

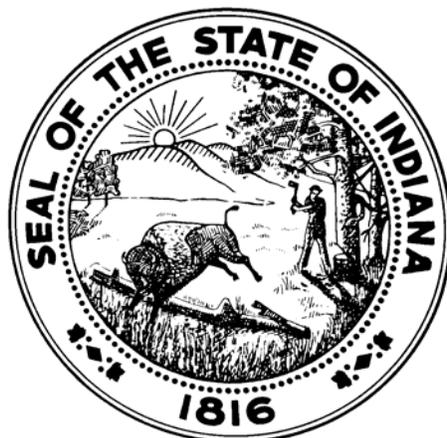
STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2765

ANNUAL FINANCIAL REPORT

2004

TOWN OF PLAINFIELD

HENDRICKS COUNTY, INDIANA



FILED
7/31/06

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
President of the Town Council	Robin Brandgard	01-01-03 to 12-31-06
Superintendent of Utilities	Carl Brown Jason Castetter	01-01-04 to 01-31-04 02-01-04 to 12-31-06
Controller	Reed O'Hair	01-01-04 to 12-31-06
Clerk-Treasurer	H. Michael Isaac Wesley Bennett	01-01-04 to 08-14-05 08-15-05 to 12-31-07



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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302 WEST WASHINGTON STREET
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INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF THE TOWN OF PLAINFIELD, HENDRICKS 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 Town of Plainfield, as of and for the year ended December 31, 2004, as listed in the table of contents, which collectively comprise the Town's basic financial statements. These financial statements are the responsibility of the Town'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. 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 Town prepares its financial statements on the prescribed basis of accounting that demonstrates compliance with the cash 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.

As discussed in Note I, the Town prepares financial statements of its governmental activities, business-type activities, each major governmental fund and the aggregate remaining fund information of the Town on the prescribed basis of accounting that demonstrates compliance with the cash 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.

As discussed in Note I, the financial statements referred to above do not include the component unit of the Town which should have been included to fairly present the financial position of the Town.

In our opinion, except that the omission of the component unit of the Town referred to in the preceding paragraph results in incomplete presentation, the financial statements referred to above present fairly, in all material respects, the cash and investment balances of the governmental activities, the business-type activities, each major governmental fund, and the aggregate remaining fund information of the Town as of December 31, 2004, and the cash receipts and cash disbursements during the year then ended on the basis of accounting described in Note I.

INDEPENDENT AUDITOR'S REPORT
(Continued)

In our opinion, the financial statements of the enterprise funds present fairly, in all material respects, the financial position of each major proprietary fund as of December 31, 2004, and the respective changes in financial position and cash flows, where applicable, thereof and for the year then ended, in conformity with accounting principles generally accepted in the United States.

The Management's Discussion and Analysis, Schedules of Funding Progress 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 the Governmental Accounting Standards Board. 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.

STATE BOARD OF ACCOUNTS

December 14, 2005

Town of Plainfield, Indiana
Management's Discussion and Analysis
December 31, 2004

This discussion and analysis highlights the Town of Plainfield's financial activities for the year ended December 31, 2004. We hope you will find this discussion helpful in assessing the Town's financial condition. Please read it in conjunction with the Town's financial statements and accompanying notes, which follow this discussion and analysis.

Financial Highlights

- The assets of the Town of Plainfield exceeded liabilities at December 31, 2004 by \$134,162,609. Of this amount, \$15,031,728. is unrestricted and may be used to meet the Town's ongoing obligations to its citizens, creditors and utility customers.
- The Town's cash net assets increased by \$13,299,504.
- The Town's long-term debt decreased by \$24,581
- The Town's capital assets at December 31, 2003 were substantially increased as described in note III G to the financial statements.

Basic Financial Statements

The Government Accounting Standards Board (GASB) requires the Town to present its financial statements in accordance with GASB Statement No. 34. The basic financial statements of the Town of Plainfield consist of two sets:

1. Government-wide statements.
2. Fund financial statements.

Government-wide statements include the Statement of Cash and Investments and the Statement of Sash Activities. Government-wide statements report on two major categories of services:

- Governmental activities, which encompass most of the Town's basic services that are provided to its citizens.
- Business-type activities, which include water and wastewater utilities.

Governmental activities include most of the Town's basic services that are provided to its citizens, such as the general government, street, park, police, and fire departments. Governmental activities are presented on the cash basis of accounting; in other words, receipts and expenditures are recorded in the financial statements when cash is actually received or disbursed.

Business-type activities include the Town's water and wastewater utilities. These activities are primarily funded through user charges and fees for services. Unlike governmental activities, business-type activities use the accrual method of accounting. This means that revenue and expenses are shown in the fund financial statements when they are incurred, regardless of when payments for the related goods and services are actually made.

Fund financial statements are broadly categorized as governmental, fiduciary and proprietary. Separate financial statements are presented for each of these fund categories.

- **Governmental funds include the General Fund, Special Revenue Funds, and Capital Projects Funds. These funds report what most people consider the basic government services. The Statement of Receipts, Disbursements, and Cash and Investment Balances-Governmental Funds reports the three major funds separately, with all other funds combined into one total. This statement provides a detailed short-term view of the Town's general government operations and the basic services it provides. This information will help you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Town's programs.**
- **Fiduciary funds include the Police and Fire Pension Trusts, Town Court, Agency Funds, and Payroll. All of the Town's fiduciary activities are reported in a separate Statement of Additions, Deductions, and Changes in Cash and Investments-Fiduciary Funds. The Town is responsible for ensuring that the assets reported in these funds are used for their intended purposes. These funds are excluded from the Town's other financial statements because the Town cannot use these assets to finance its operations.**
- **Proprietary(enterprise) funds encompass the business-type activities, namely the water and wastewater utilities. The enterprise fund statements are prepared using the accrual basis of accounting. The following statements comprise the proprietary fund statements: Statement of Net Assets-Enterprise Funds; Statement of Revenues, Expenditures and Other Changes in Fund Net Assets-Enterprise Funds; and Statement of Cash Flows-Enterprise Funds.**

Condensed Financial Data

For the year's ended December 31, 2004 and 2003

(000's omitted)

	Governmental Activities		Business-Type Activities		Total	
	2004	2003	2004	2003	2004	2003
Beginning Cash Net Assets	\$ 6,987	\$ 9,675	\$ 21,316	\$ 4,783	\$ 28,303	\$ 14,458
<u>Receipts</u>						
Program receipts:						
Charges for services	1,628	843	7,982	7,480	9,610	8,323
Operating grants and contributions	3,316	2,898	-	-	3,316	2,898
Proceeds from Capital debt	-	-	-	16,176	-	16,176
General receipts:						
Property taxes	13,161	4,353	-	-	13,161	4,353
Other local sources	8,957	173	-	-	8,957	173
Other receipts	4,933	4,133	-	-	4,933	4,133
Transfers	508	-	-	-	508	-
Total receipts	<u>32,503</u>	<u>12,400</u>	<u>7,982</u>	<u>23,656</u>	<u>40,485</u>	<u>36,056</u>
<u>Disbursements</u>						
General government	1,148	831	-	-	1,148	831
Public safety	9,077	8,194	-	-	9,077	8,194
Highways and streets	2,188	1,918	-	-	2,188	1,918
Sanitation	475	509	-	-	475	509
Economic development	1,854	1,609	-	-	1,854	1,609
Culture and recreation	1,990	1,366	-	-	1,990	1,366
Interest on Long-term Debt	608	661	-	-	608	661
Principal on Long-term Debt	1,355	-	-	-	1,355	-
Water	-	-	6,183	2,813	6,183	2,813
Wastewater	-	-	10,769	4,310	10,769	4,310
Transfers	508	-	-	-	508	-
Total disbursements	<u>19,203</u>	<u>15,088</u>	<u>16,952</u>	<u>7,123</u>	<u>36,155</u>	<u>22,211</u>
Increase in cash and investments	13,300	(2,688)	(8,970)	16,533	4,330	13,845
Beginning cash and investments	<u>6,987</u>	<u>9,675</u>	<u>21,316</u>	<u>4,783</u>	<u>28,303</u>	<u>14,458</u>
Ending cash and investments	<u>\$ 20,287</u>	<u>\$ 6,987</u>	<u>\$ 12,346</u>	<u>\$ 21,316</u>	<u>\$ 32,633</u>	<u>\$ 28,303</u>

The following table outlines the net assets of the Town's business-type activities.

