

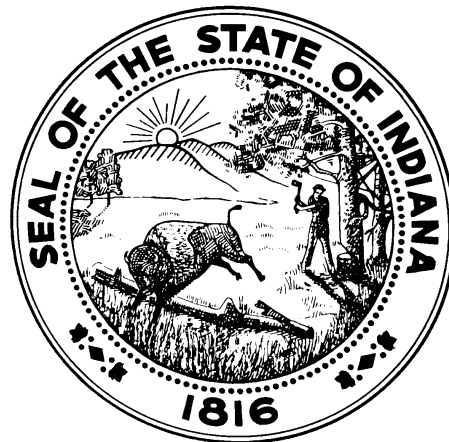
**STATE BOARD OF ACCOUNTS**  
**302 West Washington Street**  
**Room E418**  
**INDIANAPOLIS, INDIANA 46204-2769**

ANNUAL FINANCIAL REPORT

2006

TOWN OF PLAINFIELD

HENDRICKS COUNTY, INDIANA



**FILED**

12/31/2007



TABLE OF CONTENTS

| <u>Description</u>   | <u>Page</u> |
|--|-------------|
| Schedule of Officials .....  | 3           |
| Independent Auditor's Report on Financial Statements and<br>Supplementary Schedule of Expenditures of Federal Awards .....   | 4-5         |
| Report on Internal Control Over Financial Reporting and on Compliance<br>and Other Matters Based on an Audit of Financial Statements<br>Performed in Accordance With Government Auditing Standards ..... | 6-7         |
| Basic Financial Statements:  |             |
| Government-Wide Financial Statements:  |             |
| Statement of Activities and Net Assets – Cash and Investment Basis .....   | 8           |
| Fund Financial Statements:   |             |
| Governmental Funds:  |             |
| Statement of Assets and Fund Balances and Receipts, Disbursements,<br>and Changes in Fund Balances – Cash and Investment Basis<br>– Governmental Funds .....   | 9           |
| Fiduciary Funds:   |             |
| Statement of Additions, Deductions, and Changes in Cash and<br>Investment Balances – Fiduciary Funds .....   | 10          |
| Notes to Financial Statements .....  | 11-23       |
| Required Supplementary Information:  |             |
| Schedules of Funding Progress .....  | 24          |
| Schedule of Contributions From the Employer and Other Contributing Entities .....  | 25          |
| Supplementary Information:   |             |
| Combining Schedule of Assets and Fund Balances and Receipts, Disbursements,<br>and Changes in Fund Balances – Cash and Investment Basis – Other<br>Governmental Funds.....                               | 26-32       |
| Combining Schedule of Additions, Deductions, and Changes in Cash and<br>Investment Balances – Pension Trust Funds .....  | 33          |
| Combining Schedule of Additions, Deductions, and Changes in Cash and<br>Investment Balances – Agency Funds.....  | 34-35       |
| Schedule of Long-Term Debt .....   | 36          |

TABLE OF CONTENTS  
(Continued)

| <u>Description</u>  | <u>Page</u> |
|---|-------------|
| Other Report .....  | 37          |
| Audit Results and Comments:   |             |
| Annual Report.....  | 38          |
| Condition of Records .....  | 38          |
| Deposits.....   | 38          |
| Internal Controls .....   | 39          |
| Old Outstanding Checks (Warrants).....  | 39          |
| Optical Images of Warrants .....  | 40          |
| Overdrawn Fund Balances .....   | 40          |
| Deposits.....   | 41          |
| Service and Time Records .....  | 41          |
| Timely Recordkeeping.....   | 41          |
| Transaction Recording .....   | 41          |
| Official Bond .....   | 42          |
| Supplemental Audit of Federal Awards:   |             |
| Independent Auditor's Report on Compliance With Requirements<br>Applicable to Each Major Program and Internal Control Over<br>Compliance in Accordance With OMB Circular A-133..... | 44-45       |
| Schedule of Expenditures of Federal Awards .....  | 46          |
| Notes to Schedule of Expenditures of Federal Awards.....  | 47          |
| Schedule of Findings and Questioned Costs .....   | 48-49       |
| Auditee Prepared Schedules:   |             |
| Summary Schedule of Prior Audit Findings .....  | 50          |
| Corrective Action Plan.....   | 51          |
| Exit Conference.....  | 52          |

### SCHEDULE OF OFFICIALS

| <u>Office</u>                 | <u>Official</u>  | <u>Term</u>          |
|-------------------------------|------------------|----------------------|
| Clerk-Treasurer               | Wesley Bennett   | 01-01-06 to 12-31-11 |
| President of the Town Council | Robin Brandgard  | 01-01-06 to 12-31-07 |
| Superintendent of Utilities   | Jason Castetter  | 01-01-06 to 12-31-07 |
| Town Court Judge              | James D. Spencer | 00-01-06 to 12-31-07 |



**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 AUDITOR'S REPORT ON FINANCIAL STATEMENTS  
AND SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

TO: THE OFFICIALS OF THE TOWN OF PLAINFIELD, HENDRICKS COUNTY, INDIANA

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Plainfield (Town), as of and for the year ended December 31, 2006, which collectively comprise the Town's basic financial statements as listed in the Table of Contents. 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 of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of 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 and investment 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 of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash and investment balances of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town as of December 31, 2006, and the respective cash receipts and cash disbursements during the year then ended on the basis of accounting described in Note I. As discussed in Note I, the City has presented the business-type activities in a separately issued report.

In accordance with Government Auditing Standards, we have also issued a report dated December 10, 2007, on our consideration of the Town's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. Our report on compliance and on internal control over financial reporting should be read along with this report.

Our audit was performed for the purpose of forming an opinion on the basic financial statements of the Town taken as a whole. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS  
AND SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
(Continued)

The Schedules of Funding Progress, Schedule of Contributions From the Employer and Other Contributing Entities as listed in the Table of Contents, are not required parts of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. 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.

The Town has not presented Management's Discussion and Analysis or Budgetary Comparison Schedules 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The Combining Schedules, as listed in the Table of Contents, the Schedule of Long-Term Debt is presented for additional analysis and are not required parts of the basic financial statements. The Combining Schedules, as listed in the Table of Contents, have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The Schedule of Long-Term Debt has not been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, accordingly, we express no opinion on them.

STATE BOARD OF ACCOUNTS

December 10, 2007



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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

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

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON  
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

TO: THE OFFICIALS OF THE TOWN OF PLAINFIELD, HENDRICKS COUNTY, INDIANA

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Plainfield (Town), as of and for the year ended December 31, 2006, which collectively comprise the Town's basic financial statements and have issued our report thereon dated December 10, 2007. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Town's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be significant deficiencies or material weaknesses, as defined above.

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON  
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS  
(Continued)

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

We noted certain matters that we reported to management in a separate letter dated December 17, 2007.

This report is intended solely for the information and use of the Town's management, Town Council, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

December 10, 2007

TOWN OF PLAINFIELD  
STATEMENT OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS  
For The Year Ended December 31, 2006

| <u>Functions/Programs</u>                                       | Program Receipts     |                     |   |                                     | Net (Disbursement)<br>Receipt and Changes<br>in Net Assets |                                    |               |
|---|----------------------|---------------------|---|-------------------------------------|--|------------------------------------|---------------|
|   | <u>Disbursements</u> | Charges for         |   | Capital                             |  | Primary Government                 |               |
|   |                      | <u>Services</u>     | <u>Operating<br/>Grants and<br/>Contributions</u> | <u>Grants and<br/>Contributions</u> | <u>Grants and<br/>Contributions</u>                        | <u>Governmental<br/>Activities</u> | <u>Totals</u> |
| Primary government:   |                      |                     |   |                                     |  |                                    |               |
| Governmental activities:  |                      |                     |   |                                     |  |                                    |               |
| General government  | \$ 7,321,147         | \$ 240,774          | \$ -  | \$ 803,960                          | \$ (6,276,413)   | \$ (6,276,413)                     |               |
| Public safety   | 10,036,879           | 1,022,382           | 28,900  | -                                   | (8,985,597)  | (8,985,597)                        |               |
| Highways and streets  | 11,720,505           | -                   | 2,916,074   | 453,012                             | (8,351,419)  | (8,351,419)                        |               |
| Economic development  | 1,831,180            | 182,177             | -   | -                                   | (1,649,003)  | (1,649,003)                        |               |
| Culture and recreation  | 3,436,890            | 1,741,169           | 141,478   | -                                   | (1,554,243)  | (1,554,243)                        |               |
| Interest on long-term debt                                      | 3,580,961            | -                   | -   | -                                   | (3,580,961)  | (3,580,961)                        |               |
| Total primary government  | <u>\$ 37,927,562</u> | <u>\$ 3,186,502</u> | <u>\$ 3,086,452</u>                               | <u>\$ 1,256,972</u>                 | <u>(30,397,636)</u>  | <u>(30,397,636)</u>                |               |
| General receipts:   |                      |                     |   |                                     |  |                                    |               |
| Property taxes  |                      |                     |   |                                     | 12,632,058   | 12,632,058                         |               |
| Other local sources   |                      |                     |   |                                     | 219,178  | 219,178                            |               |
| Bonds and loans   |                      |                     |   |                                     | 9,872,631  | 9,872,631                          |               |
| Grants and contributions not restricted<br>to specific programs |                      |                     |   |                                     | 5,739,042  | 5,739,042                          |               |
| Unrestricted investment earnings                                |                      |                     |   |                                     | <u>1,650,265</u>   | <u>1,650,265</u>                   |               |
| Total general receipts  |                      |                     |   |                                     | <u>30,113,174</u>  | <u>30,113,174</u>                  |               |
| Change in net assets  |                      |                     |   |                                     | (284,462)  | (284,462)                          |               |
| Net assets - beginning  |                      |                     |   |                                     | <u>46,149,227</u>  | <u>46,149,227</u>                  |               |
| Net assets - ending   |                      |                     |   |                                     | <u>\$ 45,864,765</u>                                       | <u>\$ 45,864,765</u>               |               |
| <u>Assets</u>   |                      |                     |   |                                     |  |                                    |               |
| Cash and investments  |                      |                     |   |                                     | \$ 6,120,368   | \$ 6,120,368                       |               |
| Restricted assets:  |                      |                     |   |                                     |  |                                    |               |
| Cash and investments  |                      |                     |   |                                     | <u>39,744,397</u>  | <u>39,744,397</u>                  |               |
| Total assets  |                      |                     |   |                                     | <u>\$ 45,864,765</u>                                       | <u>\$ 45,864,765</u>               |               |
| <u>Net Assets</u>   |                      |                     |   |                                     |  |                                    |               |
| Restricted for:   |                      |                     |   |                                     |  |                                    |               |
| Culture and recreation  |                      |                     |   |                                     | \$ 726,019   | \$ 726,019                         |               |
| Debt service  |                      |                     |   |                                     | 372,585  | 372,585                            |               |
| Other purposes  |                      |                     |   |                                     | 38,645,793   | 38,645,793                         |               |
| Unrestricted  |                      |                     |   |                                     | <u>6,120,368</u>   | <u>6,120,368</u>                   |               |
| Total net assets  |                      |                     |   |                                     | <u>\$ 45,864,765</u>                                       | <u>\$ 45,864,765</u>               |               |

