

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

EXAMINATION REPORT
OF

WATER, WASTEWATER, AND STORM WATER UTILITIES
TOWN OF PLAINFIELD
HENDRICKS COUNTY, INDIANA

January 1, 2010 to December 31, 2010



FILED
10/12/2011

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Wesley Bennett	01-01-08 to 12-31-11
President of the Town Council	Robin Brandgard	01-01-10 to 12-31-11
Superintendent of Utilities	Jason Castetter	01-01-10 to 12-31-11



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE WATER, WASTEWATER, AND STORM WATER UTILITIES,
TOWN OF PLAINFIELD, HENDRICKS COUNTY, INDIANA

We have examined the accompanying financial statements of the business-type activities of the Water, Wastewater, and Storm Water Utilities (Utilities), departments of the Town of Plainfield (Town), as of and for the year ended December 31, 2010. The Utilities' management is responsible for the financial statements presented herein. Our responsibility is to express an opinion 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 statement 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, Wastewater, and Storm Water Utilities, Town of Plainfield, 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 Town that is attributable to the transactions of the Utilities. They do not purport to, and do not, present fairly the financial position of the Town of Plainfield as of December 31, 2010, 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 business-type activities for the Water, Wastewater and Storm Water Utilities, as of December 31, 2010, 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.

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

STATE BOARD OF ACCOUNTS

August 3, 2011

WATER, WASTEWATER, AND STORM WATER UTILITIES
TOWN OF PLAINFIELD
STATEMENTS OF NET ASSETS - PROPRIETARY FUNDS
December 31, 2010

<u>Assets</u>	<u>Water</u>	<u>Wastewater</u>	<u>Storm Water</u>	<u>Totals</u>
Current assets:				
Cash and cash equivalents	\$ 4,430,680	\$ 2,008,050	\$ 2,384,545	\$ 8,823,275
Accounts receivable (net of allowance)	308,851	165,112	166,056	640,019
Other receivable	69,537	-	-	69,537
Interfund receivables:				
Due from Water	-	155,018	-	155,018
Due from Storm Water	-	256,780	-	256,780
Due from Town	610,637	-	-	610,637
Due from Wastewater	128,780	-	-	128,780
Inventories	117,046	22,082	26,305	165,433
Prepaid items	5,569	5,841	1,947	13,357
	<u>5,671,100</u>	<u>2,612,883</u>	<u>2,578,853</u>	<u>10,862,836</u>
Total current assets				
Noncurrent assets:				
Restricted cash, cash equivalents and investments:				
Bond and interest cash and investments	436,190	1,620,004	987,681	3,043,875
Construction cash and investments	-	-	75,611	75,611
Customer deposits	280,908	-	-	280,908
Availability cash and investments	918,681	410,849	2,973	1,332,503
Inspection cash and investments	-	95,854	-	95,854
	<u>1,635,779</u>	<u>2,126,707</u>	<u>1,066,265</u>	<u>4,828,751</u>
Total restricted assets				
Deferred charges	260,427	277,469	212,357	750,253
Capital assets:				
Land, improvements to land and construction in progress	4,454,487	7,498,965	3,993,918	15,947,370
Other capital assets (net of accumulated depreciation)	48,761,936	83,408,466	8,072,512	140,242,914
	<u>53,216,423</u>	<u>90,907,431</u>	<u>12,066,430</u>	<u>156,190,284</u>
Total capital assets				
Total noncurrent assets	<u>55,112,629</u>	<u>93,311,607</u>	<u>13,345,052</u>	<u>161,769,288</u>
Total assets	<u>60,783,729</u>	<u>95,924,491</u>	<u>15,923,905</u>	<u>172,632,125</u>
<u>Liabilities</u>				
Current liabilities:				
Accounts payable	119,703	122,479	57,583	299,765
Interfund payables:				
Due to Wastewater	155,018	-	256,780	411,798
Due to Town	36,688	233,565	-	270,253
Due to Water	-	128,780	-	128,780
Accrued wages payable	13,298	16,510	5,484	35,292
Taxes payable	33,082	-	-	33,082
Current liabilities payable from restricted assets:				
Customer deposits	217,535	-	-	217,535
Revenue bonds payable	422,000	-	-	422,000
Accrued interest payable	125,903	-	-	125,903
	<u>1,123,227</u>	<u>501,334</u>	<u>319,847</u>	<u>1,944,408</u>
Total current liabilities				
Revenue bonds payable (net of unamortized discounts and deferred amount on refunding)	7,738,145	11,963,987	8,505,000	28,207,132
Bond anticipation note payable	656,945	-	-	656,945
	<u>8,395,090</u>	<u>11,963,987</u>	<u>8,505,000</u>	<u>28,864,077</u>
Total noncurrent liabilities				
Total liabilities	<u>9,518,317</u>	<u>12,465,321</u>	<u>8,824,847</u>	<u>30,808,485</u>
<u>Net Assets</u>				
Invested in capital assets, net of related debt	44,399,333	78,943,444	3,561,430	126,904,207
Restricted for debt service	436,190	1,620,004	987,681	3,043,875
Restricted for construction	-	-	75,611	75,611
Restricted for inspection	-	95,854	-	95,854
Restricted for availability fees	918,681	410,849	2,973	1,332,503
Restricted for customer deposits	280,908	-	-	280,908
Unrestricted	5,230,300	2,389,018	2,471,363	10,090,681
	<u>\$ 51,265,412</u>	<u>\$ 83,459,170</u>	<u>\$ 7,099,058</u>	<u>\$ 141,823,640</u>
Total net assets				