	(000's omitted)					
	Water		Waste-water		Total	
	2004	2003	2004	2003	2004	2003
Current and other assets	\$ 5,611	\$ 8,367	\$ 9,098	\$ 14,906	\$ 14,709	\$ 23,273
Capital Assets	46,254	10,863	77,129	20,120	123,383	30,983
Total assets	<u>51,865</u>	<u>19,230</u>	<u>86,227</u>	<u>35,026</u>	<u>138,092</u>	<u>54,256</u>
Long-term liabilities outstanding	7,212	7,479	14,999	15,447	14,691	22,926
Other liabilities	936	978	1,069	418	1,914	1,396
Total liabilities	<u>8,148</u>	<u>8,457</u>	<u>16,068</u>	<u>15,865</u>	<u>16,605</u>	<u>24,332</u>
Net assets:						
Invested in capital assets, net of related debt	38,773	3,153	62,151	4,681	100,924	7,834
Restricted	743	4,423	7,908	10,094	8,651	10,094
Unrestricted	4,201	3,197	100	4,386	4,301	7,583
Total Net Assets	<u>\$ 43,717</u>	<u>\$ 10,773</u>	<u>\$ 70,159</u>	<u>\$ 19,161</u>	<u>\$ 113,876</u>	<u>\$ 29,934</u>

Total net assets increased from the prior year in each of the business-type activities because of the following:

- Income generated by each utility (\$451,201 in water, \$251,156 in wastewater and
- Contributions to capital made by customers and/or developers (\$116,494 in water, none in wastewater).

More detailed information is presented in the Statement of Net Assets – Enterprise Funds; the Statement of Revenues, Expenditures and Other Changes in Fund Net Assets – Enterprise Funds; and the Statement of Cash Flows – Enterprise Funds, which are included in the annual report.

Fund Analysis

In reviewing the major funds of the governmental activities, the following changes were observed.

General Fund:

Cash and Investments increased by \$31,889 in 2004. In 2003 a \$2,177,139 decrease in Cash and Investments was due to the delay in receiving property tax dollars. The delay in reassessment postponed the due dates for property tax payments, thus the money was not received by the Town until after the end of 2003. Town department heads delayed purchasing major capital assets until after the tax revenue was received; therefore these items were not paid for until 2004.

Parks and Recreation Fund:

Cash and Investments increased by \$2,291,060. This was due to an increase in the tax levy needed to provide funds to operate the new Plainfield Recreation and Aquatic Center.

Galyans Fund:

A \$7,000,000. contractual termination fee was received in 2004 resulting from the buyout of Galyans by Dicks. A new fund was created for the purpose of making capital improvements. No disbursements were made in 2004.

Water:

In accordance with the Town of Plainfield's Comprehensive Plan, as amended, in an effort to provide additional backup capacity for the current system and in response to an agreement to sell up to two million gallons of water per day to Indianapolis Water, the Town of Plainfield began constructing a two million gallon per day water treatment facility and a seven hundred and fifty thousand gallon ground storage tank near the intersection of CR 650 East and CR 750 South in 2003. The new facility will be known as the Barker Water Plant. The method of treatment will be similar to the Town's existing plants at Swinford Park, Anderson Park and Franklin Park. New supply wells for the facility will be developed on adjacent property. In addition to the plant, wells and ground storage tank the project will include certain extensions and improvements to the existing water distribution system. Standby power will be provided to the new facility. The new facility became operational in 2004

Wastewater:

The Town began construction of the South Wastewater Treatment Plant in 2003. The new plant will have a capacity of 2.0 mgd. The plant buildings consist of the Headworks Building and the Operations Building. The Headworks Building will house a fine screen. The Operations Building will house an administrative office, blowers and a generator.

The wastewater plant consists of aeration tanks, clarifiers, a digester tank and a sludge holding tank. Sludge from the holding tank will be pumped to drying beds where it will then be hauled to landfill. Many components of the plant have been designed for easy expansion or for higher flows than the initial design flow.

General Fund Budgetary Highlights

Due to property tax reassessment, the Town experienced a delay in receipt of property tax revenue. Because of this, all departments were asked to postpone, if possible, the purchase of large capital assets. As a result, many large items were ordered in late 2003, and thus not paid for until 2004. Of the budget unspent in 2003, \$262,680 was carried over, or encumbered, into 2004. In 2004 General Fund expenditures were \$391,345 under budgeted amounts.

Capital Asset and Long-Term Debt Activity

As of December 31, 2004, the Town had \$360,350,000 invested in capital assets, including buildings, park facilities, roads, equipment, water, sewer, and lines. This represents an increase of \$279,081,000 or 343.0% over last year mainly due to re-valuation of assets for compliance with GASB 34. See note III B for additional discussion.

	(000's omitted)					
	Governmental Activities		Business-Type Activities		Totals	
	2004	2003	2004	2003	2004	2003
Land	\$ 18,199	\$ 2,277	\$ 976	\$ 963	\$ 19,175	\$ 3,240
Buildings	29,050	23,058	33,194	13,496	62,244	36,554
Improvements	10,870	1,860	-	-	10,870	1,860
Equipment	5,072	6,326	540	2,546	5,612	8,872
Transportation Infrastructure	150,201	8,949	112,248	21,794	262,449	30,743
Totals	\$ 213,392	\$ 42,470	\$ 146,958	\$ 38,799	\$ 360,350	\$ 81,269

This year's major capital asset additions for the governmental activities included:

- Police, Fire, and Park equipment and vehicles amounting to \$1,698,158.
- Completed Construction on the new Plainfield Aquatics and Recreation Center amounting to \$22,344,750.

This year's major capital asset additions for business-type activities included:

- Southwest water treatment plant-2MGD amounting to \$3,500,000.
- Southwest ground storage tank-750,000 Gal. Amounting to \$1,125,000.
- Belleville Treatment Plant- .095MGD amounting to \$475,000.

See Note III G in the attached financial statements for additional information.

Long-term Debt Activity:

As of December 31, 2004 the Town's outstanding debt consisted of the following:

- Water utility \$7,515,000
- Wastewater utility \$15,120,000

During the year, the business-type activities made principal payments of \$3,055,000 and interest payments of \$983,189.

During 2004, the Town issued bonds to refund its 1996 water works revenue bonds. The Town issued the 2004 bonds so that the older revenue bonds, which had higher interest rates, could be replaced with bonds carrying lower interest rates. The refunding transactions reduced the cost of borrowing over the life of the water bonds. The refunding also resulted in reducing the dollar amount of net assets that were restricted by the bond covenants.

See Note III E in the attached financial statements for additional information

Other Currently Known Facts

- The Plainfield Metropolis Mall opened October 30, 2005.
- The South Wastewater Treatment Plant opened December 17, 2005.

Contacting the Town's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the Town's finances and to show the Town's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Town's Clerk-Treasurer Office at 206 West Main Street, Plainfield, Indiana.