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

TOWN OF PLAINFIELD  
STATEMENT OF ASSETS AND FUND BALANCES AND RECEIPTS,  
DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
GOVERNMENTAL FUNDS  
For The Year Ended December 31, 2006

|   | General             | Galyans<br>Termination | Hadley<br>Road<br>Corridor | U.S. 40<br>Tax<br>Increment<br>Financing | Other<br>Governmental<br>Funds | Totals               |
|---|---------------------|------------------------|----------------------------|--|--------------------------------|----------------------|
| <b>Receipts:</b>  |                     |                        |                            |  |                                |                      |
| Taxes   | \$ 5,107,915        | \$ -                   | \$ -                       | \$ 1,428,300                             | \$ 6,095,843                   | \$ 12,632,058        |
| Licenses and permits  | 250,779             | -                      | -                          | -  | -                              | 250,779              |
| Intergovernmental   | 4,721,471           | 680,054                | -                          | -  | 4,680,942                      | 10,082,467           |
| Charges for services  | 1,101,160           | -                      | -                          | -  | 1,757,001                      | 2,858,161            |
| Fines and forfeits  | 64,359              | -                      | -                          | -  | 13,202                         | 77,561               |
| Other   | 975,228             | -                      | -                          | -  | 894,215                        | 1,869,443            |
| <b>Total receipts</b>   | <b>12,220,912</b>   | <b>680,054</b>         | <b>-</b>                   | <b>1,428,300</b>                         | <b>13,441,203</b>              | <b>27,770,469</b>    |
| <b>Disbursements:</b>   |                     |                        |                            |  |                                |                      |
| General government  | 1,840,810           | 3,468,712              | -                          | -  | 2,011,625                      | 7,321,147            |
| Public safety   | 9,315,838           | -                      | -                          | -  | 53,831                         | 9,369,669            |
| Highways and streets  | -                   | -                      | 942                        | 114,353                                  | 1,149,923                      | 1,265,218            |
| Culture and recreation  | -                   | -                      | -                          | -  | 2,881,828                      | 2,881,828            |
| Economic development  | 223,034             | -                      | -                          | -  | 833,359                        | 1,056,393            |
| Debt service:   |                     |                        |                            |  |                                |                      |
| Principal   | 667,210             | -                      | -                          | -  | 1,329,849                      | 1,997,059            |
| Interest  | 16,991              | -                      | -                          | -  | 3,563,970                      | 3,580,961            |
| Capital outlay:   |                     |                        |                            |  |                                |                      |
| Highways and streets  | -                   | -                      | -                          | -  | 10,455,287                     | 10,455,287           |
| <b>Total disbursements</b>  | <b>12,063,883</b>   | <b>3,468,712</b>       | <b>942</b>                 | <b>114,353</b>                           | <b>22,279,672</b>              | <b>37,927,562</b>    |
| Excess (deficiency) of receipts<br>over disbursements   | 157,029             | (2,788,658)            | (942)                      | 1,313,947                                | (8,838,469)                    | (10,157,093)         |
| <b>Other financing sources (uses):</b>  |                     |                        |                            |  |                                |                      |
| Bond proceeds   | -                   | -                      | -                          | -  | 9,872,631                      | 9,872,631            |
| Transfers in  | -                   | 833,355                | 3,099,995                  | -  | 3,955,111                      | 7,888,461            |
| Transfers out   | -                   | -                      | -                          | (920,099)                                | (6,968,362)                    | (7,888,461)          |
| <b>Total other financing sources (uses)</b>   | <b>-</b>            | <b>833,355</b>         | <b>3,099,995</b>           | <b>(920,099)</b>                         | <b>6,859,380</b>               | <b>9,872,631</b>     |
| Excess (deficiency) of receipts and other<br>financing sources over disbursements<br>and other financing uses | 157,029             | (1,955,303)            | 3,099,053                  | 393,848                                  | (1,979,089)                    | (284,462)            |
| Cash and investment fund balance - beginning  | 993,251             | 6,925,391              | (5)                        | 2,191,430                                | 36,039,160                     | 46,149,227           |
| Cash and investment fund balance - ending   | <u>\$ 1,150,280</u> | <u>\$ 4,970,088</u>    | <u>\$ 3,099,048</u>        | <u>\$ 2,585,278</u>                      | <u>\$ 34,060,071</u>           | <u>\$ 45,864,765</u> |
| <b>Cash and Investment Assets - December 31</b>   |                     |                        |                            |  |                                |                      |
| Cash and investments  | \$ 1,150,280        | \$ 4,970,088           | \$ -                       | \$ -                                     | \$ -                           | \$ 6,120,368         |
| Restricted assets:  |                     |                        |                            |  |                                |                      |
| Cash and investments  | -                   | -                      | 3,099,048                  | 2,585,278                                | 34,060,071                     | 39,744,397           |
| <b>Total cash and investment assets - December 31</b>   | <u>\$ 1,150,280</u> | <u>\$ 4,970,088</u>    | <u>\$ 3,099,048</u>        | <u>\$ 2,585,278</u>                      | <u>\$ 34,060,071</u>           | <u>\$ 45,864,765</u> |
| <b>Cash and Investment Fund Balance - December 31</b>   |                     |                        |                            |  |                                |                      |
| Restricted for:   |                     |                        |                            |  |                                |                      |
| Culture and recreation  | \$ -                | \$ -                   | \$ -                       | \$ -                                     | \$ 726,019                     | \$ 726,019           |
| Debt service  | -                   | -                      | -                          | -  | 372,585                        | 372,585              |
| Other purposes  | -                   | -                      | 3,099,048                  | 2,585,278                                | 32,961,467                     | 38,645,793           |
| Unrestricted  | 1,150,280           | 4,970,088              | -                          | -  | -                              | 6,120,368            |
| <b>Total cash and investment fund balance - December 31</b>   | <u>\$ 1,150,280</u> | <u>\$ 4,970,088</u>    | <u>\$ 3,099,048</u>        | <u>\$ 2,585,278</u>                      | <u>\$ 34,060,071</u>           | <u>\$ 45,864,765</u> |

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 INVESTMENT BALANCES  
FIDUCIARY FUNDS  
For The Year Ended December 31, 2006

|   | Pension<br>Trust Funds | Agency<br>Funds |
|---|------------------------|-----------------|
| Additions:  |                        |                 |
| Contributions:  |                        |                 |
| Employer  | \$ 179,354             | \$ -            |
| Plan members  | 92,560                 | -               |
| Total contributions   | 271,914                | -               |
| Agency fund additions   | -                      | 10,877,372      |
| Total additions   | 271,914                | 10,877,372      |
| Deductions:   |                        |                 |
| Benefits  | 287,615                | -               |
| Agency fund deductions  | -                      | 10,626,644      |
| Total deductions  | 287,615                | 10,626,644      |
| Excess (deficiency) of total additions<br>over total deductions | (15,701)               | 250,728         |
| Cash and investment fund balance - beginning                    | 479,978                | 306,512         |
| Cash and investment fund balance - ending                       | \$ 464,277             | \$ 557,240      |

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, wastewater, storm water and urban redevelopment and housing.

The Town's financial reporting entity is composed of the following:

Primary Government:       Town of Plainfield  
Blended Component Unit:   Plainfield Redevelopment Authority

In determining the financial reporting entity, the Town complies with the provisions of GASB Statement No. 14, *The Financial Reporting Entity*.

Blended Component Units

A blended component unit is a separate legal entity that meets the component unit criteria. In addition, the blended component unit's governing body is the same or substantially the same as the Town's governing body or the component unit provides services entirely to the Town. The component unit's funds are blended into those of the Town by appropriate fund type to constitute the primary government presentation. The blended component unit is presented below:

| <u>Component Unit</u>              | <u>Description/Inclusion Criteria</u>  | <u>Fund Included In</u> |
|------------------------------------|--|-------------------------|
| Plainfield Redevelopment Authority | The primary government appoints a voting majority of the Authority's board and is able to impose its will. Although it is legally separate from the Town, the Authority is reported as if it were a part of the Town because it provides services entirely or almost entirely to the Town. | Redevelopment Authority |

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, Plainfield Parks Facilities Corporation.

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

The Statement of Activities and Net Assets – Cash and Investment Basis displays information about the reporting government as a whole. It includes all funds of the reporting entity except for fiduciary funds. The statement distinguishes between governmental and business-type activities.

TOWN OF PLAINFIELD  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. Business-type activities of the Water, Wastewater and Storm Water Utilities are reported separately in a report dated December 10, 2007.

Fund Financial Statements

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitutes its assets, liabilities, fund equity, receipts, and disbursements. 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.

The Town reports the following major governmental funds:

The general fund is the primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Galyans termination fund accounts for a contract settlement with Galyans based upon their moving from the TIF area before the tax abatement time period expired.

The Hadley road corridor fund accounts for the construction and purchase of fixed assets related to the Hadley Road area.

The US 40 tax increment financing fund (TIF) accounts for the construction and purchase of fixed assets related to the US 40 area.

The Town reports the following major proprietary funds in a separate report dated December 10, 2007:

The water utility fund accounts for the operation of the water distribution system.

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

The storm water utility fund accounts for the operation of the storm water collection system.

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 the federal government, state government, and various employee insurance companies.

TOWN OF PLAINFIELD  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

C. Measurement Focus and Basis of Accounting

The government-wide, governmental fund, and fiduciary fund financial statements are reported using the basis of accounting that demonstrates compliance with the cash and investment 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 of America. Receipts are recorded when received and disbursements are recorded when paid.

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

If the Town utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting. All government-wide financials would be presented on the accrual basis of accounting.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

D. Assets and Cash and Investment Balances

1. Cash and Investments

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

2. Capital Assets

Capital assets arising from cash transactions acquired for use in governmental or proprietary fund operations are accounted for as capital outlay disbursements of the fund upon acquisition.

3. Long-Term Debt

Long-term debt arising from cash basis transactions of governmental and proprietary funds is not reported as liabilities in the basic financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as disbursements.

4. Equity Classification

Government-Wide Statements

Equity is classified as net assets and displayed in two components:

a. Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments, or (2) law through constitutional provisions or enabling legislation.

b. Unrestricted net assets – All other net assets that do not meet the definition of "restricted."

TOWN OF PLAINFIELD  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

It is the Town's policy to first use restricted net assets prior to the use of unrestricted net assets when a disbursement is incurred for purposes for which both restricted and unrestricted net assets are available.

Fund Financial Statements

Governmental fund equity is classified as fund balance. Proprietary fund equity is classified the same as in the government-wide statements.

E. Receipts and Disbursements

1. Program Receipts

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.

2. Operating Receipts and Disbursements

Operating receipts and disbursements for proprietary funds and the similar discretely presented component unit result from providing services and producing and delivering goods and/or services. They also include all receipts and disbursements not related to capital and related financing, noncapital financing, or investing activities.

F. Internal and Interfund Balances and Activities

In the process of aggregating the financial information for the government-wide Statement of Activities and Net Assets – Cash and Investment Basis, some amounts reported as interfund activity and balances in the fund financial statements have been eliminated or reclassified.

Fund Financial Statements

1. Interfund services – Sales or purchases of goods and services between funds are reported as receipts and disbursements.
2. Interfund reimbursements – Repayments from funds responsible for certain disbursements to the funds that initially paid for them are not reported as reimbursements but as adjustments to disbursements in the respective funds.
3. Interfund transfers – Flow of assets from one fund to another where repayment is not expected is reported as transfers in and out.