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

WATER, WASTEWATER, AND STORM WATER UTILITIES
TOWN OF PLAINFIELD
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
As Of And For The Year Ended December 31, 2010

	<u>Water</u>	<u>Wastewater</u>	<u>Storm Water</u>	<u>Totals</u>
Operating revenues:				
Metered revenue	\$ 3,581,674	\$ 4,491,660	\$ 1,937,414	\$ 10,010,748
Unmetered revenue	209,473	233,416	9,600	452,489
Other	<u>1,352,355</u>	<u>1,386,873</u>	<u>367,836</u>	<u>3,107,064</u>
Total operating revenues	<u>5,143,502</u>	<u>6,111,949</u>	<u>2,314,850</u>	<u>13,570,301</u>
Operating expenses:				
Transmission and distribution	239,555	-	-	239,555
Pumping - operations and maintenance	-	304,363	-	304,363
Treatment and disposal - operations and maintenance	-	659,965	-	659,965
Other	29,599	191,049	35,314	255,962
Salaries and wages	639,483	738,676	242,071	1,620,230
Employee pensions and benefits	290,139	348,209	109,513	747,861
Sludge removal	-	108,350	-	108,350
Chemicals	166,955	59,361	-	226,316
Materials and supplies	150,976	96,359	41,957	289,292
Contractual services	825,028	387,492	252,484	1,465,004
Transportation expenses	58,983	-	-	58,983
Insurance expense	30,433	6,941	-	37,374
Depreciation	<u>960,638</u>	<u>1,443,365</u>	<u>220,214</u>	<u>2,624,217</u>
Total operating expenses	<u>3,391,789</u>	<u>4,344,130</u>	<u>901,553</u>	<u>8,637,472</u>
Operating income (loss)	<u>1,751,713</u>	<u>1,767,819</u>	<u>1,413,297</u>	<u>4,932,829</u>
Nonoperating revenues (expenses):				
Interest and investment revenue	-	6,895	-	6,895
Interest expense	(260,491)	(551,294)	(408,250)	(1,220,035)
Amortization expense	<u>20,832</u>	<u>31,043</u>	<u>(11,177)</u>	<u>40,698</u>
Total nonoperating revenues (expenses)	<u>(239,659)</u>	<u>(513,356)</u>	<u>(419,427)</u>	<u>(1,172,442)</u>
Income (loss) before contributions	<u>1,512,054</u>	<u>1,254,463</u>	<u>993,870</u>	<u>3,760,387</u>
Capital contributions	<u>-</u>	<u>3,351,442</u>	<u>-</u>	<u>3,351,442</u>
Change in net assets	1,512,054	4,605,905	993,870	7,111,829
Total net assets - beginning as previously reported	49,753,358	79,485,372	6,105,188	135,343,918
Restatement of beginning net assets (Note II.G.)	<u>-</u>	<u>(632,107)</u>	<u>-</u>	<u>(632,107)</u>
Total net assets - beginning, as restated	<u>49,753,358</u>	<u>78,853,265</u>	<u>6,105,188</u>	<u>134,711,811</u>
Total net assets - ending	<u>\$ 51,265,412</u>	<u>\$ 83,459,170</u>	<u>\$ 7,099,058</u>	<u>\$ 141,823,640</u>