TOWN OF PLAINFIELD
STATEMENT OF CASH AND INVESTMENTS
December 31, 2004

<u>Assets</u>	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Cash and investments	\$ 10,732,492	\$ 3,105,703	\$ 13,838,195
Restricted assets:			
Cash and investments	9,554,190	9,240,733	18,794,923
Total assets	\$ 20,286,682	\$ 12,346,436	\$ 32,633,118
 <u>Net Assets</u>			
Restricted for:			
Debt service	\$ 542,270	\$ 680,087	\$ 1,222,357
Other purposes	9,011,920	8,560,646	17,572,566
Unrestricted	10,732,492	3,105,703	13,838,195
Total net assets	\$ 20,286,682	\$ 12,346,436	\$ 32,633,118

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

TOWN OF PLAINFIELD
STATEMENT OF CASH ACTIVITIES
For The Year Ended December 31, 2004

Functions/Programs	Disbursements	Program Receipts		Net (Disbursement) Receipt and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Primary government:						
Governmental activities:						
General government	\$ 1,148,252	\$ 124,458	\$ 907,345	\$ (116,449)	\$ -	\$ (116,449)
Public safety	9,077,326	644,206	-	(8,433,120)	-	(8,433,120)
Highways and streets	2,187,683	-	787,018	(1,400,665)	-	(1,400,665)
Sanitation	475,131	-	5,000	(470,131)	-	(470,131)
Economic development	1,989,474	153,673	1,324,942	(510,859)	-	(510,859)
Culture and recreation	1,854,075	705,799	291,670	(856,606)	-	(856,606)
Interest on long-term debt	1,962,862	-	-	(1,962,862)	-	(1,962,862)
Total governmental activities	<u>18,694,803</u>	<u>1,628,136</u>	<u>3,315,975</u>	<u>(13,750,692)</u>	<u>-</u>	<u>(13,750,692)</u>
Business-type activities:						
Water	5,957,712	3,028,504	-	-	(2,929,208)	(2,929,208)
Wastewater	11,174,399	4,947,220	-	-	(6,227,179)	(6,227,179)
Total business-type activities	<u>17,132,111</u>	<u>7,975,724</u>	<u>-</u>	<u>-</u>	<u>(9,156,387)</u>	<u>(9,156,387)</u>
Total primary government	<u>\$ 35,826,914</u>	<u>\$ 9,603,860</u>	<u>\$ 3,315,975</u>	<u>(13,750,692)</u>	<u>(9,156,387)</u>	<u>(22,907,079)</u>
General receipts:						
Property taxes				13,161,017	-	13,161,017
Other local sources				8,956,955	-	8,956,955
Grants and contributions not restricted to specific programs				4,839,272	-	4,839,272
Unrestricted investment earnings				92,952	186,437	279,389
Total general receipts				<u>27,050,196</u>	<u>186,437</u>	<u>27,236,633</u>
Change in net assets				13,299,504	(8,969,950)	4,329,554
Net assets - beginning				6,987,178	21,316,386	28,303,564
Net assets - ending				<u>\$ 20,286,682</u>	<u>\$ 12,346,436</u>	<u>\$ 32,633,118</u>

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

TOWN OF PLAINFIELD
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
GOVERNMENTAL FUNDS
For The Year Ended December 31, 2004

	General	Galyan's	Parks and Recreation	Other Governmental Funds	Totals
Cash and investments - January 1	\$ 5,166	\$ -	\$ (383,017)	\$ 7,365,029	\$ 6,987,178
Operating receipts:					
Taxes	5,124,881	-	2,737,047	5,299,089	13,161,017
Licenses and permits	153,673	-	-	-	153,673
Intergovernmental	3,932,685	-	291,670	3,930,892	8,155,247
Charges for services	651,357	-	705,798	14,686	1,371,841
Fines and forfeits	95,897	-	-	6,725	102,622
Other	369,697	7,000,000	4,311	1,675,898	9,049,906
Total operating receipts	10,328,190	7,000,000	3,738,826	10,927,290	31,994,306
Transfers in	500,000	-	-	8,283	508,283
Total Receipts	10,828,190	7,000,000	3,738,826	10,935,573	32,502,589
Operating disbursements:					
General government	1,132,614	-	-	15,637	1,148,251
Public safety	8,954,314	-	-	123,012	9,077,326
Highways and streets	-	-	-	2,187,683	2,187,683
Sanitation	475,131	-	-	-	475,131
Culture and recreation	-	-	1,447,766	1,798,962	3,246,728
Urban redevelopment and housing	190,512	-	-	406,309	596,821
Debt service:					
Principal	25,692	-	-	1,328,946	1,354,638
Interest	18,038	-	-	590,186	608,224
Total operating disbursements	10,796,301	-	1,447,766	6,450,735	18,694,802
Transfers out	-	-	-	508,283	508,283
Total disbursements	10,796,301	-	1,447,766	6,959,018	19,203,085
Excess of total receipts over total disbursements	31,889	7,000,000	2,291,060	3,976,555	13,299,504
Cash and investments - December 31	\$ 37,055	\$ 7,000,000	\$ 1,908,043	\$ 11,341,584	\$ 20,286,682

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

TOWN OF PLAINFIELD
STATEMENT OF NET ASSETS
ENTERPRISE FUNDS
December 31, 2004

<u>Assets</u>	Business-Type Activities		
	Water Utility	Wastewater Utility	Total
Current assets:			
Cash and cash equivalents	\$ 1,629,629	\$ 1,476,073	\$ 3,105,702
Accounts receivable (net of allowance)	951,604	470,894	1,422,498
Interfund receivables:			
Interfund services provided and used	1,547	26,384	27,931
Inventories	144,752	11,307	156,059
Prepaid items	2,741	-	2,741
	2,730,273	1,984,658	4,714,931
Noncurrent assets:			
Restricted cash, cash equivalents and investments:			
Customer deposits	182,554	-	182,554
Revenue bond covenant accounts	1,187,328	4,292,393	5,479,721
Other purpose	1,209,109	2,369,350	3,578,459
	2,578,991	6,661,743	9,240,734
Deferred charges	301,707	451,757	753,464
Capital assets:			
Land, improvements to land and construction in progress			
Other capital assets (net of accumulated depreciation)	46,253,807	67,462,110	113,715,917
	46,253,807	77,128,999	123,382,806
Total noncurrent assets	49,134,505	84,242,499	133,377,004
Total assets	51,864,778	86,227,157	138,091,935
<u>Liabilities</u>			
Current liabilities:			
Accounts payable	384,469	1,033,968	1,418,437
Accrued wages payable	24,699	23,876	48,575
Taxes payable	9,017	-	9,017
Interfund payables:			
Interfund services provided and used	26,384	1,547	27,931
Compensated absences	9,904	9,904	19,808
Current liabilities payable from restricted assets:			
Customer deposits	182,554	-	182,554
Revenue bonds payable	290,000	-	290,000
Accrued interest payable	9,293	-	9,293
	936,320	1,069,295	2,005,615
Total current liabilities	936,320	1,069,295	2,005,615
Noncurrent liabilities:			
Compensated absences	20,740	20,740	41,480
Revenue bonds payable (net of unamortized discounts and deferred amount on refunding)	7,190,941	14,977,972	22,168,913
	7,211,681	14,998,712	22,210,393
Total noncurrent liabilities	7,211,681	14,998,712	22,210,393
Total liabilities	8,148,001	16,068,007	24,216,008
<u>Net Assets</u>			
Invested in capital assets, net of related debt	38,772,866	62,151,027	100,923,893
Restricted for debt service	509,291	170,796	680,087
Restricted for construction and other purposes	2,069,700	6,490,947	8,560,647
Unrestricted	2,364,920	1,346,380	3,711,300
	43,716,777	70,159,150	113,875,927
Total net assets	\$ 43,716,777	\$ 70,159,150	\$ 113,875,927

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

TOWN OF PLAINFIELD
STATEMENT OF REVENUES, EXPENSES AND OTHER CHANGES IN FUND NET ASSETS
ENTERPRISE FUNDS
For The Year Ended December 31, 2004