Government-Wide Financial Statements

Interfund activity and balances, if any, are eliminated or reclassified in the government-wide financial statements as follows:

TOWN OF PLAINFIELD  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

Internal activities – Amounts reported as interfund transfers in the fund financial statements are eliminated in the government-wide Statement of Activities and Net Assets – Cash and Investment Basis except for the net amount of transfers between governmental and business-type activities, which are reported as Transfers – Internal Activities. The effects of interfund services between funds, if any, are not eliminated in the Statement of Activities and Net Assets – Cash and Investment Basis.

G. Compensated Absences

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

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 of America. All annual appropriations lapse at calendar year end.

Prior to the first required publication, 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 between object classifications of a budget without approval of the governing board. The Indiana Department of Local Government Finance must approve any revisions to the appropriations for any fund or any department of the General Fund. The legal level of budgetary control is by object and department within the fund for the General Fund and by object within the fund for all other budgeted funds.

B. Cash and Investment Balance Deficits

At December 31, 2006, the following funds reported deficits in cash and investments, which are violations of the Uniform Compliance Guidelines and state statute:

TOWN OF PLAINFIELD  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

| Fund                        | 2006     |
|-----------------------------|----------|
| Federal Task Force Overtime | \$ 1,099 |
| Hendricks County Grant      | 400      |
| Operation Pullover          | 1,199    |

Cash and investment deficits arose primarily from disbursements exceeding receipts due to the underestimate of current requirements; these deficits are to be repaid from future receipts.

III. 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 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

Authorization for investment activity is stated in Indiana Code 5-13. As of December 31, 2006, the Town had the following investments:

| Investment<br>Type             | Primary<br>Government<br>Market<br>Value |
|--------------------------------|--|
| U.S. treasuries and securities | \$ 3,383,785                             |
| Mutual funds                   | <u>10,364,471</u>                        |
| Total                          | <u><u>\$ 13,748,256</u></u>              |

Investment Policies

Indiana Code 5-13-9 authorizes the Town 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 Town 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.

TOWN OF PLAINFIELD  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

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% of the funds held by the Town 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 Town may enter into repurchase agreements with depositories designated by the State Board of Finance as depositories for state deposits involving the Town's 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.

Investment Custodial Credit Risk

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The Town does not have a formal investment policy for custodial credit risk for investments.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Town must follow state statute and limit the stated final maturities of the investments to no more than two years. The Town does not have a formal investment policy for interest rate risk for investments.

| Investment<br>Type             | Investment Maturities (in Years) |           |                |
|--------------------------------|----------------------------------|-----------|----------------|
|                                | Less<br>Than 1                   | 1-2       | More<br>Than 2 |
| U.S. treasuries and securities | \$ 3,284,435                     | \$ 99,350 | \$ -           |

B. Interfund Transfers

Interfund transfers for the year ended December 31, 2006, were as follows:

TOWN OF PLAINFIELD  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

| <u>Transfer From</u>          | <u>Transfer To</u>   | <u>2006</u>             |
|-------------------------------|----------------------|-------------------------|
| US 40 Tax Increment Financing | Other governmental   | \$ 920,099              |
| Other governmental            | Galyans Termination  | 833,355                 |
| Other governmental            | Hadley Road Corridor | 3,099,995               |
| Other governmental            | Other governmental   | <u>3,035,012</u>        |
| <br>Total                     |                      | <br><u>\$ 7,888,461</u> |

The Town typically uses transfers for cash flow purposes as provided by various statutory provisions.

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 and the Plainfield Parks Facilities Corporation (the lessors). The lessors were organized as not-for-profit corporations pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the Town. The lessor has been determined to be a related party of the Town. Lease payments during the year totaled \$2,612,000.

C. Subsequent Events

On January 30, 2007, the Town issued \$3,185,000 of Redevelopment District Tax Increment Revenue Bond Anticipation Notes, Series 2007(BAN). The Town began paying monthly interest payments on February 15, 2007, and will continue paying until April 15, 2010, totaling \$459,834. On April 15, 2010, the entire principal amount of \$3,185,000 will become due. If, prior to that date, the Town issues the Bonds associated with the BAN the principal amount of the BAN will become due.

On August 3, 2007, the Town entered into a universal note for the purchase of police vehicles. The Town will pay \$792,390 in six equal monthly payments of \$132,065, including interest of \$37,508.

TOWN OF PLAINFIELD  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

D. Rate Structure – Enterprise Funds

Water Utility

On July 8, 1989, the Town Council adopted Ordinance No. 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.

Storm Water Utility

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

E. 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.

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.

TOWN OF PLAINFIELD  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

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

b. 1925 Police Officers' Pension Plan

Plan Description

The Town 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 Town'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 Town 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 Town 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.

Funding Policy and Annual Pension Cost

The contribution requirements of plan members for the 1937 Firefighters' Pension Plan are established by state statute. The Town'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 Town 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.

TOWN OF PLAINFIELD  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

Actuarial Information for the Above Plans

|   | <u>PERF</u>        | <u>1925 Police<br/>Officers'<br/>Pension</u> | <u>1937<br/>Firefighters'<br/>Pension</u> |
|---|--------------------|--|---|
| Annual required contribution                  | \$ 126,707         | \$ 219,600                                   | \$ 169,000                                |
| Interest on net pension obligation            | (4,352)            | 141,700                                      | 89,600                                    |
| Adjustment to annual required contribution    | <u>4,960</u>       | <u>(154,500)</u>                             | <u>(97,700)</u>                           |
| Annual pension cost                           | 127,315            | 206,800                                      | 160,900                                   |
| Contributions made                            | <u>135,866</u>     | <u>169,780</u>                               | <u>87,282</u>                             |
| Increase (decrease) in net pension obligation | (8,551)            | 37,020                                       | 73,618                                    |
| Net pension obligation, beginning of year     | <u>(60,030)</u>    | <u>2,099,375</u>                             | <u>1,327,904</u>                          |
| Net pension obligation, end of year           | <u>\$ (68,581)</u> | <u>\$ 2,136,395</u>                          | <u>\$ 1,401,522</u>                       |

|                                 | <u>PERF</u>  | <u>1925 Police<br/>Officers'<br/>Pension</u>       | <u>1937<br/>Firefighters'<br/>Pension</u>          |
|---------------------------------|--|--|--|
| Contribution rates:             |  |  |  |
| Town                            | 4%   | 251%   | 128%   |
| Plan members                    | 3%   | 6%   | 6%   |
| Actuarial valuation date        | 07-01-06   | 01-01-05   | 01-01-05   |
| 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   | 30 years   | 30 years   |
| Amortization period (from date) | 07-01-97   | 01-01-06   | 01-01-06   |
| Asset valuation method          | 75% of expected actuarial value plus 25% of market value | 4 year phase in of unrealized and realized capital | 4 year phase in of unrealized and realized capital |

TOWN OF PLAINFIELD  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

| Actuarial Assumptions              | PERF  | 1925 Police<br>Officers'<br>Pension | 1937<br>Firefighters'<br>Pension |
|------------------------------------|-------|-------------------------------------|----------------------------------|
| Investment rate of return          | 7.25% | 6%                                  | 6%                               |
| Projected future salary increases: |       |                                     |                                  |
| Total                              | 5%    | 4%                                  | 4%                               |
| Attributed to inflation            | 4%    | 4%                                  | 4%                               |
| Attributed to merit/seniority      | 1%    | 0%                                  | 0%                               |
| Cost-of-living adjustments         | 2%    | 2.75/4%*                            | 2.75/4%*                         |

\*2.75% converted members; 4% nonconverted members

Three Year Trend Information

|                                       | Year<br>Ending | Annual<br>Pension Cost<br>(APC) | Percentage<br>of APC<br>Contributed | Net<br>Pension<br>Obligation |
|---------------------------------------|----------------|---------------------------------|-------------------------------------|------------------------------|
| PERF                                  | 06-30-04       | \$ 75,448                       | 116%                                | \$ (19,907)                  |
|                                       | 06-30-05       | 79,867                          | 150%                                | (60,030)                     |
|                                       | 06-30-06       | 127,315                         | 170%                                | (68,581)                     |
| 1925 Police Officers'<br>Pension Plan | 12-31-03       | 376,500                         | 47%                                 | 1,794,556                    |
|                                       | 12-31-04       | 392,300                         | 22%                                 | 2,099,375                    |
|                                       | 12-31-05       | 206,800                         | 82%                                 | 2,136,395                    |
| 1937 Firefighters'<br>Pension Plan    | 12-31-03       | 205,500                         | 26%                                 | 1,192,529                    |
|                                       | 12-31-04       | 209,700                         | 35%                                 | 1,327,904                    |
|                                       | 12-31-05       | 160,900                         | 54%                                 | 1,401,522                    |

Membership in the 1925 Police Officers' Pension Plan and the 1937 Firefighters' Pension Plan at January 1, 2006, was comprised of the following:

|   | 1925 Police<br>Officers'<br>Pension | 1937<br>Firefighters'<br>Pension |
|---|-------------------------------------|----------------------------------|
| Retirees and beneficiaries currently receiving benefits | 6                                   | 5                                |
| Current active employees                                | 2                                   | 1                                |

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

1977 Police Officers' and Firefighters' Pension and Disability Fund

Plan Description

The Town 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 Town 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 Town are established by the Board of Trustees of PERF. The Town's contributions to the plan for the years ending December 31, 2006, 2005, and 2004, were \$861,449, \$775,135, and \$689,619, respectively, equal to the required contributions for each year.