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

WATER, WASTEWATER, AND STORM WATER UTILITIES
TOWN OF PLAINFIELD
STATEMENTS OF CASH FLOWS -
ENTERPRISE FUNDS
As Of And For The Year Ended December 31, 2010

	<u>Water</u>	<u>Wastewater</u>	<u>Storm Water</u>	<u>Totals</u>
Cash flows from operating activities:				
Receipts from customers and users	\$ 3,681,251	\$ 4,818,957	\$ 1,947,431	\$ 10,447,639
Payments to suppliers and contractors	(1,333,498)	(1,886,877)	(444,869)	(3,665,244)
Payments to employees	(951,599)	(1,116,031)	(360,293)	(2,427,923)
Other receipts	<u>1,357,003</u>	<u>1,386,873</u>	<u>367,837</u>	<u>3,111,713</u>
Net cash provided (used) by operating activities	<u>2,753,157</u>	<u>3,202,922</u>	<u>1,510,106</u>	<u>7,466,185</u>
Cash flows from capital and related financing activities:				
Proceeds from capital debt	2,523,621	-	-	2,523,621
Capital contributions	-	3,351,442	-	3,351,442
Acquisition and construction of capital assets	(3,321,544)	(3,805,053)	(1,273,775)	(8,400,372)
Principal paid on capital debt	(320,000)	(1,090,000)	(115,000)	(1,525,000)
Interest paid on capital debt	(274,445)	(916,890)	(408,250)	(1,599,585)
Bond issue costs paid	-	-	(11,634)	(11,634)
Net cash provided (used) by capital and related financing activities	<u>(1,392,368)</u>	<u>(2,460,501)</u>	<u>(1,808,659)</u>	<u>(5,661,528)</u>
Cash flows from investing activities:				
Interest received	-	6,895	-	6,895
Net cash provided (used) by investing activities	<u>-</u>	<u>6,895</u>	<u>-</u>	<u>6,895</u>
Net increase (decrease) in cash and cash equivalents	1,360,789	749,316	(298,553)	1,811,552
Cash and cash equivalents, January 1	<u>4,705,670</u>	<u>3,385,442</u>	<u>3,749,364</u>	<u>11,840,476</u>
Cash and cash equivalents, December 31	<u>\$ 6,066,459</u>	<u>\$ 4,134,758</u>	<u>\$ 3,450,811</u>	<u>\$ 13,652,028</u>
Reconciliation of operating income to net cash provided (used) by operating activities:				
Operating income	<u>\$ 1,751,713</u>	<u>\$ 1,767,819</u>	<u>\$ 1,356,807</u>	<u>\$ 4,876,339</u>
Adjustments to reconcile operating income to net cash provided (used) by operating activities:				
Depreciation expense	\$ 960,638	\$ 1,443,365	\$ 220,214	\$ 2,624,217
(Increase) decrease in assets:				
Accounts receivable	(66,843)	93,881	418	27,456
Other receivable	1,304	-	-	1,304
Interfund receivable	-	(10,133)	-	(10,133)
Inventories	52,934	-	(6,005)	46,929
Prepaid items	(1,000)	(969)	(1,947)	(3,916)
Increase (decrease) in liabilities:				
Accounts payable	86,498	(61,896)	(50,672)	(26,070)
Interfund payables	(5,763)	-	-	(5,763)
Accrued wages payable	(21,977)	(29,145)	(8,709)	(59,831)
Customer deposits	<u>(4,347)</u>	<u>-</u>	<u>-</u>	<u>(4,347)</u>
Total adjustments	<u>1,001,444</u>	<u>1,435,103</u>	<u>153,299</u>	<u>2,589,846</u>
Net cash provided by operating activities	<u>\$ 2,753,157</u>	<u>\$ 3,202,922</u>	<u>\$ 1,510,106</u>	<u>\$ 7,466,185</u>

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

WATER, WASTEWATER, AND STORM WATER UTILITIES
TOWN OF PLAINFIELD
NOTES TO FINANCIAL STATEMENTS

I. Summary of Significant Accounting Policies

A. Reporting Entity

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

B. Fund Financial Statements

Business-type activity financial statements consist of the Statement of Net Assets; Statement of Revenues, Expenses, and Changes in Fund Net Assets; 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.

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 Utilities have elected not to follow subsequent private-sector guidance.