	Water Utility	Wastewater Utility	Total
Operating revenues:			
Unmetered revenue	\$ 213,258	\$ 50,077	\$ 263,335
Metered water revenue:			
Residential	1,917,588	-	1,917,588
Commercial	360,000	-	360,000
Fire protection revenue	203,640	-	203,640
Penalties	15,495	54,334	69,829
Other water revenue	556,687	-	556,687
Flat rate revenues	-	1,222,767	1,222,767
Residential	-	3,387,246	3,387,246
Other	-	280,590	280,590
	<u>3,266,668</u>	<u>4,995,014</u>	<u>8,261,682</u>
Total operating revenues			
Operating expenses:			
Storage	-	31,709	31,709
Transmission and distribution	102,845	-	102,845
Water - operations and maintenance	14,884	-	14,884
Pumping - operations and maintenance	15,841	30,715	46,556
Treatment and disposal expense - operations and maintenance	-	38,616	38,616
Salaries and wages	248,810	332,295	581,105
FICA/Medicare	23,430	22,645	46,075
Employee pensions and benefits	76,050	69,469	145,519
Sludge removal	-	10,076	10,076
Materials and supplies	79,306	173,910	253,216
Contractual services	817,495	1,645,287	2,462,782
Transportation expense	5,158	2,722	7,880
Insurance expense	46,327	50,251	96,578
Bad debt expense	3,637	-	3,637
Depreciation and amortization	823,284	1,050,665	1,873,949
Engineering fees	-	750,162	750,162
Utility receipts tax	36,759	-	36,759
Equipment	302,434	134,082	436,516
Legal fees	50,894	53,156	104,050
Miscellaneous expenses	22,331	146,413	168,744
	<u>2,669,485</u>	<u>4,542,173</u>	<u>7,211,658</u>
Total operating expenses			
Operating income	<u>597,183</u>	<u>452,841</u>	<u>1,050,024</u>
Nonoperating revenues (expenses):			
Interest expense	<u>(145,982)</u>	<u>(201,685)</u>	<u>(347,667)</u>
Income before contributions	451,201	251,156	702,357
Capital contributions	<u>116,494</u>	<u>-</u>	<u>116,494</u>
Change in net assets	567,695	251,156	818,851
Total net assets - beginning (as previously reported)	10,773,453	19,161,203	29,934,656
Correction of errors (Note III)	<u>32,375,629</u>	<u>50,746,791</u>	<u>83,122,420</u>
Total net assets - beginning (as restated)	<u>43,149,082</u>	<u>69,907,994</u>	<u>113,057,076</u>
Total net assets - ending	<u>\$ 43,716,777</u>	<u>\$ 70,159,150</u>	<u>\$ 113,875,927</u>

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

TOWN OF PLAINFIELD
 RECONCILIATION OF THE STATEMENT OF NET ASSETS AND THE STATEMENT OF REVENUES,
 EXPENSES AND OTHER CHANGES IN FUND NET ASSETS OF THE ENTERPRISE FUNDS TO
 THE STATEMENT OF CASH AND INVESTMENT BALANCES AND THE STATEMENT OF CASH ACTIVITIES
 December 31, 2004

Net assets of business-type activities reported in the enterprise fund statement of net assets	\$ 113,875,927
Amounts reported for net assets of business-type activities in the enterprise fund statements are different because:	
Capital assets are reported as disbursements in the year of acquisition in the government-wide financial statements, but are capitalized and amortized over a period of years in the enterprise fund statements.	(123,382,806)
Long-term debt is reported as a cash receipt in the year the proceeds are obtained in the government-wide financial statements, but are reported as a liability and expensed over the life of the debt in the enterprise fund statements.	22,168,913
Short-term receivables and payables are reported as cash receipts or cash disbursements in the current year in the government-wide financial statements, but are accrued and reported in the period the benefit is derived or liability is incurred in the fund statements.	<u>(315,598)</u>
Net assets of business-type activities reported in the government-wide financial statements	<u>\$ 12,346,436</u>

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

TOWN OF PLAINFIELD
STATEMENT OF CASH FLOWS
ENTERPRISE FUNDS
For The Year Ended December 31, 2004

	Water Utility	Wastewater Utility	Total
Cash flows from operating activities:			
Receipts from customers and users	\$ 2,320,449	\$ 4,707,645	\$ 7,028,094
Payments to suppliers	(1,843,166)	(2,421,120)	(4,264,286)
Payments to employees	(329,201)	(405,989)	(735,190)
Interfund services provided (used)	(16,379)	6,541	(9,838)
Other receipts	556,687	280,590	837,277
	<u>688,390</u>	<u>2,167,667</u>	<u>2,856,057</u>
Net cash provided by operating activities			
Cash flows from capital and related financing activities:			
Capital contributions	116,494	-	116,494
Acquisition and construction of capital assets	(3,607,996)	(7,271,838)	(10,879,834)
Principal paid on capital debt	(240,000)	(475,000)	(715,000)
Interest paid on capital debt	(145,982)	(201,685)	(347,667)
	<u>(3,877,484)</u>	<u>(7,948,523)</u>	<u>(11,826,007)</u>
Net cash used by capital and related financing activities			
Net decrease in cash and cash equivalents	(3,189,094)	(5,780,856)	(8,969,950)
Cash and cash equivalents, January 1 (Including \$164,814, \$102,833 and \$5,212,194 for the water customer deposits, water revenue bond covenant accounts and water other purposes, respectively, and \$13,541 and \$11,950,569 for the wastewater revenue bond covenant accounts and wastewater other purposes, respectively, reported in restricted accounts.)	<u>7,397,714</u>	<u>13,918,672</u>	<u>21,316,386</u>
Cash and cash equivalents, December 31 (Including \$182,554 and \$2,396,437 for the water company deposit and water revenue bond covenant account, respectively, and \$6,661,743 for wastewater revenue bond covenant accounts and other purposes reported on restricted assets.)	<u>\$ 4,208,620</u>	<u>\$ 8,137,816</u>	<u>\$ 12,346,436</u>
Reconciliation of operating income to net cash provided by operating activities:			
Operating income	\$ 597,183	\$ 452,841	\$ 1,050,024
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation expense	823,284	1,050,665	1,873,949
(Increase) decrease in assets:			
Accounts receivable	(389,532)	(6,779)	(396,311)
Provisions for bad debt	3,637	-	3,637
Inventories	(107,473)	701	(106,772)
Prepaid items	(2,741)	-	(2,741)
Increase (decrease) in liabilities:			
Customer deposits	17,740	-	17,740
Due to wastewater	(16,379)	(603)	(16,982)
Accounts payable	(243,241)	652,422	409,181
Taxes payable	(13,177)	-	(13,177)
Payroll withholding payable	14,837	18,420	33,257
Compensated absence payable	4,252	-	4,252
	<u>91,207</u>	<u>1,714,826</u>	<u>1,806,033</u>
Total adjustments			
Net cash provided by operating activities	<u>\$ 688,390</u>	<u>\$ 2,167,667</u>	<u>\$ 2,856,057</u>
Noncash investing, capital and financing activities:			
Increase in capital assets due to re-evaluation	\$ 32,375,629	\$ 50,746,791	83,122,420

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

TOWN OF PLAINFIELD
STATEMENT OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENTS
FIDUCIARY FUNDS
For The Year Ended December 31, 2004

	<u>Pension Trust Funds</u>	<u>Agency Funds</u>
Cash and investments - January 1	\$ 689,620	\$ 167,733
Additions:		
Contributions:		
Employer	121,443	-
Plan members	<u>35,368</u>	<u>-</u>
Total contributions	<u>156,811</u>	<u>-</u>
Investment earnings:		
Interest	<u>4,994</u>	<u>-</u>
Agency fund additions	<u>-</u>	<u>10,414,635</u>
Total additions	<u>161,805</u>	<u>10,414,635</u>
Deductions:		
Benefits	304,880	-
Agency fund deductions	<u>-</u>	<u>10,237,556</u>
Total deductions	<u>304,880</u>	<u>10,237,556</u>
Excess (deficiency) of total additions over (under) total deductions	<u>(143,075)</u>	<u>177,079</u>
Cash and investments - December 31	<u>\$ 546,545</u>	<u>\$ 344,812</u>

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

TOWN OF PLAINFIELD
NOTES TO FINANCIAL STATEMENTS

I. Summary of Significant Accounting Policies

A. Reporting Entity

The Town was established under the laws of the State of Indiana. The Town operates under a Town Council 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, and wastewater.

