

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, 2013 to December 31, 2013



FILED
04/16/2015

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Officials	2
Independent Accountant's Report.....	3
Basic Financial Statements and Accompanying Notes:	
Statement of Net Position.....	4
Statement of Revenues, Expenses, and Changes in Net Position	5
Statement of Cash Flows	6
Notes to Financial Statements.....	7-17
Exit Conference.....	18

OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Wesley Bennett	01-01-12 to 12-31-15
President of the Town Council	Robin Brandgard	01-01-13 to 12-31-14
Superintendent of Utilities	Jason Castetter	01-01-13 to 12-31-14



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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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, 2013. 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, 2013, 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. Our opinion is not modified with respect to this matter.

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, departments of the Town of Plainfield, as of December 31, 2013, and the respective changes in financial position and cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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

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

November 25, 2014

WATER, WASTEWATER, AND STORM WATER UTILITIES
TOWN OF PLAINFIELD
STATEMENT OF NET POSITION - PROPRIETARY FUNDS
December 31, 2013

<u>Assets</u>	<u>Water</u>	<u>Waste Water</u>	<u>Storm Water</u>
Current assets:			
Cash and cash equivalents	\$ 6,778,957	\$ 4,217,762	\$ 2,893,916
Accounts receivable (net of allowance)	311,136	378,419	152,040
Materials and supplies inventories	169,113	24,206	42,875
Prepaid items	6,424	5,036	1,679
Total current assets	<u>7,265,630</u>	<u>4,625,423</u>	<u>3,090,510</u>
Noncurrent assets:			
Restricted cash, cash equivalents and investments:			
Bond and interest cash and investments	5,526,974	3,368,393	599,529
Construction cash and investments	-	-	(1,918)
Customer deposits cash and investments	305,788	-	-
Availability cash and investments	618,123	799,869	282,199
Inspection cash and investments	-	351,816	-
Total restricted assets:	<u>6,450,885</u>	<u>4,520,078</u>	<u>879,810</u>
Capital assets:			
Land, improvements to land and construction in progress	1,115,383	1,164,278	1,340,789
Other capital assets (net of accumulated depreciation)	51,742,580	93,924,838	12,017,522
Total capital assets	<u>52,857,963</u>	<u>95,089,116</u>	<u>13,358,311</u>
Total noncurrent assets	<u>59,308,848</u>	<u>99,609,194</u>	<u>14,238,121</u>
Total assets	<u>66,574,478</u>	<u>104,234,617</u>	<u>17,328,631</u>
Deferred outflows of resources:			
Deferral of loss on debt refunding	(406)	-	-
<u>Liabilities</u>			
Current liabilities:			
Accounts payable	154,129	183,040	169,135
Accrued wages payable	26,812	32,871	8,335
Current liabilities payable from restricted assets:			
Customer deposits	249,672	-	-
Revenue bonds payable	918,000	337,000	145,000
Accrued interest payable	200,026	-	189,571
Total current liabilities	<u>1,548,639</u>	<u>552,911</u>	<u>512,041</u>
Non-current liabilities:			
General obligation bonds payable (net of unamortized discounts)			
Revenue bonds payable (net of unamortized discounts and deferred amount on refunding)	10,882,515	16,414,000	8,080,000
Bond Anticipation Note Payable	656,945	-	-
Total noncurrent liabilities	<u>11,539,460</u>	<u>16,414,000</u>	<u>8,080,000</u>
Total liabilities	<u>13,088,099</u>	<u>16,966,911</u>	<u>8,592,041</u>
<u>Net Position</u>			
Net investment in capital assets	41,057,448	78,338,116	5,133,311
Restricted for debt service	5,526,974	3,368,393	599,529
Restricted for construction	-	-	(1,918)
Restricted for inspection	-	351,816	-
Restricted for availability fees	618,123	799,869	282,199
Restricted for customer deposits	56,117	-	-
Unrestricted	6,227,311	4,409,512	2,723,469
Total net position	<u>\$ 53,485,973</u>	<u>\$ 87,267,706</u>	<u>\$ 8,736,590</u>