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 non-operating 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 Assets 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.

WATER, WASTEWATER, AND STORM WATER UTILITIES
TOWN OF PLAINFIELD
NOTES TO FINANCIAL STATEMENTS
(Continued)

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.

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. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

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 assets balance sheet because their use is limited by applicable bond covenants.

The financial statements report \$4,828,751 of restricted net assets, of which \$0 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:

WATER, WASTEWATER, AND STORM WATER UTILITIES
TOWN OF PLAINFIELD
NOTES TO FINANCIAL STATEMENTS
(Continued)

	Capitalization Threshold	Depreciation Method	Estimated Useful Life
Water Utility:			
Land	\$ 1,000	N/A	N/A
Buildings and improvements	50,000	Straight-line	50 years
Improvements other than buildings	5,000	Straight-line	66 years
Machinery and equipment	5,000	Straight-line	5 years
Wastewater Utility:			
Land	1,000	N/A	N/A
Buildings and improvements	50,000	Straight-line	50 years
Improvements other than buildings	5,000	Straight-line	66 years
Machinery and equipment	5,000	Straight-line	5 years
Storm Water Utility:			
Land	1,000	N/A	N/A
Buildings and improvements	50,000	Straight-line	50 years
Improvements other than buildings	5,000	Straight-line	66 years
Machinery and equipment	5,000	Straight-line	5 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.

5. Long-Term Obligations

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. Detailed Notes on All Funds

A. Deposits and Investments

1. 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, 2010, the Utilities had deposit balances in the amount of \$13,652,027.

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, WASTEWATER, AND STORM WATER UTILITIES
TOWN OF PLAINFIELD
NOTES TO FINANCIAL STATEMENTS
(Continued)

2. Investments

Statutory Authorization for Investments

Indiana Code 5-13-9 authorizes the Utilities to invest in securities backed by the full faith and credit of the United States Treasury or fully guaranteed by the United States of America and issued by the United States Treasury, a federal agency, a federal instrumentality, or a federal government sponsored enterprise. Indiana Code also authorizes the Utilities to invest in securities fully guaranteed and issued by a federal agency, a federal instrumentality, or a federal government sponsored enterprise. These investments are required by statute to have a stated final maturity of not more than two years.

Indiana Code also provides for investment in money market mutual funds that are in the form of securities of, or interest in, an open-end, no-load, management-type investment company or investment trust registered under the provision of the federal Investment Company Act of 1940, as amended. Investments in money market mutual funds may not exceed 50 percent of the funds held by the Utilities and available for investment. The portfolio of an investment company or investment trust used must be limited to direct obligations of the United States of America, obligations issued by a federal agency, a federal instrumentality, or a federal government sponsored enterprise or repurchase agreements fully collateralized by direct obligations of the United States of America or obligations issued by a federal agency, a federal instrumentality, or a federal government sponsored enterprise. The form of securities of, or interest in, an investment company or investment trust must be rated as AAA, or its equivalent by Standard and Poor's Corporation or its successor or Aaa, or its equivalent, by Moody's Investors Service, Inc., or its successor. The form of securities in an investment company or investment trust should have a stated final maturity of one day.

Additionally, the Utilities may enter into repurchase agreements with depositories designated by the State Board of Finance as depositories for state deposits involving the Utilities' purchase and guaranteed resale of any interest-bearing obligations issued or fully insured or guaranteed by the United States of America, a United States of America government agency, an instrumentality of the United States of America, or a federal government sponsored enterprise. The repurchase agreement is considered to have a stated final maturity of one day. This agreement must be fully collateralized by interest-bearing obligations as determined by their current market value.

The Utilities had no investments as of December 31, 2010

B. Capital Assets

Capital asset activity for the year ended December 31, 2010, was as follows:

<u>Business-Type Activity</u>	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Water Utility:				
Capital assets, not being depreciated:				
Land	\$ 568,228	\$ -	\$ -	\$ 568,228
Construction in progress	672,076	3,214,183	-	3,886,259
Total capital assets, not being depreciated	1,240,304	3,214,183	-	4,454,487

WATER, WASTEWATER, AND STORM WATER UTILITIES
TOWN OF PLAINFIELD
NOTES TO FINANCIAL STATEMENTS
(Continued)