These financial statements present the Town (primary government) and its significant component unit.

Management has chosen to omit from these financial statements component units which have significant operational or financial relationships with the Town. Accordingly, the financial statements do not include the data of all of the Town's component units necessary to fairly present the financial position of the Town.

Related Organizations

The Town's officials are also responsible for appointing the members of the boards of other organizations, but the Town's accountability for these organizations does not extend beyond making the appointments. The Town appoints the board members of the Plainfield Redevelopment Commission, Plainfield Redevelopment Authority, Plainfield Municipal Improvements Commission, and the Plainfield Parks Facilities Corporation.

B. Government-Wide and Fund Financial Statements

Government-wide financial statements, (i.e., the Statement of Cash and Investments and the Statement of Cash Activities) report information on all of the nonfiduciary activities of the Town. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The Statement of Cash Activities demonstrates the degree to which direct disbursements of a given function or segment are offset by program receipts. Direct disbursements are clearly identifiable with a specific function or segment. Program receipts include (1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program receipts are reported instead as general receipts.

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.

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

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 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. Receipts are recorded when received and disbursements are recorded when paid.

TOWN OF PLAINFIELD
NOTES TO FINANCIAL STATEMENTS
(Continued)

The cash basis of accounting differs from accounting principles generally accepted in the United States 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.

The enterprise fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows.

The Town reports the following major governmental funds:

The general fund is the Town's primary operating fund and accounts for all financial resources of the Town, except those required to be accounted for in another fund.

The parks and recreation fund is used as an income generating account for funding the Town's water park and related recreational facilities.

The Galyan's fund, accounts for a contract settlement, based upon Galyan's moving from the TIF area before the tax abatement time period ended.

The Town reports the following major proprietary funds:

The water utility fund accounts for the operation of the primary government's water distribution system.

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

Additionally, the Town 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.

Agency funds account for assets held by the Town as an agent for other governments and serve as control of accounts for certain cash transactions during the time they are a liability to the Town.

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 primary government has elected not to follow subsequent private-sector guidance.

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.

Enterprise funds distinguish operating revenues from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with an enterprise fund's principal ongoing operations. The principal operating revenues of the enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds

TOWN OF PLAINFIELD
NOTES TO FINANCIAL STATEMENTS
(Continued)

include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. Internal service funds are used to account for activities provided to other departments or agencies primarily with the government.

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

D. Assets and Net Assets or Equity

1. Deposits and Investments

State statute (IC 5-13-9) authorizes the Town 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.

a. Governmental and Fiduciary Funds

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

b. Enterprise Funds

The enterprise fund's 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.

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

2. Property Taxes

Property taxes levied are collected by the County Treasurer and are distributed to the Town 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.

3. Inventories and Prepaid Items – Enterprise Funds

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 in the enterprise fund financial statements.

4. Interfund Transactions – Enterprise Funds

During the course of operations, the individual enterprise funds have numerous transactions with the governmental funds and other enterprise funds. Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as

TOWN OF PLAINFIELD
NOTES TO FINANCIAL STATEMENTS
(Continued)

"interfund receivables/payables" (i.e., the current and noncurrent portion of interfund loans). All other outstanding balances between funds are reported as "interfund services provided/used." To the extent that these transactions have not been paid or received at year end, balances of these receivables/payables have been recorded in the statement of net assets of the enterprise funds.

5. Restricted Assets – Enterprise Funds

Certain proceeds of the enterprise fund revenue bonds, as well as certain resources set aside for their repayment and monies collected for system development, are classified as restricted assets on the statement of net assets because their use is limited by applicable bond covenants and Town ordinances.

6. Capital Assets

Capital assets, which include property, plant, and equipment and infrastructure assets, are reported in the enterprise fund statement of net assets.

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 reported in the enterprise fund financial statements are as follows:

	Capitalization Threshold	Depreciation Method	Water Estimated Useful Life	Wastewater Estimated Useful Life
Land	\$ 1,000	N/A	N/A	N/A
Building and building improvements	50,000	Straight-line	50 years	50 years
Improvements other than buildings	5,000	Straight-line	66 years	50 years
Machinery and equipment	5,000	Straight-line	5 years	5 years
Transportation equipment	5,000	Straight-line	5 years	3-15 years
Infrastructure	100,000	Straight-line	25-50 years	25-50 years

N/A = Not applicable

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 the enterprise funds is included as part of the capitalized value of the assets constructed. The total interest expense incurred by the primary government in its enterprise fund during the current year was \$1,025,413.

Of the amount, \$622,469 was included as part of the cost of capital assets under construction.

TOWN OF PLAINFIELD
NOTES TO FINANCIAL STATEMENTS
(Continued)

7. Compensated Absences

a. Sick Leave

Employees earn sick leave at the rate of 8 to 12 hours per month. Unused sick leave may be accumulated to a maximum of 240 or 360 hours, based upon job classification. Accumulated sick leave is not paid to employees.

b. Vacation Leave

Employees earn vacation leave at rates from 48 hours to 312 hours based upon the number of years of service. Vacation leave does not accumulate from year to year. Accumulated leave is paid to employees through cash payments upon termination.

Vacation and sick leave is accrued when incurred.

8. Long-Term Obligations

In the enterprise fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net assets. 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. Stewardship, Compliance and Accountability

A. Budgetary Information

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

On or before August 31, the fiscal officer of the Town 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 Town receives approval of the Indiana Department of Local Government Finance.

The Town's management cannot transfer budgeted appropriations without approval of the governing board. The Indiana Department of Local Government Finance must approve any revisions to the total appropriations for any budgeted fund or any department of the general fund. The legal level of budgetary control is by function for all budgeted funds.

B. Disbursements in Excess of Appropriations

For the year ended December 31, 2004, disbursements exceeded budgeted appropriations in the following funds, by the amounts below:

TOWN OF PLAINFIELD
NOTES TO FINANCIAL STATEMENTS
(Continued)

Fund	Amount
General	\$ 101,244
Police Pension	72,059
Local Road and Street	202,012
 Total	 \$ 375,315

These disbursements were funded by cash accumulations from prior year disbursements under budgeted appropriations.

III. Detailed Notes on All Funds

A. Deposits and Investments

Deposits, made in accordance with Indiana Code 5-13, with financial institutions in the State of Indiana at year end were entirely insured by the Federal Depository Insurance Corporation or by the Indiana Public Deposit Insurance Fund. This includes any deposit accounts issued or offered by a qualifying financial institution.

B. Capital Assets

Capital asset activity for the year ended December 31, 2004, follows:

<u>Primary Government</u>	<u>Beginning Balance Restated</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land and right-of-ways	\$ 18,198,624	\$ -	\$ -	\$ 18,198,624
Infrastructure	150,176,324	25,000	-	150,201,324
Buildings	6,705,364	22,344,750	-	29,050,114
Improvements other than buildings	10,798,644	71,280	-	10,869,924
Machinery and equipment	3,373,369	1,698,158	-	5,071,527
 Total governmental activities, capital assets not being depreciated	 \$ 189,252,325	\$ 24,139,188	\$ -	\$ 213,391,513

The Capital Assets of the Town were recently re-evaluated by accounting for infrastructures and including other properties as stated in GASB 34. Therefore, the beginning balances were changed to reflect the new totals. The assets purchased from governmental funds for the Town, as of January 1, 2004, increased from the \$38,487,650 reported last audit to \$189,252,325 and increased further, with additions, to \$213,391,513 for year ended December 31, 2004.