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) |
|--------------------------|-------------------------------|---------------------------------------|--|--------------------|---------------------|--|
| 07-01-04                 | \$ 1,608,441                  | \$ 1,571,961                          | \$ 36,480                                  | 102%               | \$ 1,791,829        | 2%   |
| 07-01-05                 | 1,703,575                     | 2,002,048                             | (298,473)                                  | 85%                | 2,141,343           | (14%)  |
| 07-01-06                 | 1,932,438                     | 2,257,467                             | (325,029)                                  | 86%                | 2,669,116           | (12%)  |

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) |
|--------------------------|-------------------------------|---------------------------------------|--------------------|--------------------|---------------------|---|
| 01-01-01                 | \$ 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%)  |
| 01-01-05                 | 154,358                       | 4,064,800                             | (3,910,442)        | 4%                 | 87,400              | (4,474%)  |
| 01-01-06                 | 78,583                        | 3,070,600                             | (2,992,017)        | 3%                 | 87,400              | (3,423%)  |

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) |
|--------------------------|-------------------------------|---------------------------------------|--------------------|--------------------|---------------------|---|
| 01-01-01                 | \$ 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%)  |
| 01-01-05                 | 392,187                       | 2,038,400                             | (1,646,213)        | 19%                | 128,200             | (1,284%)  |
| 01-01-06                 | 401,396                       | 2,029,600                             | (1,628,204)        | 20%                | 132,400             | (1,230%)  |

TOWN OF PLAINFIELD  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULES OF CONTRIBUTIONS FROM THE  
 EMPLOYER AND OTHER CONTRIBUTING ENTITIES

|                                    | <u>Year<br/>Ending</u> | <u>Annual<br/>Required<br/>Contribution<br/>(ARC)</u> | <u>Percentage<br/>of ARC<br/>Contributed</u> |
|------------------------------------|------------------------|---|--|
| 1925 Police Officers' Pension Plan | 12-31-00               | \$ 342,700  | 8%   |
|                                    | 12-31-01               | 374,000   | 15%  |
|                                    | 12-31-02               | 354,200   | 99%  |
|                                    | 12-31-03               | 448,500   | 40%  |
|                                    | 12-31-04               | 482,800   | 18%  |
|                                    | 12-31-05               | 219,600   | 77%  |
| 1937 Firefighters' Pension Plan    | 12-31-00               | 193,800   | 6%   |
|                                    | 12-31-01               | 213,700   | 12%  |
|                                    | 12-31-02               | 205,600   | 39%  |
|                                    | 12-31-03               | 252,400   | 21%  |
|                                    | 12-31-04               | 269,800   | 28%  |
|                                    | 12-31-05               | 169,000   | 52%  |

TOWN OF PLAINFIELD  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND  
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For The Year Ended December 31, 2006

|   | Motor<br>Vehicle<br>Highway | Local<br>Road and<br>Street | Parks and<br>Recreation | Lease<br>Rental<br>Bond Fund | Wheel and<br>Surtax | Park<br>Nonreverting |
|---|-----------------------------|-----------------------------|-------------------------|------------------------------|---------------------|----------------------|
| Receipts:   |                             |                             |                         |                              |                     |                      |
| Taxes   | \$ 233,811                  | \$ -                        | \$ 878,988              | \$ 414,581                   | \$ -                | \$ -                 |
| Intergovernmental   | 715,531                     | 208,856                     | 74,184                  | 34,948                       | 312,328             | 500                  |
| Charges for services  | -                           | -                           | 1,741,169               | -                            | -                   | -                    |
| Fines and forfeits  | -                           | -                           | -                       | -                            | -                   | -                    |
| Other   | 5,563                       | -                           | 15,232                  | -                            | -                   | -                    |
| <b>Total receipts</b>   | <b>954,905</b>              | <b>208,856</b>              | <b>2,709,573</b>        | <b>449,529</b>               | <b>312,328</b>      | <b>500</b>           |
| Disbursements:  |                             |                             |                         |                              |                     |                      |
| General government  | -                           | -                           | -                       | -                            | -                   | -                    |
| Public safety   | -                           | -                           | -                       | -                            | -                   | -                    |
| Highways and streets  | 776,394                     | 221,760                     | -                       | -                            | 151,769             | -                    |
| Culture and recreation  | -                           | -                           | 2,881,578               | -                            | -                   | -                    |
| Urban redevelopment and housing   | -                           | -                           | -                       | -                            | -                   | -                    |
| Debt service:   |                             |                             |                         |                              |                     |                      |
| Principal   | -                           | -                           | -                       | -                            | -                   | -                    |
| Interest  | -                           | -                           | -                       | -                            | -                   | -                    |
| Capital outlay:   |                             |                             |                         |                              |                     |                      |
| Highways and streets  | -                           | -                           | -                       | -                            | -                   | -                    |
| <b>Total disbursements</b>  | <b>776,394</b>              | <b>221,760</b>              | <b>2,881,578</b>        | <b>-</b>                     | <b>151,769</b>      | <b>-</b>             |
| Excess (deficiency) of receipts<br>over disbursements   | 178,511                     | (12,904)                    | (172,005)               | 449,529                      | 160,559             | 500                  |
| Other financing sources (uses):   |                             |                             |                         |                              |                     |                      |
| Bond proceeds   | -                           | -                           | -                       | -                            | -                   | -                    |
| Transfers in  | -                           | -                           | -                       | -                            | -                   | -                    |
| Transfers out   | -                           | -                           | -                       | (232,500)                    | -                   | -                    |
| <b>Total other financing sources (uses)</b>   | <b>-</b>                    | <b>-</b>                    | <b>-</b>                | <b>(232,500)</b>             | <b>-</b>            | <b>-</b>             |
| Excess (deficiency) of receipts and other<br>financing sources over disbursements<br>and other financing uses | 178,511                     | (12,904)                    | (172,005)               | 217,029                      | 160,559             | 500                  |
| Cash and investment fund balance - beginning  | 477,277                     | 158,183                     | 882,537                 | -                            | 158,166             | 12,932               |
| Cash and investment fund balance - ending   | <u>\$ 655,788</u>           | <u>\$ 145,279</u>           | <u>\$ 710,532</u>       | <u>\$ 217,029</u>            | <u>\$ 318,725</u>   | <u>\$ 13,432</u>     |
| <b>Cash and Investment Assets - December 31</b>   |                             |                             |                         |                              |                     |                      |
| Restricted assets:  |                             |                             |                         |                              |                     |                      |
| Cash and investments  | <u>\$ 655,788</u>           | <u>\$ 145,279</u>           | <u>\$ 710,532</u>       | <u>\$ 217,029</u>            | <u>\$ 318,725</u>   | <u>\$ 13,432</u>     |
| <b>Cash and Investment Fund Balance - December 31</b>   |                             |                             |                         |                              |                     |                      |
| Restricted for:   |                             |                             |                         |                              |                     |                      |
| Culture and recreation  | \$ -                        | \$ -                        | \$ 710,532              | \$ -                         | \$ -                | \$ 13,432            |
| Debt service  | -                           | -                           | -                       | 217,029                      | -                   | -                    |
| Other purposes  | 655,788                     | 145,279                     | -                       | -                            | 318,725             | -                    |
| <b>Total cash and investment fund balance - December 31</b>   | <u>\$ 655,788</u>           | <u>\$ 145,279</u>           | <u>\$ 710,532</u>       | <u>\$ 217,029</u>            | <u>\$ 318,725</u>   | <u>\$ 13,432</u>     |

TOWN OF PLAINFIELD  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND  
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For The Year Ended December 31, 2006  
 (Continued)

|   | Local Law<br>Enforcement<br>Continuing<br>Education | Riverboat<br>Tax  | Rainy<br>Day        | Emergency<br>Dispatch | Police<br>Beneficent | Fire<br>Beneficent |
|---|---|-------------------|---------------------|-----------------------|----------------------|--------------------|
| Receipts:   |   |                   |                     |                       |                      |                    |
| Taxes   | \$ -  | \$ -              | \$ -                | \$ -                  | \$ -                 | \$ -               |
| Intergovernmental   | -   | 115,762           | -                   | -                     | -                    | -                  |
| Charges for services  | 15,832  | -                 | -                   | -                     | -                    | -                  |
| Fines and forfeits  | -   | -                 | -                   | -                     | -                    | -                  |
| Other   | -   | -                 | -                   | 1,994                 | 30                   | 1,105              |
| <b>Total receipts</b>   | <b>15,832</b>                                       | <b>115,762</b>    | <b>-</b>            | <b>1,994</b>          | <b>30</b>            | <b>1,105</b>       |
| Disbursements:  |   |                   |                     |                       |                      |                    |
| General government  | -   | 121,352           | 823,333             | -                     | -                    | 3,810              |
| Public safety   | 20,415  | -                 | -                   | -                     | -                    | -                  |
| Highways and streets  | -   | -                 | -                   | -                     | -                    | -                  |
| Culture and recreation  | -   | -                 | -                   | -                     | -                    | -                  |
| Urban redevelopment and housing   | -   | -                 | -                   | -                     | -                    | -                  |
| Debt service:   |   |                   |                     |                       |                      |                    |
| Principal   | -   | -                 | -                   | -                     | -                    | -                  |
| Interest  | -   | -                 | -                   | -                     | -                    | -                  |
| Capital outlay:   |   |                   |                     |                       |                      |                    |
| Highways and streets  | -   | -                 | -                   | -                     | -                    | -                  |
| <b>Total disbursements</b>  | <b>20,415</b>                                       | <b>121,352</b>    | <b>823,333</b>      | <b>-</b>              | <b>-</b>             | <b>3,810</b>       |
| Excess (deficiency) of receipts<br>over disbursements   | (4,583)   | (5,590)           | (823,333)           | 1,994                 | 30                   | (2,705)            |
| Other financing sources (uses):   |   |                   |                     |                       |                      |                    |
| Bond proceeds   | -   | -                 | -                   | -                     | -                    | -                  |
| Transfers in  | -   | -                 | 1,154,185           | -                     | -                    | -                  |
| Transfers out   | -   | -                 | -                   | -                     | -                    | -                  |
| <b>Total other financing sources (uses)</b>   | <b>-</b>  | <b>-</b>          | <b>1,154,185</b>    | <b>-</b>              | <b>-</b>             | <b>-</b>           |
| Excess (deficiency) of receipts and other<br>financing sources over disbursements<br>and other financing uses | (4,583)   | (5,590)           | 330,852             | 1,994                 | 30                   | (2,705)            |
| Cash and investment fund balance - beginning  | 30,106  | 211,167           | 1,238,575           | 100,879               | 424                  | 6,506              |
| Cash and investment fund balance - ending   | <u>\$ 25,523</u>                                    | <u>\$ 205,577</u> | <u>\$ 1,569,427</u> | <u>\$ 102,873</u>     | <u>\$ 454</u>        | <u>\$ 3,801</u>    |
| <b>Cash and Investment Assets - December 31</b>   |   |                   |                     |                       |                      |                    |
| Restricted assets:  |   |                   |                     |                       |                      |                    |
| Cash and investments  | <u>\$ 25,523</u>                                    | <u>\$ 205,577</u> | <u>\$ 1,569,427</u> | <u>\$ 102,873</u>     | <u>\$ 454</u>        | <u>\$ 3,801</u>    |
| <b>Cash and Investment Fund Balance - December 31</b>   |   |                   |                     |                       |                      |                    |
| Restricted for:   |   |                   |                     |                       |                      |                    |
| Culture and recreation  | \$ -  | \$ -              | \$ -                | \$ -                  | \$ -                 | \$ -               |
| Debt service  | -   | -                 | -                   | -                     | -                    | -                  |
| Other purposes  | 25,523  | 205,577           | 1,569,427           | 102,873               | 454                  | 3,801              |
| <b>Total cash and investment fund balance - December 31</b>   | <b>\$ 25,523</b>                                    | <b>\$ 205,577</b> | <b>\$ 1,569,427</b> | <b>\$ 102,873</b>     | <b>\$ 454</b>        | <b>\$ 3,801</b>    |