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

WATER, WASTEWATER, AND STORM WATER UTILITIES
TOWN OF PLAINFIELD
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - PROPRIETARY FUNDS
The Year Ended December 31, 2013

	<u>Water</u>	<u>Waste Water</u>	<u>Storm Water</u>
Operating revenues:			
Metered revenue	\$ 4,299,466	\$ 5,486,341	\$ 2,034,043
Unmetered revenue	391,222	785,902	328,068
Other	<u>400,975</u>	<u>69,649</u>	<u>2,893</u>
Total operating revenues	<u>5,091,663</u>	<u>6,341,892</u>	<u>2,365,004</u>
Operating expenses:			
Transmission and distribution	1,062,417	-	-
Treatment and disposal - operations and maintenance	-	221,333	-
Other	-	-	6,115
Salaries and wages	664,618	855,787	230,215
Employee pensions and benefits	313,249	368,464	72,552
Sludge removal	-	133,867	1,110
Chemicals	207,939	79,167	-
Materials and supplies	3,905	51,269	7,664
Contractual services	447,124	1,716,816	400,159
Insurance expense	51,263	34,725	11,142
Depreciation	<u>1,078,892</u>	<u>1,739,322</u>	<u>294,542</u>
Total operating expenses	<u>3,829,407</u>	<u>5,200,750</u>	<u>1,023,499</u>
Operating income (loss)	<u>1,262,256</u>	<u>1,141,142</u>	<u>1,341,505</u>
Nonoperating revenues (expenses):			
Net Inter-Utility Transfers	-	862,000	(862,000)
Interest expense	(496,636)	(468,884)	(548,663)
Amortization expense	<u>(61,850)</u>	<u>-</u>	<u>-</u>
Total nonoperating revenues (expenses)	<u>(558,486)</u>	<u>393,116</u>	<u>(1,410,663)</u>
Change in net assets	703,770	1,534,258	(69,158)
Total net position - beginning	<u>\$ 52,782,203</u>	<u>\$ 85,733,448</u>	<u>\$ 8,805,748</u>
Total net position - ending	<u>\$ 53,485,973</u>	<u>\$ 87,267,706</u>	<u>\$ 8,736,590</u>

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

WATER, WASTEWATER AND STORM WATER UTILITIES
TOWN OF PLAINFIELD
STATEMENT OF CASH FLOWS
The Year Ended December 31, 2013

	Water	Waste Water	Storm Water
Cash flows from operating activities:			
Receipts from customers and users	\$ 4,263,053	\$ 5,447,448	\$ 2,376,857
Payments to suppliers and contractors	(1,929,395)	(2,272,327)	(384,898)
Payments to employees	(975,070)	(1,219,480)	(301,422)
Other receipts	877,751	855,550	2,893
Net cash provided (used) by operating activities	2,236,339	2,811,191	1,693,430
Cash flows from noncapital financing activities:			
Transfer to other funds	(997,111)	(1,121,820)	(1,437,574)
Customer deposits accounts receivable difference	2,218	-	-
Transfers from other funds	997,111	1,983,820	575,574
Net cash provided (used) by noncapital financing activities	2,218	862,000	(862,000)
Cash flows from capital and related financing activities:			
Proceeds from capital debt	4,970,000	-	-
Acquisition and construction of capital assets	(352,091)	(204,990)	(1,059,792)
Principal paid on capital debt	(534,000)	(294,000)	(140,000)
Less bond issuance costs paid from cash	(61,850)	-	-
Interest paid on capital debt	(211,993)	(536,487)	(381,592)
Net cash provided (used) by capital and related financing activities	3,810,066	(1,035,477)	(1,581,384)
Net increase in cash and cash equivalents	6,048,623	2,637,714	(749,954)
Cash and cash equivalents, January 1	7,181,219	6,100,126	4,523,680
Cash and cash equivalents, December 31	\$ 13,229,842	\$ 8,737,840	\$ 3,773,726
Reconciliation of operating income to net cash provided (used) by operating activities:			
Operating income	\$ 1,262,256	\$ 1,141,142	\$ 1,341,505
Adjustments to reconcile operating income to net cash provided (used) by operating activities:			
Depreciation expense	\$ 1,078,892	\$ 1,739,322	\$ 294,542
(Increase) decrease in assets:			
Accounts receivable	(37,126)	(38,894)	14,746
Inventories	(63,450)	-	(25,653)
Prepaid items	2,075	343	112
Increase (decrease) in liabilities:			
Accounts payable	(26,116)	(35,494)	66,833
Taxes Payable	12,816	-	-
Accrued Wages payable	2,797	4,772	1,345
Customer deposits	4,195	-	-
Total adjustments	974,083	1,670,049	351,925
Net cash provided by operating activities	\$ 2,236,339	\$ 2,811,191	\$ 1,693,430