TOWN OF PLAINFIELD
NOTES TO FINANCIAL STATEMENTS
(Continued)

Primary Government	Beginning Balance Restated	Increases	Decreases	Ending Balance
Business-type activities:				
Water Utility:				
Capital assets, not being depreciated:				
Construction in progress	\$ 1,186,892	\$ -	\$ 1,186,892	\$ -
Capital assets, being depreciated:				
Buildings	5,727,510	6,011,892	-	11,739,402
Water mains	43,118,447	-	-	43,118,447
Equipment and vehicles	195,959	32,680	-	228,639
Less accumulated depreciation for:				
Buildings	(1,136,611)	(232,674)	-	(1,369,285)
Water mains	(6,782,323)	(570,007)	-	(7,352,330)
Equipment and vehicles	(90,463)	(20,603)	-	(111,066)
Total Water Utility capital assets, net	42,219,411	5,221,288	1,186,892	46,253,807
Wastewater Utility:				
Capital assets, not being depreciated:				
Land	895,996	80,000	-	975,996
Construction in progress	2,353,317	6,337,576	-	8,690,893
Capital assets, being depreciated:				
Buildings	12,289,125	475,000	-	12,764,125
Sewer mains	66,250,536	-	-	66,250,536
Sewer lift stations	2,279,000	600,000	-	2,879,000
Equipment and vehicles	296,008	14,990	-	310,998
Less accumulated depreciation for:				
Buildings	(5,053,869)	(255,283)	-	(5,309,152)
Sewer mains	(7,780,824)	(662,506)	-	(8,443,330)
Sewer lift stations	(632,840)	(113,720)	-	(746,560)
Equipment and vehicles	(228,513)	(14,994)	-	(243,507)
Total Wastewater Utility capital assets, net	70,667,936	6,461,063	-	77,128,999
Total business-type activities capital assets, net	\$ 112,887,347	\$ 11,682,351	\$ 1,186,892	\$ 123,382,806

The effect of the restatement on beginning capital assets of the Utilities is more fully explained in Note III.F.

C. Construction Commitments

Construction work in progress is composed of the following:

South Wastewater Treatment Plant:

Total Project Authorized	Amount Expended to December 31, 2004	Amount Required for Future Funding
\$ 9,416,421	\$ 8,690,893	\$ 725,528

TOWN OF PLAINFIELD
NOTES TO FINANCIAL STATEMENTS
(Continued)

D. Capital Leases

The Town has entered into various capital leases for a public safety building, a recreation/aquatics center, transportation equipment, and infrastructure. Future minimum lease payments and present values of the net minimum lease payments under these capital leases as of December 31, 2004, for the years ended December 31, are as follows:

2005	\$	3,382,000
2006		3,382,000
2007		3,107,000
2008		2,832,000
2009		2,832,000
2010-2014		14,160,000
2015-2019		11,527,000
2020-2024		<u>10,390,000</u>
Total minimum lease payments		51,612,000
Less amount representing interest		<u>19,351,207</u>
Present value of net minimum lease payments		<u>\$ 32,260,793</u>

The assets acquired through capital leases still in effect are as follows:

		<u>Governmental Activities</u>
Infrastructure	\$	4,345,182
Buildings		27,654,914
Machinery and equipment		<u>1,572,236</u>
Total	\$	<u>33,572,332</u>

E. Long-Term Liabilities

1. General Obligation Bonds

The Town issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities.

General obligation bonds are direct obligations and pledge the full faith and credit of the Town. General obligation bonds currently outstanding at year end are as follows:

TOWN OF PLAINFIELD
NOTES TO FINANCIAL STATEMENTS
(Continued)

Purpose	Interest Rates	Amount
1997 Tax Increment Bonds	9%	\$ 953,000
1998 Tax Increment Bonds	9%	617,000
2001 Tax Increment Bonds	4.05% to 6%	1,695,000
2003 Economic Development Bonds	6%	8,990,000
2003 Tax Increment Bonds	4.25% to 5.6%	<u>1,545,000</u>
 Total		 <u>\$ 13,800,000</u>

Annual debt service requirements to maturity for general obligation bonds, for the years ended December 31, are as follows:

Year Ended December 31	Governmental Activities	
	Principal	Interest
2005	\$ 196,000	\$ 851,685
2006	227,000	836,178
2007	253,000	818,418
2008	454,000	796,721
2009	604,000	728,601
2010-2014	11,931,000	5,058,088
2015-2019	<u>135,000</u>	<u>6,075</u>
 Totals	 <u>\$ 13,800,000</u>	 <u>\$ 9,095,766</u>

2. Revenue Bonds

The Town issues bonds to be paid by income derived from the acquired or constructed assets. Revenue bonds outstanding at year end including the amounts of unamortized bond discount or premium are as follows:

Purpose	Interest Rates	Balance at December 31	Unamortized (Premium) and Loss on Refunding	Revenue Bonds
2003 Water Works Improvement Revenue Bonds	2% to 4.5%	\$ 2,385,000	\$ (34,059)	\$ 2,350,941
2004 Water Works Revenue Bonds	3.0% to 4.75%	5,125,000	-	5,125,000
1999 Sewage Works Revenue Bonds	4.0% to 5.0%	1,370,000	-	1,370,000
2003 Sewage Works Revenue Bonds	3.5% to 4.75%	<u>13,750,000</u>	<u>(142,028)</u>	<u>13,607,972</u>
 Totals		 <u>\$ 22,630,000</u>	 <u>\$ (176,087)</u>	 <u>\$ 22,453,913</u>

TOWN OF PLAINFIELD
NOTES TO FINANCIAL STATEMENTS
(Continued)

Revenue bonds at year end:

Revenue bonds debt service requirements to maturity are as follows:

Year Ended <u>December 31</u>	Business-Type Activities	
	Principal	Interest
2005	\$ 285,000	\$ 482,389
2006	770,000	949,559
2007	790,000	924,734
2008	810,000	898,759
2009	830,000	871,671
2010-2014	4,605,000	3,875,440
2015-2019	5,710,000	2,802,308
2020-2024	6,685,000	1,328,800
2025-2029	2,145,000	103,194
Totals	\$ 22,630,000	\$ 12,236,854

In addition to the above revenue bonds, the Water Utility holds matured unpaid bonds and coupons totaling \$5,000, originally issued in during the 1960's.

3. Advance Refunding

On September 30, 2004, the Town of Plainfield issued \$2,385,000 in revenue bonds with an average interest rate of 5.2% to refund \$2,345,000 of outstanding 1996 series bonds with an average interest rate of 4%. The net proceeds of \$2,405,891 (after payment of \$73,362 in issuance costs) were used to retire the outstanding 1996 series bonds. As a result, these bonds are considered defeased and the liability has been removed from the Statement of Net Assets, resulting in an accounting loss of \$81,657, which has been recognized as a Deferral of Loss on Refunding. This amount will be amortized using the straight-line method and charged to interest expense over the next 15 years. The Town of Plainfield in effect decreased its aggregate debt service payment by \$150,914 over the next 15 years and realized an economic gain (the difference between the present values of the old debt and the new debt service payments) of \$106,984.

In prior years, the Town of Plainfield defeased certain bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust accounts and the liability for the defeased bonds are not included in the Utility's financial statements. At December 31, 2004, \$2,775,000 of bonds outstanding are considered defeased.