<u>Business-Type Activity</u>	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Water Utility (continued):				
Capital assets, being depreciated:				
Buildings	14,432,090	-	-	14,432,090
Improvements other than buildings	48,649,290	-	-	48,649,290
Machinery and equipment	268,068	107,361	-	375,429
Totals	<u>63,349,448</u>	<u>107,361</u>	<u>-</u>	<u>63,456,809</u>
Less accumulated depreciation for:				
Buildings	(2,682,692)	(286,528)	-	(2,969,220)
Improvements other than buildings	(10,886,530)	(642,914)	-	(11,529,444)
Machinery and equipment	(165,013)	(31,195)	-	(196,208)
Totals	<u>(13,734,235)</u>	<u>(960,637)</u>	<u>-</u>	<u>(14,694,872)</u>
Total capital assets, being depreciated, net	<u>49,615,213</u>	<u>(853,276)</u>	<u>-</u>	<u>48,761,937</u>
Total capital assets, net	<u>\$ 50,855,517</u>	<u>\$ 2,360,907</u>	<u>\$ -</u>	<u>\$ 53,216,424</u>
Wastewater Utility:				
Capital assets, not being depreciated:				
Land	\$ 1,049,347	\$ -	\$ -	\$ 1,049,347
Construction in progress	2,699,665	3,749,953	-	6,449,618
Total capital assets, not being depreciated	<u>3,749,012</u>	<u>3,749,953</u>	<u>-</u>	<u>7,498,965</u>
Capital assets, being depreciated:				
Buildings	24,969,018	-	-	24,969,018
Improvements other than buildings	81,608,412	-	-	81,608,412
Machinery and equipment	371,981	55,100	-	427,081
Totals	<u>106,949,411</u>	<u>55,100</u>	<u>-</u>	<u>107,004,511</u>
Less accumulated depreciation for:				
Buildings	(7,799,641)	-	-	(7,799,641)
Improvements other than buildings	(14,081,317)	(1,419,327)	-	(15,500,644)
Machinery and equipment	(271,722)	(24,038)	-	(295,760)
Totals	<u>(22,152,680)</u>	<u>(1,443,365)</u>	<u>-</u>	<u>(23,596,045)</u>
Total capital assets, being depreciated, net	<u>84,796,731</u>	<u>(1,388,265)</u>	<u>-</u>	<u>83,408,466</u>
Total capital assets, net	<u>\$ 88,545,743</u>	<u>\$ 2,361,688</u>	<u>\$ -</u>	<u>\$ 90,907,431</u>
Storm Water Utility:				
Capital assets, not being depreciated:				
Land	\$ 66,750	\$ 56,490	\$ -	\$ 123,240
Construction in progress	2,781,848	1,088,830	-	3,870,678
Total capital assets, not being depreciated	<u>2,848,598</u>	<u>1,145,320</u>	<u>-</u>	<u>3,993,918</u>

WATER, WASTEWATER, AND STORM WATER UTILITIES
TOWN OF PLAINFIELD
NOTES TO FINANCIAL STATEMENTS
(Continued)

<u>Business-Type Activity</u>	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Storm Water Utility (continued):				
Capital assets, being depreciated:				
Buildings	-	-	-	-
Improvements other than buildings	8,271,996	-	-	8,271,996
Machinery and equipment	318,121	184,945	-	503,066
Totals	<u>8,590,117</u>	<u>184,945</u>	<u>-</u>	<u>8,775,062</u>
Less accumulated depreciation for:				
Buildings	-	-	-	-
Improvements other than buildings	(459,052)	(165,440)	-	(624,492)
Machinery and equipment	(23,284)	(34,816)	-	(58,100)
Totals	<u>(482,336)</u>	<u>(200,256)</u>	<u>-</u>	<u>(682,592)</u>
Total capital assets, being depreciated, net	<u>8,107,781</u>	<u>(15,311)</u>	<u>-</u>	<u>8,092,470</u>
Total capital assets, net	<u>\$ 10,956,379</u>	<u>\$ 1,130,009</u>	<u>\$ -</u>	<u>\$ 12,086,388</u>

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

	<u>2010</u>
Water	\$ 960,638
Wastewater	1,443,365
Storm Water	<u>220,214</u>
Total depreciation expense	<u>\$ 2,624,217</u>

C. Construction Commitments

Construction work in progress is composed of the following:

