</u>	<u>\$ 22,751</u>	<u>\$ 16,674,552</u>

WATER AND WASTEWATER UTILITIES
CITY OF PLYMOUTH
NOTES TO FINANCIAL STATEMENTS
(Continued)

Depreciation expense was charged to functions/programs of the Utilities as follows:

Water	\$	263,026
Wastewater		<u>696,386</u>
 Total depreciation expense	 \$	 <u>959,412</u>

C. Construction Commitments

Construction work in progress is composed of the following:

Project	Authorized	Expended to December 31, 2014	Committed
Water Utility:			
Ledyard Water Treatment Plant Improvements	\$ 615,320	<u>\$ 146,900</u>	<u>\$ 468,420</u>
Wastewater Utility:			
Beerenbrook/Jefferson Storm Sewer Project	700,000	512,823	187,177
Odor Control Project	200,000	<u>134,293</u>	<u>65,707</u>
Total Wastewater Utility		<u>\$ 647,116</u>	<u>\$ 252,884</u>

D. Long-Term Liabilities

1. Revenue Bonds

The Utilities issue bonds to be paid by income derived from the acquired or constructed assets. Revenue bonds outstanding at year end are as follows:

Purpose	Interest Rates	Balance at December 31, 2014	Less: Unamortized Discount	Amount
2009 Waterworks refunding revenue bonds	2.0% - 2.6%	\$ 195,000	\$ 1,735	\$ 193,265
2008 Wastewater improvements	6.1%	<u>2,730,000</u>	<u>12,734</u>	<u>2,717,266</u>
Totals		<u>\$ 2,925,000</u>	<u>\$ 14,469</u>	<u>\$ 2,910,531</u>

WATER AND WASTEWATER UTILITIES
CITY OF PLYMOUTH
NOTES TO FINANCIAL STATEMENTS
(Continued)

Revenue bonds debt service requirements to maturity are as follows:

	Water Utility		Wastewater Utility	
	Principal	Interest	Principal	Interest
2015	\$ 195,000	\$ 2,535	\$ 150,000	\$ 164,243
2016	-	-	160,000	154,940
2017	-	-	165,000	145,180
2018	-	-	175,000	134,963
2019	-	-	185,000	124,135
2020-2024	-	-	1,080,000	436,761
2025-2029	-	-	815,000	89,365
Totals	<u>\$ 195,000</u>	<u>\$ 2,535</u>	<u>\$ 2,730,000</u>	<u>\$ 1,249,587</u>

2. Changes in Long-Term Liabilities

Long-term liability activity for the year ended December 31, 2014, was as follows:

Type of Liability	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Revenue bonds payable:					
Water Utility	\$ 575,000	\$ -	\$ 380,000	\$ 195,000	\$ 195,000
Less unamortized discount	5,900	-	4,165	1,735	1,735
Total Water Utility	<u>569,100</u>	<u>-</u>	<u>375,835</u>	<u>193,265</u>	<u>193,265</u>
Wastewater Utility	2,870,000	-	140,000	2,730,000	150,000
Less unamortized discount	13,714	-	980	12,734	980
Total Wastewater Utility	<u>2,856,286</u>	<u>-</u>	<u>139,020</u>	<u>2,717,266</u>	<u>149,020</u>
Total long-term liabilities	<u>\$ 3,431,286</u>	<u>\$ -</u>	<u>\$ 519,020</u>	<u>\$ 2,912,266</u>	<u>\$ 344,020</u>

E. Restricted Assets

The balances of restricted asset accounts in the enterprise funds are as follows:

	Water Utility	Wastewater Utility
Depreciation accounts	\$ 478,278	\$ 4,996,424
Bond and interest accounts	166,600	506,043
Pretreatment account	-	75,765
Customer deposit accounts	167,950	-
Total restricted assets	<u>\$ 812,828</u>	<u>\$ 5,578,232</u>

WATER AND WASTEWATER UTILITIES
CITY OF PLYMOUTH
NOTES TO FINANCIAL STATEMENTS
(Continued)

III. Other Information

A. Risk Management

The Utilities are 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 and dependents; 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 and Utilities 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 350 member governmental entities. This risk pool was formed in 1990. The purpose of the risk pool is to provide a medium for the funding and administration of insurance costs related to job related illnesses or injuries to employees. The City, including the Utilities, pays an annual premium to the risk pool for its share of the costs of coverage. 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 and Utilities have chosen to be self-insured for risks associated with employee dental benefits. The total charge allocated to each of the funds is calculated using trends in actual claims experience.

B. Rate Structure

1. Water Utility

On March 13, 1989, the Common Council adopted Ordinance 1465 to withdraw from the jurisdiction of the Indiana Utility Regulatory Commission. The current rate structure was approved by the Common Council on April 23, 2012, with three effective dates of June 1, 2012, and February 1, 2013 and 2014. The Utility has 3,971 customers.

2. Wastewater Utility

The current rate structure was approved by the Common Council on June 28, 2010. The Utility has 3,875 customers.

WATER AND WASTEWATER UTILITIES
CITY OF PLYMOUTH
NOTES TO FINANCIAL STATEMENTS
(Continued)

C. Pension Plan

Public Employees' Retirement Fund

Plan Description

The City, including the Utilities, contributes to the Indiana Public Employees' Retirement Fund (PERF), a defined benefit pension plan. PERF is a cost-sharing 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 Indiana Public Retirement System (INPRS) Board, most requirements of the system, and give the Utilities 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 percent of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

INPRS 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:

Indiana Public Retirement System
One North Capitol Street, suite 001
Indianapolis, IN 46204
Ph. (888) 526-1687

Funding Policy and Annual Pension Cost

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

Information to segregate the assets/liabilities and the actuarial study figures between the City and the Utilities is not available. Therefore, the liability for Net Pension Obligation (NPO) is considered an obligation of the City as a whole and is not presented as an asset/liability of the proprietary funds.

OTHER REPORTS

In addition to this report, other reports may have been issued for the City. All reports can be found on the Indiana State Board of Accounts' website: <http://www.in.gov/sboa/>.