4. Changes in Long-Term Debt

Long-term debt activity for the year ended December 31, 2004, was as follows:

TOWN OF PLAINFIELD
NOTES TO FINANCIAL STATEMENTS
(Continued)

<u>Primary Government</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities:					
Bonds payable:					
General obligation	\$ 13,968,000	\$ -	\$ 168,000	\$ 13,800,000	\$ 196,000
Capital leases	<u>31,660,829</u>	<u>1,586,274</u>	<u>986,310</u>	<u>32,260,793</u>	<u>989,231</u>
Total governmental activities long-term liabilities	<u>\$ 45,628,829</u>	<u>\$ 1,586,274</u>	<u>\$ 1,154,310</u>	<u>\$ 46,060,793</u>	<u>\$ 1,185,231</u>
Business-type activities:					
Water Utility:					
Revenue bonds payable	\$ 7,710,000	\$ 2,385,000	\$ 2,580,000	\$ 7,515,000	\$ 290,000
Loss on advance refunding	-	(34,059)	-	(34,059)	-
Compensated absences	<u>26,392</u>	<u>4,252</u>	<u>-</u>	<u>30,644</u>	<u>9,904</u>
Total Water Utility long-term liabilities	<u>7,736,392</u>	<u>2,355,193</u>	<u>2,580,000</u>	<u>7,511,585</u>	<u>299,904</u>
Wastewater Utility:					
Revenue bonds payable	15,595,000	-	475,000	15,120,000	-
Loss on advance refunding	(156,231)	-	(14,203)	(142,028)	-
Compensated absences	<u>26,392</u>	<u>4,252</u>	<u>-</u>	<u>30,644</u>	<u>9,904</u>
Total Wastewater Utility long-term liabilities	<u>15,465,161</u>	<u>4,252</u>	<u>460,797</u>	<u>15,008,616</u>	<u>9,904</u>
Total business-type activities long-term liabilities	<u>\$ 23,201,553</u>	<u>\$ 2,359,445</u>	<u>\$ 3,040,797</u>	<u>\$ 22,520,201</u>	<u>\$ 309,808</u>

F. Corrections of Errors in Prior Year's Capital Assets

An appraisal was performed in 2005 to inventory and evaluate the capital assets for the Water and Wastewater Utilities as of January 1, 2004. In addition, the Town Council revised its capital asset policy effective in the year 2004. Among other things, the capital asset policy redefined the classification of capital assets and increased the capitalization threshold to \$5,000. Due to errors in recording capital assets in prior years, previously reported capital asset amounts were deemed to be inaccurate. The January 1, 2004, Net Asset, Capital Asset and the related Accumulated Depreciation accounts were adjusted as follows:

	<u>Balance December 31, 2003 as Previously Reported</u>	<u>Corrections</u>	<u>Balance January 1, 2004 As Corrected</u>
Water Utility:			
Capital assets	\$ 13,151,403	\$ 37,077,405	\$ 50,228,808
Accumulated depreciation	2,288,612	5,720,785	8,009,397
Net assets	10,862,791	31,356,620	42,219,411
Wastewater Utility:			
Capital assets	25,674,974	58,689,009	84,363,982
Accumulated depreciation	5,555,007	8,141,039	13,696,046
Net assets	20,119,967	50,547,970	70,667,937

TOWN OF PLAINFIELD
NOTES TO FINANCIAL STATEMENTS
(Continued)

IV. Other Information

A. Risk Management

The Town 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; and natural disasters.

The risks of torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; 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.

B. Holding Corporations

The Town has entered into capital leases with the Plainfield Municipal Improvements Corporation, Plainfield Redevelopment Authority, and Plainfield Parks Facilities Corporation, the lessors. The lessors are organized as not-for-profit corporations pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the government. Lease payments during the year totaled \$1,793,000.

C. Rate Structure – Enterprise Funds

Water Utility

On July 8, 1989, the Town Council adopted Ordinance 5-89 to withdraw from the jurisdiction of the Indiana Utility Regulatory Commission. The current rate structure was approved by the Council on July 22, 2002.

Wastewater Utility

The current rate structure was approved by the Town Council on August 11, 2003.

D. Pension Plans

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

a. Public Employees' Retirement Fund

Plan Description

The Town 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 Town 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.

TOWN OF PLAINFIELD
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 Town's annual pension cost and related information, as provided by the actuary, is presented in this note.

b. 1925 Police Officers' Pension Plan

Plan Description

The primary government 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 primary government'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 primary government 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 primary government 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.

TOWN OF PLAINFIELD
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 primary government's annual pension cost and related information, as provided by the actuary, is presented in this note.

Actuarial Information for the Above Plans

	PERF	1925 Police Officers' Pension	1937 Firefighters' Pension
Annual required contribution	\$ 75,369	\$ 448,500	\$ 252,400
Interest on net pension obligation	(566)	107,700	70,200
Adjustment to annual required contribution	645	(179,700)	(117,100)
Annual pension cost	75,448	376,500	205,500
Contributions made	87,550	177,422	53,046
Increase (decrease) in net pension obligation	(12,102)	199,078	152,454
Net pension obligation, beginning of year	(7,805)	1,595,478	1,040,075
Net pension obligation, end of year	\$ (19,907)	\$ 1,794,556	\$ 1,192,529

	PERF	1925 Police Officers' Pension	1937 Firefighters' Pension
Contribution rates:			
Town	4%	4%	4%
Plan members	3%	6%	6%
Actuarial valuation date	07-01-04	01-01-04	01-01-04
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	40 years	40 years	40 years
Amortization period (from date)	07-01-97	12-31-97	12-31-97
Asset valuation method	4 year smoothed market	4 year smoothed market	4 year smoothed market

TOWN OF PLAINFIELD
NOTES TO FINANCIAL STATEMENTS
(Continued)

Actuarial Assumptions	PERF	1925 Police Officers' Pension	1937 Firefighters' Pension
Investment rate of return	7.25%	7%	7%
Projected future salary increases:			
Total	5%	5%	5%
Attributed to inflation	4%	4%	4%
Attributed to merit/seniority	1%	1%	1%
Cost-of-living adjustments	2%	0%	0%
Cost-of-living adjustments	2%	2%	0%

Three Year Trend Information

	Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
PERF	06-30-02	\$ 53,529	120%	\$ (20,721)
	06-30-03	79,281	84%	(7,805)
	06-30-04	75,448	116%	(1,907)
1925 Police Officers' Pension Plan	12-31-01	323,200	17%	1,657,527
	12-31-02	286,900	122%	1,595,478
	12-31-03	376,500	22%	1,794,556
1937 Firefighters' Pension Plan	12-31-01	184,700	13%	952,984
	12-31-02	166,199	48%	1,040,075
	12-31-03	205,500	26%	1,192,529

Membership in the 1925 Police Officers' Pension Plan and the 1937 Firefighters' Pension Plan at January 1, 2004, was comprised of the following:

	1925 Police Officers' Pension	1937 Firefighters' Pension
Retires and beneficiaries currently receiving benefits	6	4
Terminated employees entitled to but not yet receiving benefits	-	-
Current active employees	2	3

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

1977 Police Officers' and Firefighters' Pension and Disability Fund

Plan Description

The primary government 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.

TOWN OF PLAINFIELD
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 primary government 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 primary government are established by the Board of Trustees of PERF. The primary government's contributions to the plan for the years ending December 31, 2004, 2003, and 2002, were \$689,619, \$670,615, and \$628,984, respectively, equal to the required contributions for each year.

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TOWN OF PLAINFIELD
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)
07-01-02	\$ 1,573,588	\$ 1,599,265	\$ (25,677)	98%	\$ 1,521,783	(2%)
07-01-03	1,578,512	1,599,352	(20,840)	99%	1,617,433	(1%)
07-01-04	1,608,441	1,571,961	36,480	102%	1,791,829	2%

1925 Police Officers' 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)
01-01-99	\$248,088	\$3,372,900	(\$3,124,812)	7%	\$100,200	(3,119%)
01-01-00	143,728	3,360,600	(3,216,872)	4%	69,200	(4,649%)
01-01-01	60,124	3,548,100	(3,487,976)	2%	74,600	(4,676%)
01-01-02	56,755	3,225,300	(3,168,545)	2%	78,000	(4,062%)
01-01-03	285,854	3,891,300	(3,605,446)	7%	80,200	(4,496%)
01-01-04	313,936	4,054,500	(3,740,564)	8%	84,600	(4,421%)