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, represent a substantial portion of the Town's enterprise funds.

B. Fund Financial Statements

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

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

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

Enterprise funds distinguish operating receipts and disbursements from nonoperating items. Operating receipts and disbursements generally result from providing services and producing and delivering goods in connection with an enterprise fund's principal ongoing operations. The principal operating receipts of the enterprise funds are charges to customers for sales and services. Operating disbursements for enterprise funds include the cost of sales and services and administrative costs. All receipts and disbursements not meeting this definition are reported as nonoperating receipts and disbursements.

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

D. Assets, Liabilities, and Net 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.

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

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

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

Open-end mutual funds are reported at fair value.

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

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

2. Inventories and Prepaid Items

All inventories are valued at cost using the first in/first out (FIFO) method. Inventories of business-type activities 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 the business-type activity 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 Position because their use is limited by applicable bond covenants.

The financial statements report \$6,201,214, \$4,520,078, and \$879,810 of restricted net position of the Water, Wastewater, and Storm Water Utilities, respectively, 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
Waste 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
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

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. Deferred Outflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources until then. The Utilities only have one item that qualifies for reporting in this category. It is the deferred charge on refunding reported in the Statement of Net Position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

6. Long-Term Obligations

Long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Position. Bond premiums and discounts 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.

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

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, 2013, the Water, Wastewater, and Storm Water Utilities had deposit balances in the amount of \$13,229,842, \$8,737,840, and \$3,773,726, respectively.

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.

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 Indiana 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.

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

The Utilities had no investments as of December 31, 2013.

B. Capital Assets

Capital asset activity for the year ended December 31, 2013, was as follows:

<u>2013</u>	<u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u>
<u>Business-type activity</u>				
Water Utility:				
Capital assets, not being depreciated:				
Land	\$ 568,228	\$ -	\$ -	\$ 568,228
Construction in progress	<u>2,658,257</u>	<u>342,091</u>	<u>2,453,194</u>	<u>547,154</u>
Total capital assets, not being depreciated	<u>3,226,485</u>	<u>342,091</u>	<u>2,453,194</u>	<u>1,115,382</u>
Capital assets, being depreciated:				
Buildings	14,465,469	-	-	14,465,469
Improvements other than buildings	52,561,855	2,453,194	-	55,015,049
Machinery and equipment	<u>375,429</u>	<u>10,000</u>	<u>-</u>	<u>385,429</u>
Totals	<u>67,402,753</u>	<u>2,463,194</u>	<u>-</u>	<u>69,865,947</u>
Less accumulated depreciation for:				
Buildings	(3,621,863)	(414,511)	-	(4,036,374)
Improvements other than buildings	(13,180,719)	(642,914)	-	(13,823,633)
Machinery and equipment	<u>(241,893)</u>	<u>(21,466)</u>	<u>-</u>	<u>(263,359)</u>
Totals	<u>(17,044,475)</u>	<u>(1,078,891)</u>	<u>-</u>	<u>(18,123,366)</u>
Total capital assets, being depreciated, net	<u>50,358,278</u>	<u>1,384,303</u>	<u>-</u>	<u>51,742,581</u>
Total capital assets, net	<u>\$ 53,584,763</u>	<u>\$ 1,726,394</u>	<u>\$ 2,453,194</u>	<u>\$ 52,857,963</u>