<u>Project</u>	<u>2010</u>	
	<u>Expended to December 31,</u>	<u>Committed</u>
Water Utility:		
Master Plan DPW	\$ 3,217,166	\$ 3,500,000
Centex Settlement	23,000	-
North Plant WTPP	<u>646,093</u>	<u>650,000</u>
Totals	<u>3,886,259</u>	<u>4,150,000</u>

WATER, WASTEWATER, AND STORM WATER UTILITIES
TOWN OF PLAINFIELD
NOTES TO FINANCIAL STATEMENTS
(Continued)

<u>Project</u>	<u>2010</u>	
	<u>Expended to December 31,</u>	<u>Committed</u>
Wastewater Utility:		
North Plant and Water Tower	3,351,442	3,500,000
Vestal Road Extension	467	1,500,000
Expansion North WTP	2,496,840	3,000,000
West Fork Interceptor	381,584	600,000
North Plant And Deer Path	<u>219,285</u>	<u>250,000</u>
 Totals	 <u>6,449,618</u>	 <u>8,850,000</u>
Storm Water Utility:		
Master Plan DPW	2,590,016	6,500,000
Vestal Road Extension	4,632	1,500,000
West Fork Interceptor	238,041	600,000
Sugar Hills Estate	39,080	40,000
Denver Street	17,452	20,000
South Hills Drainage	287,761	1,000,000
Buchannon Street	617,403	3,000,000
Talon Stream	<u>76,294</u>	<u>1,800,000</u>
 Totals	 <u>3,870,678</u>	 <u>14,460,000</u>
 Totals	 <u>\$ 14,206,555</u>	 <u>\$ 27,460,000</u>

D. Interfund Balances and Activity

Interfund Receivables and Payables

The composition of interfund balances as of December 31, 2010, is as follows:

<u>Interfund Receivable</u>	<u>Interfund Payable</u>	<u>2010</u>
General fund	Water Utility	\$ 36,688
	Wastewater Utility	233,565
	Storm Water Utility	-
Water Utility	General Fund	610,637
	Wastewater Utility	128,780
	Storm Water Utility	-
Wastewater Utility	General Fund	-
	Water Utility	155,018
	Storm Water Utility	256,780
Storm Water Utility	General fund	-
	Water Utility	-
	Wastewater Utility	<u>-</u>
 Total		 <u>\$ 1,421,468</u>

WATER, WASTEWATER, AND STORM WATER UTILITIES
TOWN OF PLAINFIELD
NOTES TO FINANCIAL STATEMENTS
(Continued)

Interfund balances resulted from the time lag between the dates that (1) interfund loans are repaid, (2) interfund goods and services are provided or reimbursable expenditures occur, (3) transactions are recorded in the accounting system and (4) payments between funds are made.

E. 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	Less: Unamortized (Premium) Discount	Less: Deferral on Refunding	Amount
Water Utility:					
2003 Improvement	2% to 4.50%	\$ 4,380,000	\$ -	\$ -	\$ 4,380,000
2004 Refunding	3% to 4.75%	1,320,000	19,832	(34,023)	1,266,145
2009 SRF	3.87%	<u>2,514,000</u>	<u>-</u>	<u>-</u>	<u>2,514,000</u>
Total		<u>8,214,000</u>	<u>19,832</u>	<u>(34,023)</u>	<u>8,160,145</u>
Wastewater Utility:					
1999A Improvement	4.85% to 5.00%	1,370,000	-	-	1,370,000
2003A Refunding	3.50% to 4.75%	9,805,000	-	(71,013)	9,733,987
2003B Improvement	3.50% to 4.00%	860,000	-	-	860,000
2009A Improvement	3.50% to 5.00%	<u>8,505,000</u>	<u>-</u>	<u>-</u>	<u>8,505,000</u>
Total		<u>20,540,000</u>	<u>-</u>	<u>(71,013)</u>	<u>20,468,987</u>
Grand total		<u>\$ 28,754,000</u>	<u>\$ -</u>	<u>\$ (71,013)</u>	<u>\$ 28,629,132</u>

Revenue bonds debt service requirements to maturity are as follows:

	Water Utility		Wastewater Utility	
	Principal	Interest	Principal	Interest
2011	\$ 422,000	\$ 349,098	\$ -	\$ 1,015,622
2012	436,000	333,069	715,000	991,028
2013	454,000	315,754	740,000	963,986
2014	473,000	297,722	765,000	935,573
2015	487,000	277,811	795,000	904,027
2016-2020	2,866,000	1,054,646	4,535,000	3,948,215
2021-2025	2,387,000	379,982	5,695,000	2,787,126
2026-2030	689,000	67,880	7,295,000	1,069,996
2031-2035	-	-	-	-
2036-2040	-	-	-	-
Totals	<u>\$ 8,214,000</u>	<u>\$ 3,075,962</u>	<u>\$ 20,540,000</u>	<u>\$ 12,615,574</u>