TOWN OF PLAINFIELD  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND  
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For The Year Ended December 31, 2006  
 (Continued)

|   | Police<br>Employees<br>Donation | Park<br>Beneficent | Calendar<br>Donations | Police<br>Party<br>Donation | Chaplain<br>Donation | Bike<br>Donation |
|---|---------------------------------|--------------------|-----------------------|-----------------------------|----------------------|------------------|
| Receipts:   |                                 |                    |                       |                             |                      |                  |
| Taxes   | \$ -                            | \$ -               | \$ -                  | \$ -                        | \$ -                 | \$ -             |
| Intergovernmental   | -                               | -                  | -                     | -                           | -                    | -                |
| Charges for services  | -                               | -                  | -                     | -                           | -                    | -                |
| Fines and forfeits  | -                               | -                  | -                     | -                           | -                    | -                |
| Other   | -                               | 750                | 4,000                 | 200                         | 330                  | 1,455            |
| Total receipts  | -                               | 750                | 4,000                 | 200                         | 330                  | 1,455            |
| Disbursements:  |                                 |                    |                       |                             |                      |                  |
| General government  | -                               | -                  | 5,330                 | -                           | -                    | -                |
| Public safety   | -                               | -                  | -                     | -                           | -                    | -                |
| Highways and streets  | -                               | -                  | -                     | -                           | -                    | -                |
| Culture and recreation  | -                               | 250                | -                     | -                           | -                    | -                |
| Urban redevelopment and housing   | -                               | -                  | -                     | -                           | -                    | -                |
| Debt service:   |                                 |                    |                       |                             |                      |                  |
| Principal   | -                               | -                  | -                     | -                           | -                    | -                |
| Interest  | -                               | -                  | -                     | -                           | -                    | -                |
| Capital outlay:   |                                 |                    |                       |                             |                      |                  |
| Highways and streets  | -                               | -                  | -                     | -                           | -                    | -                |
| Total disbursements   | -                               | 250                | 5,330                 | -                           | -                    | -                |
| Excess (deficiency) of receipts<br>over disbursements   | -                               | 500                | (1,330)               | 200                         | 330                  | 1,455            |
| Other financing sources (uses):   |                                 |                    |                       |                             |                      |                  |
| Bond proceeds   | -                               | -                  | -                     | -                           | -                    | -                |
| Transfers in  | -                               | -                  | -                     | -                           | -                    | -                |
| Transfers out   | -                               | -                  | -                     | -                           | -                    | -                |
| Total other financing sources (uses)  | -                               | -                  | -                     | -                           | -                    | -                |
| Excess (deficiency) of receipts and other<br>financing sources over disbursements<br>and other financing uses | -                               | 500                | (1,330)               | 200                         | 330                  | 1,455            |
| Cash and investment fund balance - beginning  | 180                             | 1,555              | 5,804                 | 850                         | 1,427                | 2,895            |
| Cash and investment fund balance - ending   | \$ 180                          | \$ 2,055           | \$ 4,474              | \$ 1,050                    | \$ 1,757             | \$ 4,350         |
| <u>Cash and Investment Assets - December 31</u>   |                                 |                    |                       |                             |                      |                  |
| Restricted assets:  |                                 |                    |                       |                             |                      |                  |
| Cash and investments  | \$ 180                          | \$ 2,055           | \$ 4,474              | \$ 1,050                    | \$ 1,757             | \$ 4,350         |
| <u>Cash and Investment Fund Balance - December 31</u>   |                                 |                    |                       |                             |                      |                  |
| Restricted for:   |                                 |                    |                       |                             |                      |                  |
| Culture and recreation  | \$ -                            | \$ 2,055           | \$ -                  | \$ -                        | \$ -                 | \$ -             |
| Debt service  | -                               | -                  | -                     | -                           | -                    | -                |
| Other purposes  | 180                             | -                  | 4,474                 | 1,050                       | 1,757                | 4,350            |
| Total cash and investment fund balance - December 31  | \$ 180                          | \$ 2,055           | \$ 4,474              | \$ 1,050                    | \$ 1,757             | \$ 4,350         |

TOWN OF PLAINFIELD  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND  
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For The Year Ended December 31, 2006  
 (Continued)

|  | K-9<br>Donation | Record<br>Perpetuation | Criminal<br>Investigation | Hendricks<br>County<br>Grant | Federal<br>Task Force<br>Overtime | Greenways        |
|--|-----------------|------------------------|---------------------------|------------------------------|-----------------------------------|------------------|
| <b>Receipts:</b>   |                 |                        |                           |                              |                                   |                  |
| Taxes  | \$ -            | \$ -                   | \$ -                      | \$ -                         | \$ -                              | \$ -             |
| Intergovernmental  | 6,000           | -                      | 656                       | 15,895                       | -                                 | -                |
| Charges for services   | -               | -                      | -                         | -                            | -                                 | -                |
| Fines and forfeits   | -               | 13,202                 | -                         | -                            | -                                 | -                |
| Other  | 4,370           | -                      | 11,191                    | -                            | -                                 | -                |
| <b>Total receipts</b>  | <b>10,370</b>   | <b>13,202</b>          | <b>11,847</b>             | <b>15,895</b>                | <b>-</b>                          | <b>-</b>         |
| <b>Disbursements:</b>  |                 |                        |                           |                              |                                   |                  |
| General government   | -               | 7,986                  | -                         | -                            | -                                 | -                |
| Public safety  | 8,514           | -                      | -                         | 17,004                       | 464                               | -                |
| Highways and streets   | -               | -                      | -                         | -                            | -                                 | -                |
| Culture and recreation   | -               | -                      | -                         | -                            | -                                 | -                |
| Urban redevelopment and housing  | -               | -                      | -                         | -                            | -                                 | -                |
| Debt service:  |                 |                        |                           |                              |                                   |                  |
| Principal  | -               | -                      | -                         | -                            | -                                 | -                |
| Interest   | -               | -                      | -                         | -                            | -                                 | -                |
| Capital outlay:  |                 |                        |                           |                              |                                   |                  |
| Highways and streets   | -               | -                      | -                         | -                            | -                                 | -                |
| <b>Total disbursements</b>   | <b>8,514</b>    | <b>7,986</b>           | <b>-</b>                  | <b>17,004</b>                | <b>464</b>                        | <b>-</b>         |
| <b>Excess (deficiency) of receipts<br/>over disbursements</b>  | <b>1,856</b>    | <b>5,216</b>           | <b>11,847</b>             | <b>(1,109)</b>               | <b>(464)</b>                      | <b>-</b>         |
| <b>Other financing sources (uses):</b>   |                 |                        |                           |                              |                                   |                  |
| Bond proceeds  | -               | -                      | -                         | -                            | -                                 | -                |
| Transfers in   | -               | -                      | -                         | -                            | -                                 | -                |
| Transfers out  | -               | -                      | -                         | -                            | -                                 | -                |
| <b>Total other financing sources (uses)</b>  | <b>-</b>        | <b>-</b>               | <b>-</b>                  | <b>-</b>                     | <b>-</b>                          | <b>-</b>         |
| <b>Excess (deficiency) of receipts and other<br/>financing sources over disbursements<br/>and other financing uses</b> | <b>1,856</b>    | <b>5,216</b>           | <b>11,847</b>             | <b>(1,109)</b>               | <b>(464)</b>                      | <b>-</b>         |
| <b>Cash and investment fund balance - beginning</b>  | <b>(1,655)</b>  | <b>24,005</b>          | <b>9,393</b>              | <b>709</b>                   | <b>(635)</b>                      | <b>13,837</b>    |
| <b>Cash and investment fund balance - ending</b>   | <b>\$ 201</b>   | <b>\$ 29,221</b>       | <b>\$ 21,240</b>          | <b>\$ (400)</b>              | <b>\$ (1,099)</b>                 | <b>\$ 13,837</b> |
| <b>Cash and Investment Assets - December 31</b>  |                 |                        |                           |                              |                                   |                  |
| <b>Restricted assets:</b>  |                 |                        |                           |                              |                                   |                  |
| Cash and investments   | \$ 201          | \$ 29,221              | \$ 21,240                 | \$ (400)                     | \$ (1,099)                        | \$ 13,837        |
| <b>Cash and Investment Fund Balance - December 31</b>  |                 |                        |                           |                              |                                   |                  |
| <b>Restricted for:</b>   |                 |                        |                           |                              |                                   |                  |
| Culture and recreation   | \$ -            | \$ -                   | \$ -                      | \$ -                         | \$ -                              | \$ -             |
| Debt service   | -               | -                      | -                         | -                            | -                                 | -                |
| Other purposes   | 201             | 29,221                 | 21,240                    | (400)                        | (1,099)                           | 13,837           |
| <b>Total cash and investment fund balance - December 31</b>  | <b>\$ 201</b>   | <b>\$ 29,221</b>       | <b>\$ 21,240</b>          | <b>\$ (400)</b>              | <b>\$ (1,099)</b>                 | <b>\$ 13,837</b> |

TOWN OF PLAINFIELD  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND  
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For The Year Ended December 31, 2006  
 (Continued)

|   | RAD<br>System   | Food and<br>Beverage Tax | Meth<br>Grant | Operation<br>Pullover | Recycling<br>Grant | Park<br>Bond      |
|---|-----------------|--------------------------|---------------|-----------------------|--------------------|-------------------|
| Receipts:   |                 |                          |               |                       |                    |                   |
| Taxes   | \$ -            | \$ -                     | \$ -          | \$ -                  | \$ -               | \$ 760,751        |
| Intergovernmental   | -               | 722,091                  | -             | 6,350                 | -                  | 66,794            |
| Charges for services  | -               | -                        | -             | -                     | -                  | -                 |
| Fines and forfeits  | -               | -                        | -             | -                     | -                  | -                 |
| Other   | 1,000           | 4,575                    | -             | -                     | -                  | -                 |
| <b>Total receipts</b>   | <b>1,000</b>    | <b>726,666</b>           | <b>-</b>      | <b>6,350</b>          | <b>-</b>           | <b>827,545</b>    |
| Disbursements:  |                 |                          |               |                       |                    |                   |
| General government  | -               | 334,150                  | -             | -                     | -                  | -                 |
| Public safety   | -               | -                        | -             | 7,434                 | -                  | -                 |
| Highways and streets  | -               | -                        | -             | -                     | -                  | -                 |
| Culture and recreation  | -               | -                        | -             | -                     | -                  | -                 |
| Urban redevelopment and housing   | -               | -                        | -             | -                     | -                  | -                 |
| Debt service:   |                 |                          |               |                       |                    |                   |
| Principal   | -               | 138,765                  | -             | -                     | -                  | 555,060           |
| Interest  | -               | 236,235                  | -             | -                     | -                  | 947,940           |
| Capital outlay:   |                 |                          |               |                       |                    |                   |
| Highways and streets  | -               | -                        | -             | -                     | -                  | -                 |
| <b>Total disbursements</b>  | <b>-</b>        | <b>709,150</b>           | <b>-</b>      | <b>7,434</b>          | <b>-</b>           | <b>1,503,000</b>  |
| Excess (deficiency) of receipts<br>over disbursements   | 1,000           | 17,516                   | -             | (1,084)               | -                  | (675,455)         |
| Other financing sources (uses):   |                 |                          |               |                       |                    |                   |
| Bond proceeds   | -               | -                        | -             | -                     | -                  | -                 |
| Transfers in  | -               | -                        | -             | -                     | -                  | -                 |
| Transfers out   | -               | -                        | -             | -                     | -                  | -                 |
| <b>Total other financing sources (uses)</b>   | <b>-</b>        | <b>-</b>                 | <b>-</b>      | <b>-</b>              | <b>-</b>           | <b>-</b>          |
| Excess (deficiency) of receipts and other<br>financing sources over disbursements<br>and other financing uses | 1,000           | 17,516                   | -             | (1,084)               | -                  | (675,455)         |
| Cash and investment fund balance - beginning  | -               | 477,075                  | 530           | (115)                 | 5,000              | 831,011           |
| Cash and investment fund balance - ending   | <u>\$ 1,000</u> | <u>\$ 494,591</u>        | <u>\$ 530</u> | <u>\$ (1,199)</u>     | <u>\$ 5,000</u>    | <u>\$ 155,556</u> |
| <b>Cash and Investment Assets - December 31</b>   |                 |                          |               |                       |                    |                   |
| Restricted assets:  |                 |                          |               |                       |                    |                   |
| Cash and investments  | <u>\$ 1,000</u> | <u>\$ 494,591</u>        | <u>\$ 530</u> | <u>\$ (1,199)</u>     | <u>\$ 5,000</u>    | <u>\$ 155,556</u> |
| <b>Cash and Investment Fund Balance - December 31</b>   |                 |                          |               |                       |                    |                   |
| Restricted for:   |                 |                          |               |                       |                    |                   |
| Culture and recreation  | \$ -            | \$ -                     | \$ -          | \$ -                  | \$ -               | \$ -              |
| Debt service  | -               | -                        | -             | -                     | -                  | 155,556           |
| Other purposes  | 1,000           | 494,591                  | 530           | (1,199)               | 5,000              | -                 |
| <b>Total cash and investment fund balance - December 31</b>   | <u>\$ 1,000</u> | <u>\$ 494,591</u>        | <u>\$ 530</u> | <u>\$ (1,199)</u>     | <u>\$ 5,000</u>    | <u>\$ 155,556</u> |