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

Waste Water Utility:

Capital assets, not being depreciated:

Land	\$ 1,049,347	\$ -	\$ -	\$ 1,049,347
Construction in progress	<u>14,859,371</u>	<u>204,990</u>	<u>14,949,430</u>	<u>114,931</u>
Total capital assets, not being depreciated	<u>15,908,718</u>	<u>204,990</u>	<u>14,949,430</u>	<u>1,164,278</u>

Capital assets, being depreciated:

Buildings	25,008,555	-	-	25,008,555
Improvements other than buildings	81,692,397	14,949,430	-	96,641,827
Machinery and equipment	<u>427,081</u>	<u>67,603</u>	<u>-</u>	<u>494,684</u>
Totals	<u>107,128,033</u>	<u>15,017,033</u>	<u>-</u>	<u>122,145,066</u>

Less accumulated depreciation for:

Buildings	(8,798,401)	(789,078)	-	(9,587,479)
Improvements other than buildings	(17,340,541)	(925,827)	-	(18,266,368)
Machinery and equipment	<u>(341,962)</u>	<u>(24,417)</u>	<u>-</u>	<u>(366,379)</u>
Totals	<u>(26,480,905)</u>	<u>(1,739,322)</u>	<u>-</u>	<u>(28,220,227)</u>

Total capital assets, being depreciated, net	<u>80,647,128</u>	<u>13,277,711</u>	<u>-</u>	<u>93,924,839</u>
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Total capital assets, net	<u>\$ 96,555,846</u>	<u>\$ 13,482,701</u>	<u>\$ 14,949,430</u>	<u>\$ 95,089,117</u>
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Storm Water Utility:

Capital assets, not being depreciated:

Land	\$ 123,240	\$ -	\$ -	\$ 123,240
Construction in progress	<u>1,467,201</u>	<u>1,059,791</u>	<u>1,309,444</u>	<u>1,217,548</u>
Total capital assets, not being depreciated	<u>1,590,441</u>	<u>1,059,791</u>	<u>1,309,444</u>	<u>1,340,788</u>

Capital assets, being depreciated:

Buildings	37,834	-	-	37,834
Improvements other than buildings	11,613,783	1,309,444	-	12,923,227
Machinery and equipment	<u>503,066</u>	<u>-</u>	<u>-</u>	<u>503,066</u>
Totals	<u>12,154,683</u>	<u>1,309,444</u>	<u>-</u>	<u>13,464,127</u>

Less accumulated depreciation for:

Buildings	(2,522)	(1,261)	-	(3,783)
Improvements other than buildings	(1,021,809)	(258,465)	-	(1,280,274)
Machinery and equipment	<u>(127,732)</u>	<u>(34,816)</u>	<u>-</u>	<u>(162,548)</u>
Totals	<u>(1,152,063)</u>	<u>(294,542)</u>	<u>-</u>	<u>(1,446,605)</u>

Total capital assets, being depreciated, net	<u>7,909,228</u>	<u>1,014,902</u>	<u>-</u>	<u>12,017,522</u>
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Total capital assets, net	<u>\$ 12,593,061</u>	<u>\$ 2,074,693</u>	<u>\$ 1,309,444</u>	<u>\$ 13,358,310</u>
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WATER, WASTEWATER, AND STORM WATER UTILITIES
TOWN OF PLAINFIELD
NOTES TO FINANCIAL STATEMENTS
(Continued)

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

	<u>2013</u>
Water	\$ 1,078,891
Wastewater	1,739,322
Storm Water	<u>294,542</u>
Total depreciation expense	<u>\$ 3,112,755</u>

C. Construction Commitments

Construction work in progress is composed of the following:

<u>Project</u>	<u>Expended to December 31,</u>	<u>Committed</u>
Water Utility:		
Hadley Rd 600/700 Roundabout	\$ 159,902	\$ 200,000
Carr Rd Wtr Tower Drain Line	43,140	70,000
Water Main/US40 W of Moon Road	7,240	40,000
Water Exploration	<u>336,871</u>	<u>500,000</u>
Totals	<u>\$ 547,153</u>	<u>\$ 810,000</u>
Waste Water Utility		
Sunchase LD Elimination Project	\$ 21,871	\$ 50,000
Pipe Bursting Project	68,500	50,000
Settlement Connector	<u>24,560</u>	<u>100,000</u>
Totals	<u>\$ 114,931</u>	<u>\$ 200,000</u>
Storm Water Utility		
US 40 Avon	\$ 77,429	\$ 100,000
Whitelick Stream Recovery	170,151	200,000
Talon Stream	<u>969,969</u>	<u>1,800,000</u>
Totals	<u>\$ 1,217,549</u>	<u>\$ 2,100,000</u>
Totals	<u>\$ 1,879,633</u>	<u>\$ 3,110,000</u>

D. Long-Term Liabilities

1. Revenue Bonds

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

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

Purpose	Interest Rates	Balance at December 31	Less: Unamortized (Premium) Discount	Less: Deferral on Refunding	Amount
Water Utility					
2013 Refunding Revenue Bond	2.10%	4,890,000.00			\$ 4,890,000
2003 Improvement	2% to 4.50%	\$ 3,970,000	\$ -	\$ (20,414)	\$ 3,990,414
2004 Refunding	3% to 4.75%	705,000	11,890	-	693,111
2009 SRF	3.87%	<u>2,227,000</u>	<u>-</u>	<u>-</u>	<u>2,227,000</u>
Total		<u>\$ 11,792,000</u>	<u>\$ 11,890</u>	<u>\$ (20,414)</u>	<u>\$ 11,800,525</u>
Waste Water Utility					
2012 Refunding	4.85% to 5%	\$ 10,340,000			\$ 10,340,000
2009B SRF	2.7%	6,411,000		-	\$ 6,411,000
Total		<u>\$ 16,751,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,751,000</u>
Storm Water Utility					
2009A Improvement	3.50% to 5.00%	<u>8,225,000</u>	<u>-</u>	<u>-</u>	<u>8,225,000</u>
Total		<u>8,225,000</u>	<u>-</u>	<u>-</u>	<u>\$ 8,225,000</u>
Grand Total		<u>\$ 36,768,000</u>	<u>\$ 11,890</u>	<u>\$ (20,414)</u>	<u>\$ 36,776,525</u>

Revenue bonds debt service requirements to maturity are as follows:

	Water Utility		Waste Water Utility		Storm Water Utility	
	Principal	Interest	Principal	Interest	Principal	Interest
2014	\$ 918,000	\$ 400,412.00	\$ 337,000.00	\$ 602,021.00	\$ 140,000	\$ 376,693
2015	942,000	371,157	1,005,000.00	586,459.00	145,000	371,705
2016	971,000	341,085	1,024,000.00	560,442.00	150,000	366,543
2017	1,021,000	309,701	1,057,000.00	529,846.00	155,000	361,205
2018	1,055,000	276,637	1,086,000.00	494,946.00	160,000	355,693
2019-2023	5,888,000	669,090	6,127,000.00	1,809,331.00	880,000	1,676,274
2024-2028	815,000	132,161	5,201,000.00	506,384.00	3,435,000	1,354,056
2029-2033	<u>182,000</u>	<u>7,045</u>	<u>914,000.00</u>	<u>24,841.00</u>	<u>3,160,000</u>	<u>159,099</u>
Totals	<u>\$ 11,792,000</u>	<u>\$ 2,507,288</u>	<u>\$ 16,751,000</u>	<u>\$ 5,114,270</u>	<u>\$ 8,225,000</u>	<u>\$ 5,021,268</u>

2. Changes in Long-Term Liabilities

Long-term liability activity for the year ended December 31, 2013, was as follows:

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

<u>Water Utility</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	\$ 7,356,000	\$ 4,970,000	\$ 529,000	\$ 11,797,000	\$ 580,000
Less deferred amount on refunding	(27,219)	-	(6,805)	(20,414)	-
Total revenue bonds payable - water utility	7,383,219	4,970,000	535,805	11,817,414	580,000
Total Long-term liabilities	<u>\$ 7,383,219</u>	<u>\$ 4,970,000</u>	<u>\$ 535,805</u>	<u>\$ 11,817,414</u>	<u>\$ 580,000</u>
<u>Wastewater Utility</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Revenue bonds payable:					
Wastewater Utility	\$ 17,045,000.00	\$ -	\$ 374,000.00	\$ 16,671,000.00	\$ 782,000.00
Less deferred amount on refunding	-	-	-	-	-
Total revenue bonds payable wastewater utility	17,045,000	-	374,000	16,671,000	782,000
Total Long-term liabilities	<u>\$ 17,045,000</u>	<u>\$ -</u>	<u>\$ 374,000</u>	<u>\$ 16,671,000</u>	<u>\$ 782,000</u>
<u>Storm Water Utility</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Revenue bonds payable:					
Storm Water Utility	\$ 8,365,000.00	\$ -	\$ 140,000.00	\$ 8,225,000.00	\$ 140,000.00
Total Long-term liabilities	<u>\$ 32,793,219</u>	<u>\$ 4,970,000</u>	<u>\$ 1,049,805</u>	<u>\$ 36,713,414</u>	<u>\$ 1,502,000</u>

2013 Refunding Revenue Bonds:

On May 21, 2013, the Town of Plainfield issued Refunding Revenue Bonds in the amount of \$4,970,000 to refund the 2003 Waterworks Revenue bonds in the amount of \$4,110,000 and the 2004 Waterworks Revenue Bonds in the amount of \$920,000. The bond issue also funded \$69,513 of bond issuance costs. The interest rate on the new bond was 2.1 percent. The 2003 and 2004 Revenue bonds were held in escrow through year end and were refunded in May of 2014.

E. Restricted Assets

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

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

	<u>2013</u>		
	<u>Water</u>	<u>Waste Water</u>	<u>Storm Water</u>
Customer deposits	\$ 305,788	\$ -	\$ -
Revenue bond operations and maintenance account	5,526,974	3,368,392.00	599,529
Availability	618,123	799,870	282,199
Inspection		351,816	
Bond and interest	<u>-</u>	<u>-</u>	<u>(1,918)</u>
Total restricted assets	<u>\$ 6,450,885</u>	<u>\$ 4,520,078</u>	<u>\$ 879,810</u>

F. Inter-Utility Transfers

There was an inter-utility transfer to correct the creation of a Debt Service Reserve fund prior to the receipt of bond proceeds. The money was transferred from the Wastewater operating fund for a Storm Water bond issue. When the receipts were realized, the Bond Trustee set aside a new debt service reserve fund making the initial transfer unnecessary. This inter-utility transfer was recorded to correct the double posting.

III. Other Information

A. Risk Management

The Utilities are exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; medical benefits to employees, retirees, and dependents (excluding postemployment benefits); and natural disasters.

The policy of the Utilities is not to purchase commercial insurance for the 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 (excluding postemployment benefits); and natural disasters. Instead, the utilities record as a disbursement any 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.

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

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 Indiana Public Employees' Retirement Fund (PERF) is 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 this defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern through the Indiana Public Retirement System (INPRS) Board, most requirements of the system, and give the 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 members' contributions, set by state statute at 3 percent of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

INPRS administers the plan and issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for its participants. That report may be obtained by contacting:

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

Funding Policy and Annual Pension Cost

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

Information to segregate the assets/liabilities and the actuarial study figures between the Town and the utilities is not available.

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

The contents of this report were discussed on November 25, 2014, with Wes Bennett, Clerk-Treasurer; Teresa McKinney, Staff Accountant; Robin Brandgard, President of the Town Council; Anthony Perona, Town Council member; and Scott Walker, Town Financial Consultant.