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)
01-01-99	\$213,833	\$1,694,000	(\$1,480,167)	13%	\$100,100	(1,479%)
01-01-00	205,763	1,749,200	(1,543,437)	12%	103,500	(1,491%)
01-01-01	178,565	1,872,800	(1,694,235)	10%	111,700	(1,517%)
01-01-02	281,181	1,721,900	(1,440,719)	16%	116,800	(1,233%)
01-01-03	342,974	1,618,600	(1,275,626)	21%	120,000	(1,063%)
01-01-04	375,685	2,120,400	(1,744,715)	18%	124,000	(1,407%)

Town of Plainfield
 Required Supplementary Information
 Budgetary Comparison Schedules
 General Fund, Parks and Recreation Fund and Galyan Fund
 For The Year Ending December 31, 2004

	General Fund				Parks and Recreation				Galyan			
	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Favorable (Unfavorable)	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Favorable (Unfavorable)	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Favorable (Unfavorable)
	Original	Final			Original	Final			Original	Final		
Revenues:												
Taxes:												
Property	\$ 1,773,965	\$ 1,773,965	\$ 5,124,881	\$(3,350,916)	\$ 2,131,756	\$ 2,131,756	\$ 2,737,047	\$(605,291)	\$ -	\$ -	\$ -	\$ -
Licenses and permits	190,668	190,668	153,673	36,995	-	-	-	-	-	-	-	-
Intergovernmental	3,427,070	3,427,070	3,932,685	(505,615)	-	-	291,670	(291,670)	-	-	-	-
Charges for services	500,000	500,000	651,357	(151,357)	1,047,337	1,047,337	705,799	341,538	-	-	-	-
Fines and forfeits	60,000	60,000	95,897	(35,897)	-	-	-	-	-	-	-	-
Other	100,000	100,000	869,697	(769,697)	-	-	4,311	(4,311)	-	-	7,000,000	(7,000,000)
Total revenues	<u>6,051,703</u>	<u>6,051,703</u>	<u>10,828,190</u>	<u>(4,776,487)</u>	<u>3,179,093</u>	<u>3,179,093</u>	<u>3,738,827</u>	<u>(559,734)</u>	<u>-</u>	<u>-</u>	<u>7,000,000</u>	<u>(7,000,000)</u>
Expenditures												
Current												
General government:												
	<u>1,414,612</u>	<u>1,414,612</u>	<u>1,176,344</u>	<u>238,268</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total general government	<u>1,414,612</u>	<u>1,414,612</u>	<u>1,176,344</u>	<u>238,268</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Public safety:												
	<u>8,899,254</u>	<u>8,899,254</u>	<u>8,954,314</u>	<u>(55,060)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total public safety	<u>8,899,254</u>	<u>8,899,254</u>	<u>8,954,314</u>	<u>(55,060)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Economic Development:												
	<u>423,780</u>	<u>423,780</u>	<u>190,512</u>	<u>233,268</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total economic development	<u>423,780</u>	<u>423,780</u>	<u>190,512</u>	<u>233,268</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Culture and Recreation:												
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,908,491</u>	<u>2,908,491</u>	<u>1,447,766</u>	<u>1,460,725</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total culture and recreation	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,908,491</u>	<u>2,908,491</u>	<u>1,447,766</u>	<u>1,460,725</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Sanitation												
	<u>450,000</u>	<u>450,000</u>	<u>475,131</u>	<u>(25,131)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total sanitation	<u>450,000</u>	<u>450,000</u>	<u>475,131</u>	<u>(25,131)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

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Total expenditures	<u>11,187,646</u>	<u>11,187,646</u>	<u>10,796,301</u>	<u>391,345</u>	<u>2,908,491</u>	<u>2,908,491</u>	<u>1,447,766</u>	<u>1,460,725</u>	-	-	-	-
Net change in fund balance	(5,135,943)	(5,135,943)	31,889	(5,167,832)	270,602	270,602	2,291,061	(2,020,459)	-	-	7,000,000	(7,000,000)
Fund balances - beginning	<u>5,166</u>	<u>5,166</u>	<u>5,166</u>	-	<u>(383,017)</u>	<u>(383,017)</u>	<u>(383,017)</u>	-	-	-	-	-
Fund balances - December 31	<u>\$ 5,130,777</u>	<u>\$ 5,130,777</u>	<u>\$ 37,055</u>	<u>\$ (5,167,382)</u>	<u>\$ (112,415)</u>	<u>\$ (112,415)</u>	<u>\$ 1,908,044</u>	<u>\$ (2,020,459)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,000,000</u>	<u>\$ (7,000,000)</u>

TOWN OF PLAINFIELD
AUDIT RESULTS AND COMMENTS

APPROPRIATIONS

The records presented for audit indicated the following expenditures in excess of budgeted approval:

<u>Fund</u>	<u>Years</u>	<u>Excess Amount Expended</u>
General:		
City Court	2004	\$ 22,143
Fire Department	2004	320,934
Police Pension	2004	72,050
Local Roads and Streets	2004	202,012

Indiana Code 6-1.1-18-4 states in part: ". . . the proper officers of a political subdivision shall appropriate funds in such a manner that the expenditures for a year do not exceed its budget for that year as finally determined under this article."

TRAVEL CLAIMS

In some instances, employees were reimbursed for travel expenses without providing original receipts.

Supporting documentation such as receipts, canceled checks, tickets, invoices, bills, contracts, and other public records must be available for audit to provide supporting information for the validity and accountability of monies disbursed. Payments without supporting documentation may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

OVERDRAWN CASH BALANCES

The cash balance of the Law Enforcement-Clayton Fund was overdrawn in 2004.

The cash balance of any fund may not be reduced below zero. Routinely overdrawn funds could be an indicator of serious financial problems which should be investigated by the governmental unit. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

CONDITION OF RECORDS

As stated in prior Audit Report B25063, we noted the following deficiencies, related to the record-keeping:

TOWN OF PLAINFIELD
AUDIT RESULTS AND COMMENTS
(Continued)

Financial records presented for audit were not reflective of the activity of the Accounts Receivable - Ambulance Billing. The records presented for the detail of the Ambulance bills outstanding as of December 31, 2004, did not agree with the General Ledger Accounts Receivable-Ambulance.

- (1) Record balances were not reconciled to depository balances during the audit.

Indiana Code 5-13-6-1(e) states in part: "All local investment officers shall reconcile at least monthly the balance of public funds, as disclosed by the records of the local officers, with the balance statements provided by the respective depositories."

- (2) There were a considerable number of posting errors. These errors included deposits not receipted, checks and receipts not recorded in the proper amounts, interest not posted, and non-sufficient funds checks incorrectly posted.

Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

- (3) Some transactions were recorded as "negative" receipts and disbursements.

Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

DEPOSITS - POLICE DEPARTMENT

In some instances, receipts were remitted to the clerk-treasurer less frequently than once a week. In one instance, 26 days passed prior to remittance.

Receipts and fees collected by a police department should be remitted to the clerk-treasurer or city controller at least once each week. (Cities and Towns Bulletin and Uniform Compliance Guidelines, September 2003)

PRESCRIBED FORMS

The following prescribed or approved forms were not always in use:

Town Court checks for escrow account;

Ledger of Receipts, Disbursements and Balances (City and Town Form 208);

Ledger of Appropriations, Encumbrances, Disbursements and Balances (City and Town Form 209);

Clerk Treasurer's Monthly Financial, Depository Statement and Reconciliation
Water Utility Journal (Utility Form 304);

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Wastewater Utility Journal (Utility Form 309);

Register of Daily Cash Receipts - Consumers (Utility Form 313A);

Consumer's Ledger - Municipal Water and Sewage Utility Combined (Utility Form 322);

Payroll Schedule and Voucher (General Form 99);

Employee's Service Record (General Form 99A); and

Employee's Earnings Record (General Form 99B).

Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

TOWN OF PLAINFIELD
EXIT CONFERENCE

The contents of this report were discussed on March 30, 2006, with Wesley Bennett, Clerk-Treasurer; Richard Carlucci, Town Manager; and Reed O'Hair, Controller. The officials concurred with our audit findings.