TOWN OF PLAINFIELD  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND  
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For The Year Ended December 31, 2006  
 (Continued)

|  | Cumulative<br>Capital<br>Improvement | Capital<br>Improvement<br>Levy | Economic<br>Development | Redevelopment<br>Commission | Interstate 70<br>Interchange | State Road 267<br>Corridor |
|--|--------------------------------------|--------------------------------|-------------------------|-----------------------------|------------------------------|----------------------------|
| <b>Receipts:</b>   |                                      |                                |                         |                             |                              |                            |
| Taxes  | \$ -                                 | \$ 809,901                     | \$ -                    | \$ -                        | \$ 738,374                   | \$ 707,813                 |
| Intergovernmental  | 40,578                               | 228,098                        | -                       | -                           | -                            | 200,000                    |
| Charges for services   | -                                    | -                              | -                       | -                           | -                            | -                          |
| Fines and forfeits   | -                                    | -                              | -                       | -                           | -                            | -                          |
| Other  | -                                    | -                              | -                       | 379,345                     | -                            | -                          |
| <b>Total receipts</b>  | <b>40,578</b>                        | <b>1,037,999</b>               | <b>-</b>                | <b>379,345</b>              | <b>738,374</b>               | <b>907,813</b>             |
| <b>Disbursements:</b>  |                                      |                                |                         |                             |                              |                            |
| General government   | 228,958                              | 485,678                        | 1,028                   | -                           | -                            | -                          |
| Public safety  | -                                    | -                              | -                       | -                           | -                            | -                          |
| Highways and streets   | -                                    | -                              | -                       | -                           | -                            | -                          |
| Culture and recreation   | -                                    | -                              | -                       | -                           | -                            | -                          |
| Urban redevelopment and housing  | -                                    | -                              | -                       | 5,910                       | -                            | -                          |
| <b>Debt service:</b>   |                                      |                                |                         |                             |                              |                            |
| Principal  | -                                    | -                              | -                       | 140,000                     | 114,466                      | 114,466                    |
| Interest   | -                                    | -                              | -                       | 1,408,686                   | 71,034                       | 71,034                     |
| <b>Capital outlay:</b>   |                                      |                                |                         |                             |                              |                            |
| Highways and streets   | -                                    | -                              | -                       | 2,968,545                   | 1,340,860                    | 904,100                    |
| <b>Total disbursements</b>   | <b>228,958</b>                       | <b>485,678</b>                 | <b>1,028</b>            | <b>4,523,141</b>            | <b>1,526,360</b>             | <b>1,089,600</b>           |
| <b>Excess (deficiency) of receipts<br/>over disbursements</b>  | <b>(188,380)</b>                     | <b>552,321</b>                 | <b>(1,028)</b>          | <b>(4,143,796)</b>          | <b>(787,986)</b>             | <b>(181,787)</b>           |
| <b>Other financing sources (uses):</b>   |                                      |                                |                         |                             |                              |                            |
| Bond proceeds  | -                                    | -                              | -                       | 9,872,631                   | -                            | -                          |
| Transfers in   | -                                    | -                              | -                       | 1,492,813                   | -                            | -                          |
| Transfers out  | -                                    | -                              | -                       | (1,709,771)                 | -                            | -                          |
| <b>Total other financing sources (uses)</b>  | <b>-</b>                             | <b>-</b>                       | <b>-</b>                | <b>9,655,673</b>            | <b>-</b>                     | <b>-</b>                   |
| <b>Excess (deficiency) of receipts and other<br/>financing sources over disbursements<br/>and other financing uses</b> | <b>(188,380)</b>                     | <b>552,321</b>                 | <b>(1,028)</b>          | <b>5,511,877</b>            | <b>(787,986)</b>             | <b>(181,787)</b>           |
| <b>Cash and investment fund balance - beginning</b>  | <b>520,001</b>                       | <b>1,838,011</b>               | <b>1,841</b>            | <b>8,635,722</b>            | <b>1,698,625</b>             | <b>390,788</b>             |
| <b>Cash and investment fund balance - ending</b>   | <b>\$ 331,621</b>                    | <b>\$ 2,390,332</b>            | <b>\$ 813</b>           | <b>\$ 14,147,599</b>        | <b>\$ 910,639</b>            | <b>\$ 209,001</b>          |
| <b>Cash and Investment Assets - December 31</b>  |                                      |                                |                         |                             |                              |                            |
| <b>Restricted assets:</b>  |                                      |                                |                         |                             |                              |                            |
| Cash and investments   | \$ 331,621                           | \$ 2,390,332                   | \$ 813                  | \$ 14,147,599               | \$ 910,639                   | \$ 209,001                 |
| <b>Cash and Investment Fund Balance - December 31</b>  |                                      |                                |                         |                             |                              |                            |
| <b>Restricted for:</b>   |                                      |                                |                         |                             |                              |                            |
| Culture and recreation   | \$ -                                 | \$ -                           | \$ -                    | \$ -                        | \$ -                         | \$ -                       |
| Debt service   | -                                    | -                              | -                       | -                           | -                            | -                          |
| Other purposes   | 331,621                              | 2,390,332                      | 813                     | 14,147,599                  | 910,639                      | 209,001                    |
| <b>Total cash and investment fund balance - December 31</b>  | <b>\$ 331,621</b>                    | <b>\$ 2,390,332</b>            | <b>\$ 813</b>           | <b>\$ 14,147,599</b>        | <b>\$ 910,639</b>            | <b>\$ 209,001</b>          |

TOWN OF PLAINFIELD  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND  
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For The Year Ended December 31, 2006  
 (Continued)

|  | Six Points<br>Road  | Economic<br>Development<br>Income Tax | Redevelopment<br>Authority | One Time<br>GAGIT Draw | Totals               |
|--|---------------------|---------------------------------------|----------------------------|------------------------|----------------------|
| <b>Receipts:</b>   |                     |                                       |                            |                        |                      |
| Taxes  | \$ 1,551,624        | \$ -                                  | \$ -                       | \$ -                   | \$ 6,095,843         |
| Intergovernmental  | -                   | 1,932,371                             | -                          | -                      | 4,680,942            |
| Charges for services   | -                   | -                                     | -                          | -                      | 1,757,001            |
| Fines and forfeits   | -                   | -                                     | -                          | -                      | 13,202               |
| Other  | -                   | 750                                   | 462,325                    | -                      | 894,215              |
| <b>Total receipts</b>  | <b>1,551,624</b>    | <b>1,933,121</b>                      | <b>462,325</b>             | <b>-</b>               | <b>13,441,203</b>    |
| <b>Disbursements:</b>  |                     |                                       |                            |                        |                      |
| General government   | -                   | -                                     | -                          | -                      | 2,011,625            |
| Public safety  | -                   | -                                     | -                          | -                      | 53,831               |
| Highways and streets   | -                   | -                                     | -                          | -                      | 1,149,923            |
| Culture and recreation   | -                   | -                                     | -                          | -                      | 2,881,828            |
| Urban redevelopment and housing  | -                   | 826,190                               | 1,259                      | -                      | 833,359              |
| <b>Debt service:</b>   |                     |                                       |                            |                        |                      |
| Principal  | -                   | 187,092                               | 80,000                     | -                      | 1,329,849            |
| Interest   | -                   | 175,908                               | 653,133                    | -                      | 3,563,970            |
| <b>Capital outlay:</b>   |                     |                                       |                            |                        |                      |
| Highways and streets   | 300,000             | -                                     | 4,941,782                  | -                      | 10,455,287           |
| <b>Total disbursements</b>   | <b>300,000</b>      | <b>1,189,190</b>                      | <b>5,676,174</b>           | <b>-</b>               | <b>22,279,672</b>    |
| <b>Excess (deficiency) of receipts<br/>over disbursements</b>  | <b>1,251,624</b>    | <b>743,931</b>                        | <b>(5,213,849)</b>         | <b>-</b>               | <b>(8,838,469)</b>   |
| <b>Other financing sources (uses):</b>   |                     |                                       |                            |                        |                      |
| Bond proceeds  | -                   | -                                     | -                          | -                      | 9,872,631            |
| Transfers in   | -                   | 554,492                               | 753,621                    | -                      | 3,955,111            |
| Transfers out  | (250,789)           | -                                     | (3,621,117)                | (1,154,185)            | (6,968,362)          |
| <b>Total other financing sources (uses)</b>  | <b>(250,789)</b>    | <b>554,492</b>                        | <b>(2,867,496)</b>         | <b>(1,154,185)</b>     | <b>6,859,380</b>     |
| <b>Excess (deficiency) of receipts and other<br/>financing sources over disbursements<br/>and other financing uses</b> | <b>1,000,835</b>    | <b>1,298,423</b>                      | <b>(8,081,345)</b>         | <b>(1,154,185)</b>     | <b>(1,979,089)</b>   |
| <b>Cash and investment fund balance - beginning</b>  | <b>881,172</b>      | <b>643,350</b>                        | <b>15,626,847</b>          | <b>1,154,185</b>       | <b>36,039,160</b>    |
| <b>Cash and investment fund balance - ending</b>   | <b>\$ 1,882,007</b> | <b>\$ 1,941,773</b>                   | <b>\$ 7,545,502</b>        | <b>\$ -</b>            | <b>\$ 34,060,071</b> |
| <b>Cash and Investment Assets - December 31</b>  |                     |                                       |                            |                        |                      |
| <b>Restricted assets:</b>  |                     |                                       |                            |                        |                      |
| Cash and investments   | \$ 1,882,007        | \$ 1,941,773                          | \$ 7,545,502               | \$ -                   | \$ 34,060,071        |
| <b>Cash and Investment Fund Balance - December 31</b>  |                     |                                       |                            |                        |                      |
| <b>Restricted for:</b>   |                     |                                       |                            |                        |                      |
| Culture and recreation   | \$ -                | \$ -                                  | \$ -                       | \$ -                   | \$ 726,019           |
| Debt service   | -                   | -                                     | -                          | -                      | 372,585              |
| Other purposes   | 1,882,007           | 1,941,773                             | 7,545,502                  | -                      | 32,961,467           |
| <b>Total cash and investment fund balance - December 31</b>  | <b>\$ 1,882,007</b> | <b>\$ 1,941,773</b>                   | <b>\$ 7,545,502</b>        | <b>\$ -</b>            | <b>\$ 34,060,071</b> |