WATER, WASTEWATER, AND STORM WATER UTILITIES
TOWN OF PLAINFIELD
NOTES TO FINANCIAL STATEMENTS
(Continued)

2. Changes in Long-Term Liabilities

Long-term liability activity for the year ended December 31, 2010, was as follows:

<u>2010</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Revenue bonds payable:					
Water Utility	\$ 6,020,000	\$ 2,514,000	\$ 320,000	\$ 8,214,000	\$ 422,000
Wastewater Utility	13,125,000	-	1,090,000	12,035,000	-
Storm Water Utility	8,620,000	-	115,000	8,505,000	-
Less deferred amount on refunding	-	-	124,868	(124,868)	-
Total revenue bonds payable	<u>27,765,000</u>	<u>2,514,000</u>	<u>1,400,132</u>	<u>28,878,868</u>	<u>422,000</u>
Total long-term liabilities	<u>\$ 27,765,000</u>	<u>\$ 2,514,000</u>	<u>\$ 1,400,132</u>	<u>\$ 28,878,868</u>	<u>\$ 422,000</u>

F. Restricted Assets

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

	<u>2010</u>		
	<u>Water</u>	<u>Wastewater</u>	<u>Storm Water</u>
Customer deposits	\$ 280,908	\$ -	\$ -
Revenue bond operations and maintenance account	436,190	1,620,004	987,681
Availability	918,681	410,849	2,973
Inspection	-	95,854	-
Revenue bond construction account	-	-	75,611
Total restricted assets	<u>\$ 1,635,779</u>	<u>\$ 2,126,707</u>	<u>\$ 1,066,265</u>

G. Restatements

For the year ended December 31, 2010, certain changes have been made to the financial statements to more appropriately reflect financial activity of the Wastewater Utility. Prior period adjustments represent financial activity held by fiscal agents of the Town not included in prior reports.

<u>Opinion Unit</u>	<u>Balance as Reported December 31, 2009</u>	<u>Fund Reclassification</u>	<u>New Funds</u>	<u>Prior Period Adjustments</u>	<u>Balance as Restated January 1, 2010</u>
	<u>\$ 79,485,372</u>		<u>\$ -</u>	<u>\$ 862,000</u>	<u>\$ 80,347,372</u>

WATER, WASTEWATER, AND STORM WATER UTILITIES
TOWN OF PLAINFIELD
NOTES TO FINANCIAL STATEMENTS
(Continued)

III. Other Information

A. Risk Management

The Town, including the Utilities, may be 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; medical benefits to employees, retirees, and dependents; and natural disasters.

These risks can be mitigated through the purchase of insurance, establishment of a self-insurance fund, and/or participation in a risk pool. The purchase of insurance transfers the risk to an independent third party. The establishment of a self-insurance fund allows the Town to set aside money for claim settlements. The self-insurance fund would be included in the financial statements. The purpose of participation in a risk pool is to provide a medium for the funding and administration of the risks. These risks may also be mitigated by the Town by recording as a disbursement and replacement items purchased.

B. Rate Structure

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 27, 2009.

Wastewater Utility

The current rate structure was approved by the Town Council on November 9, 2009.

Storm Water Utility

The current rate structure was approved by the Town Council on July 24, 2006.

C. Pension Plan

Agent Multiple-Employer Defined Benefit Pension Plan

Public Employees' Retirement Fund

Plan Description

The Town, including the Utilities, 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 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 three 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.

WATER, WASTEWATER, AND STORM WATER UTILITIES
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

The contribution requirements of plan members and the Town are established by the Board of Trustees of PERF. The Town's contributions to the plan during the period were \$470,587.

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

WATER, WASTEWATER, AND STORM WATER UTILITIES
TOWN OF PLAINFIELD
EXIT CONFERENCE

The contents of this report were discussed on August 3, 2011, with Wesley Bennett, Clerk-Treasurer; Robin Brandgard, President of the Town Council; Richard Carlucci, Town Manager; and Scott Walker, Town Consultant.