TOWN OF PLAINFIELD  
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES  
 PENSION TRUST FUNDS  
 For The Year Ended December 31, 2006

|   | Police<br>Pension | Fire<br>Pension | Totals     |
|---|-------------------|-----------------|------------|
| Additions:  |                   |                 |            |
| Contributions:  |                   |                 |            |
| Employer  | \$ 113,656        | \$ 65,698       | \$ 179,354 |
| State   | 70,912            | 21,648          | 92,560     |
| Total additions   | 184,568           | 87,346          | 271,914    |
| Deductions:   |                   |                 |            |
| Benefits  | 203,610           | 84,005          | 287,615    |
| Excess (deficiency) of total additions<br>over total deductions | (19,042)          | 3,341           | (15,701)   |
| Cash and investment fund balance - beginning                    | 78,583            | 401,395         | 479,978    |
| Cash and investment fund balance - ending                       | \$ 59,541         | \$ 404,736      | \$ 464,277 |

TOWN OF PLAINFIELD  
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES  
 AGENCY FUNDS  
 For The Year Ended December 31, 2006

|  | Home<br>Detention<br>Fees | Initial<br>Diversion | Judgement     | Law<br>Enforcement | Levy<br>Excess    |
|--|---------------------------|----------------------|---------------|--------------------|-------------------|
| Additions:   |                           |                      |               |                    |                   |
| Agency fund additions                              | \$ 870                    | \$ 12,900            | \$ -          | \$ 66,473          | \$ 171,366        |
| Deductions:  |                           |                      |               |                    |                   |
| Agency fund deductions                             | -                         | 11,150               | -             | 53,690             | -                 |
| Excess of total additions<br>over total deductions | 870                       | 1,750                | -             | 12,783             | 171,366           |
| Cash and investment fund balance - beginning       | 282                       | -                    | 244           | 13,297             | -                 |
| Cash and investment fund balance - ending          | <u>\$ 1,152</u>           | <u>\$ 1,750</u>      | <u>\$ 244</u> | <u>\$ 26,080</u>   | <u>\$ 171,366</u> |

TOWN OF PLAINFIELD  
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES  
 AGENCY FUNDS  
 For The Year Ended December 31, 2006  
 (Continued)

|  | Monthly<br>Diversion | Probation        | Town<br>Court    | Payroll           | Totals            |
|--|----------------------|------------------|------------------|-------------------|-------------------|
| Additions:   |                      |                  |                  |                   |                   |
| Agency fund additions                              | \$ 15,955            | \$ 33,926        | \$ 662,624       | \$ 9,913,258      | \$ 10,877,372     |
| Deductions:  |                      |                  |                  |                   |                   |
| Agency fund deductions                             | 14,438               | 31,327           | 641,125          | 9,874,914         | 10,626,644        |
| Excess of total additions<br>over total deductions | 1,517                | 2,599            | 21,499           | 38,344            | 250,728           |
| Cash and investment fund balance - beginning       | -                    | 11,977           | 52,722           | 227,990           | 306,512           |
| Cash and investment fund balance - ending          | <u>\$ 1,517</u>      | <u>\$ 14,576</u> | <u>\$ 74,221</u> | <u>\$ 266,334</u> | <u>\$ 557,240</u> |

TOWN OF PLAINFIELD  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF LONG-TERM DEBT

For The Year Ended December 31, 2006

| Description of Debt                            | Ending<br>Balance    | Due<br>Within One<br>Year |
|--|----------------------|---------------------------|
| Governmental Activities:                       |                      |                           |
| Capital leases:                                |                      |                           |
| Municipal Improvements                         | \$ 2,710,000         | \$ -                      |
| Public Safety Building                         | 2,660,920            | 240,556                   |
| Recreation Center                              | 23,148,477           | 813,966                   |
| Police Cars                                    | 271,908              | 271,908                   |
| Fire Cyclone Pumper                            | 264,750              | 129,507                   |
| Bond Anticipation Note (BAN):                  |                      |                           |
| Ronald Reagan Corridor BAN 2006                | 10,000,000           | 10,000,000                |
| Revenue Bonds:                                 |                      |                           |
| 2003 TIF Bonds                                 | 1,545,000            | -                         |
| 2003 Economic Development Bonds                | 8,990,000            | -                         |
| 2005 Redevelopment Tax and Refunding Bonds     | 13,650,000           | 305,000                   |
| 2005 Redevelopment Authority Bonds             | <u>1,655,000</u>     | <u>295,000</u>            |
| Total governmental activities long-term debt   | <u>\$ 64,896,055</u> | <u>\$ 12,055,937</u>      |
| Business-type Activities:                      |                      |                           |
| Water Utility                                  |                      |                           |
| Revenue bonds:                                 |                      |                           |
| 2003 Water                                     | 4,885,000            | 125,000                   |
| 2004 Water                                     | <u>2,050,000</u>     | <u>175,000</u>            |
| Total Water Utility                            | <u>6,935,000</u>     | <u>300,000</u>            |
| Wastewater Utility                             |                      |                           |
| Revenue bonds:                                 |                      |                           |
| 1999 Wastewater                                | 1,370,000            |                           |
| 2003A Wastewater                               | 11,160,000           | 255,000                   |
| 2003BWastewater                                | <u>2,110,000</u>     | <u>235,000</u>            |
| Total Wastewater Utility                       | <u>14,640,000</u>    | <u>490,000</u>            |
| Total business-type activities long-term debt: | <u>\$ 21,575,000</u> | <u>\$ 790,000</u>         |

TOWN OF PLAINFIELD  
OTHER REPORT

The annual report presented herein was prepared in addition to the official report prepared for the individual Town offices listed below:

Water, Wastewater, and Storm Water Utilities

TOWN OF PLAINFIELD  
AUDIT RESULTS AND COMMENTS

ANNUAL REPORT

The Cities and Towns' Annual Report (CTAR) for 2006 did not agree to the receipts, expenditures and cash and investment balances of the Town's General Ledger. Adjustments were made by the Town to reclassify expenditures in several funds after the preparation of the CTAR. Additionally, receipts, expenditures and ending cash and investment balances of the General Fund and Parks and Recreation Fund on the CTAR did not agree to amounts in the General Ledger and errors could not be identified. Ending balances in the General Ledger reconciled to the bank and those amounts were reported in the audit report.

Indiana Code 5-3-1-3(a) states in part: "Within sixty (60) days after the expiration of each calendar year, the fiscal officer of each civil city and town in Indiana shall publish an annual report of the receipts and expenditures of the city or town . . ."

CONDITION OF RECORDS

As previously reported in prior reports, financial records presented for audit were incomplete and not reflective of the activity of the General Fund for the EMS billing. The records presented for the detail of the Ambulance bills outstanding as of December 31, 2006, did not agree with the General Ledger Accounts Receivable – Ambulance.

A detailed listing of all accounts written off during the audit period also was not available for audit. The EMS billing system could create a total for each type (medicare, bankruptcy, etc.) but an actual detail could not be created.

At all times, the manual and/or computerized records, subsidiary ledgers, control ledger, and reconciled bank balance should agree. If the reconciled bank balance is less than the subsidiary or control ledgers, then the responsible official or employee may be held personally responsible for the amount needed to balance the fund. (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)

DEPOSITS (Town Court)

As previously reported in prior audits, in numerous instances, receipts were deposited later than the next business day. Deposits were made up to four business days after the date of receipt.

Indiana Code 5-13-6-1(d) states: "A city (other than a consolidated city) or a town shall deposit funds not later than the next business day following the receipt of the funds in depositories (1) selected by the city or town as provided in an ordinance adopted by the city or the town; and (2) approved as depositories of state funds."

TOWN OF PLAINFIELD  
AUDIT RESULTS AND COMMENTS  
(Continued)

INTERNAL CONTROLS

Controls over the disbursing, recording, and accounting for the financial activities were insufficient. Town funds directly paid for costs relating to the Wastewater Crystal Bay Lift Station construction project. In 2006, \$233,733 was paid in error from the Rainy Day Fund and High School Bond Fund for costs relating to the Wastewater Crystal Bay Lift Station.

Governmental units should have internal controls in effect which provide reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of management's objectives, and compliance with laws and regulations. Among other things, segregation of duties, safeguarding controls over cash and all other assets and all forms of information processing are necessary for proper internal control. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

Payments or transfers which are not authorized by statute, ordinance or resolution must be reimbursed or transferred to the appropriate fund. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

OLD OUTSTANDING CHECKS (WARRANTS) (Town Court)

Our review of the bank reconciliements as of December 31, 2006, revealed checks outstanding in excess of two years. Checks outstanding were originally issued as long ago as November 17, 1999.

Indiana Code 5-11-10.5-2 states in part: "All warrants or checks drawn upon public funds of a political subdivision that are outstanding and unpaid for a period of two (2) or more years as of the last day of December of each year are void."

Indiana Code 5-11-10.5-3 states in part: "Not later than March 1 of each year, the treasurer of each political subdivision shall prepare or cause to be prepared a list in triplicate of all warrants or checks that have been outstanding for a period of two (2) or more years as of December 31 of the preceding year. The original copy of each list shall be filed with the board of finance of the political subdivision or the fiscal body of a city or town. The duplicate copy shall be transmitted to the disbursing officer of the political subdivision. The triplicate copy of each list shall be filed in the office of the treasurer of the political subdivision. If the treasurer serves also as the disbursing officer of the political subdivision, only two (2) copies of each list need be prepared or caused to be prepared by the treasurer."

Indiana Code 5-11-10.5-5 states:

"(a) Upon the preparation and transmission of the copies of the list of the outstanding warrants or checks, the treasurer of the political subdivision shall enter the amounts so listed as a receipt into the fund or funds from which they were originally drawn and shall also remove the warrants or checks from the record of outstanding warrants or checks.

(b) If the disbursing officer does not serve also as treasurer of the political subdivision, the disbursing officer shall also enter the amounts so listed as a receipt into the fund or funds from which the warrants or checks were originally drawn. If the fund from which the warrant or check was originally drawn is not in existence, or cannot be ascertained, the amount of the outstanding warrant or check shall be receipted into the general fund of the political subdivision."

TOWN OF PLAINFIELD  
AUDIT RESULTS AND COMMENTS  
(Continued)

OPTICAL IMAGES OF WARRANTS (Town Court)

The financial institution did not return the actual cancelled checks with the monthly bank statements, but instead returned only an optical image of the front side of the checks.

Indiana Code 5-15-6-3 concerning optical imaging of checks, states in part:

"(a) . . . 'original records' . . . includes the optical image of a check or deposit document when:

- (1) the check or deposit document is recorded, copied, or reproduced by an optical imaging process . . . ; and
- (2) the drawer of the check receives an optical image of the check after the check is processed for payment . . . "

Further, Indiana Code 26-2-8-111 states in part:

"(a) If a law requires that certain records be retained, that requirement is met by retaining an electronic record of the information in the record that:

- (1) accurately reflects the information set forth in the record after it was first generated in its final form as an electronic record or otherwise; and
- (2) remains accessible for later reference."

"(e) If a law requires retention of a check, that requirement is satisfied by retention of an electronic record of the information on the front and back of the check in accordance with subsection (a)."

OVERDRAWN FUND BALANCES

The fund balances for several funds were overdrawn during 2006. The following funds were overdrawn as of December 31, 2006:

| <u>Fund Name</u>            | <u>Overdrawn<br/>Amount</u> |
|-----------------------------|-----------------------------|
| Federal Task Force Overtime | \$ 1,009                    |
| Hendricks County Grant      | 400                         |
| Operation Pullover          | 1,199                       |

The fund 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)

TOWN OF PLAINFIELD  
AUDIT RESULTS AND COMMENTS  
(Continued)

DEPOSITS (Parks Department)

In numerous instances, receipts were deposited later than the next business day. Of the examined items, we identified instances where deposits were not made until four business days after the date of receipt.

Indiana Code 5-13-6-1(d) states: "A city (other than a consolidated city) or a town shall deposit funds not later than the next business day following the receipt of the funds in depositories (1) selected by the city or town as provided in an ordinance adopted by the city or the town; and (2) approved as depositories of state funds."

SERVICE AND TIME RECORDS

Each employee is required to prepare and sign a time record; however, these were not presented for audit.

An Excel spreadsheet is prepared for each pay period by each department and turned in to the Clerk-Treasurer. This spreadsheet summarizes hours worked and leave time used by each employee. The spreadsheet has not been approved for use in lieu of Payroll Form 99. Each department head is required to sign in approval of the spreadsheet prior to submission; however, in many instances the spreadsheet was not signed.

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)

TIMELY RECORDKEEPING

EMS transactions (ambulance billing, collections and write offs) for the entire year were recorded on December 31, 2006.

All documents and entries to records should be done in a timely manner to ensure that accurate financial information is available to allow the governmental unit to make informed management decisions and to help ensure compliance with IC 5-15-1-1 et seq., commonly referred to as the Public Records Law. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

TRANSACTION RECORDING

Cash and investment balances and transactions of twelve bank accounts held by the Redevelopment Commission, a department of the Town, were not included in the records of the Town. These accounts are trustee accounts set up at issuance of each corresponding Tax Increment Revenue Bond. Bond proceeds and Tax Increment distributions are receipted into these accounts in accordance with the Bond Resolution. Expenditures to pay costs of the project and debt service payments are paid out of these accounts.

All financial transactions pertaining to the governmental unit should be recorded in the records of the governmental unit. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

TOWN OF PLAINFIELD  
AUDIT RESULTS AND COMMENTS  
(Continued)

OFFICIAL BOND

The Town has a Crime Insurance policy to cover all officials and employees of the Town. However, no ordinance was passed allowing this nor was the policy filed in the office of the County Recorder.

Indiana Code 5-4-1-18(b) states in part: "The fiscal body of a city, . . . may by ordinance authorize the purchase of a blanket bond or a crime insurance policy . . . to cover the faithful performance of all employees, commission members, and persons acting on behalf of the local government unit including those officers described in subsection (a)."

Crime insurance policies permitted by statute should be recorded in the same manner as official bonds under IC 5-4. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

SUPPLEMENTAL AUDIT OF  
FEDERAL AWARDS



# STATE OF INDIANA

AN EQUAL OPPORTUNITY EMPLOYER

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

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

## INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

TO: THE OFFICIALS OF THE TOWN OF PLAINFIELD, HENDRICKS COUNTY, INDIANA

### Compliance

We have audited the compliance of the Town of Plainfield (Town) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended December 31, 2006. The Town's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Town's management. Our responsibility is to express an opinion on the Town's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Town's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Town's compliance with those requirements.

In our opinion, the Town complied in all material respects with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2006.

### Internal Control Over Compliance

The management of the Town is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Town's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control over compliance.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS  
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER  
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133  
(Continued)

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in the entity's internal control that might be significant deficiencies or material weaknesses as defined below. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

A control deficiency in a Town's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies in internal control over compliance described in item 2006-1 of the accompanying Schedule of Findings and Questioned Costs to be significant deficiencies.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control. We did not consider any of the deficiencies described in the accompanying Schedule of Findings and Questioned Costs to be material weaknesses.

This report is intended solely for the information and use of the Town's management, Town Council, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

December 10, 2007

TOWN OF PLAINFIELD  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 For The Year Ended December 31, 2006

| Federal Grantor Agency/Pass-Through Entity<br>Cluster Title/Program Title/Project Title    | Federal<br>CFDA<br>Number | Pass-Through<br>Entity (or Other)<br>Identifying<br>Number | Total<br>Federal Awards<br>Expended |
|--|---------------------------|--|-------------------------------------|
| <u>U.S. DEPARTMENT OF AGRICULTURE</u>  |                           |  |                                     |
| Direct Grant   |                           |  |                                     |
| Emergency Watershed Protection   | 10.xxx                    | 65-52KY-5-0016   | \$ <u>1,168,021</u>                 |
| <u>U.S. DEPARTMENT OF TRANSPORTATION</u>   |                           |  |                                     |
| Pass-Through Indiana Criminal Justice Institute  |                           |  |                                     |
| Highway Safety Cluster   |                           |  |                                     |
| State and Community Highway Safety<br>Operation Pullover                                   | 20.600                    |  | 7,434                               |
| Alcohol Traffic Safety and Drunk Driving Prevention<br>Incentive Grants<br>OWI Enforcement | 20.601                    |  | <u>15,895</u>                       |
| Total for federal grantor agency   |                           |  | <u>23,329</u>                       |
| Total federal awards expended  |                           |  | <u>\$ 1,191,350</u>                 |

The accompanying note is an integral part of the Schedule of Expenditures of Federal Awards.

TOWN OF PLAINFIELD  
NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Town of Plainfield (Town) and is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Accordingly, the amount of federal awards expended is based on when the activity related to the award occurs. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

TOWN OF PLAINFIELD  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Auditor's Results

Financial Statements:

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

|  |               |
|--|---------------|
| Material weaknesses identified?  | no            |
| Significant deficiencies identified that are not considered to be material weaknesses? | none reported |
| Noncompliance material to financial statements noted?                                  | no            |

Federal Awards:

Internal control over major programs:

|  |     |
|--|-----|
| Material weakness identified?  | no  |
| Significant deficiency identified that are not considered to be material weaknesses? | yes |

Type of auditor's report issued on compliance for major programs: Unqualified

|  |     |
|--|-----|
| Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? | yes |
|--|-----|

Identification of Major Programs:

| CFDA<br>Number | Name of Federal Program or Cluster     |
|----------------|--|
| 10.xxx         | Emergency Watershed Protection Program |

Dollar threshold used to distinguish between Type A and Type B programs: \$300,000

|  |    |
|--|----|
| Auditee qualified as low-risk auditee? | no |
|--|----|

Section II – Financial Statement Findings

No matters are reportable.

TOWN OF PLAINFIELD  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

Section III – Federal Award Findings and Questioned Costs

FINDING 2006-1, INTERNAL CONTROL - DAVIS BACON

Federal Agency: U.S. Department of Agriculture  
Federal Program: Emergency Watershed Protection  
CFDA Number: 10.xxx

Controls over the monitoring of Davis Bacon Act were not in place. Although the contracts for the project included a clause that the contractor will pay laborers the prevailing wage, no monitoring, reviewing or testing of wages paid were performed by the Town. Based upon our review of two pay periods during the project, the prevailing wage was properly paid.

29 CFR 3.2 states in part:

"(e) Every person paid by a contractor or subcontractor in any manner for his labor in the construction, prosecution, completion, or repair of a public building or public work or building or work financed in whole or in part by loans or grants from the United States is employed and receiving wages, regardless of any contractual relationship alleged to exist between him and the real employer."

29 CFR 3.3 states in part:

"(b) Each contractor or subcontractor engaged in the construction, prosecution, completion, or repair of any public building or public work, or building or work financed in whole or in part by loans or grants from the United States, shall furnish each week a statement with respect to the wages paid each of its employees engaged on work covered by this part 3 and part 5 of this chapter during the preceding weekly payroll period. This statement shall be executed by the contractor or subcontractor or by an authorized officer or employee of the contractor or subcontractor who supervises the payment of wages, and shall be on form WH 348, 'Statement of Compliance', or on an identical form on the back of WH 347, 'Payroll (For Contractors Optional Use)' or on any form with identical wording. Sample copies of WH 347 and WH 348 may be obtained from the Government contracting or sponsoring agency, and copies of these forms may be purchased at the Government Printing Office.

(c) The requirements of this section shall not apply to any contract of \$2,000 or less."

We recommended the Town establish controls to monitor compliance with the Davis-Bacon Act requirements. This would include communication to staff, contractors, and subcontractors the requirement to pay wages in accordance with the Davis-Bacon Act, monitoring and testing certified payrolls to ensure the prevailing wage was paid, and on-site visits to monitor laborer classification and wage rates.

TOWN OF PLAINFIELD  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters are reportable.



# TOWN OF PLAINFIELD

206 W. Main Street P.O. Box 65 Plainfield, Indiana 46168  
Phone (317) 839-2561 Fax (317) 838-5236  
web: town.plainfield.in.us

## TOWN COUNCIL

**ROBIN G. BRANDGARD**  
President  
Water Department  
Fire Department

**BILL KIRCHOFF**  
Vice-President  
Street Department

**KENT McPHAIL**  
Police Department  
Public Relations

**DANIEL FIVECOAT**  
Sewer Department  
Sanitation

**EDMUND GADDIE, JR.**  
Parks Department  
Properties

**Wesley R. Bennett**  
Clerk-Treasurer

**TOWN MANAGER**  
Richard A. Carlucci

**HR DIRECTOR**  
Ronald Lydick

**TOWN ENGINEER**  
Timothy A. Belcher

**DEPUTY BUILDING  
COMMISSIONER**  
Edward Rudolphi

**DIRECTOR OF  
PLANNING**  
Joe James

**PUBLIC WORKS  
SUPERINTENDENT**  
Jason Castetter

**FIRE CHIEF**  
Byron L. Anderson

**POLICE CHIEF**  
Larry Brinker

**ATTORNEY**  
Melvin R. Daniel

## CORRECTIVE ACTION PLAN

### FINDING NO. 2006-1

**Federal Agency:** U.S. Department of Agriculture  
**Federal Program:** Emergency Watershed Protection  
**CFDA Number:** 10.unknown  
**Federal Award Number:** 65-52KY-5-0016  
**Auditee Contact Person:** Tim Belcher  
**Title of Contact Person:** Town Engineer  
**Phone Number:** 317-839-2561

### **Corrective Action:**

On all future contracts paid with federal fund that are greater than \$2,000 we will establish control to monitor compliance with the Davis-Bacon Act requirements. Including communication to staff, contractors, and subcontractors the requirement to pay wages in accordance with the Davis-Bacon Act, monitoring and testing certified payrolls to ensure the prevailing wage was paid, and on-site visits to monitor laborer classification and wage rates.

12/5/07

Tim Belcher, Town Engineer

TOWN OF PLAINFIELD  
EXIT CONFERENCE

The contents of this report were discussed on December 17, 2007, with Wesley Bennett, Clerk-Treasurer; Robin Brandgard, President of the Town Council; and Kent McPhail, Town Council member.