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

ANNUAL FINANCIAL REPORT

2009

CITY OF WESTFIELD

HAMILTON COUNTY, INDIANA



**FILED**  
09/28/2010



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### SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Cindy Gossard	01-01-08 to 12-31-11
Mayor	Andrew Cook	01-01-08 to 12-31-11
President of the Board of Public Works	Andrew Cook	01-01-09 to 12-31-10
President of the City Council	Ken Kingshill Tom Smith	01-01-09 to 12-31-09 01-01-10 to 12-31-10
Director of Public Works	Kurt Wanninger	01-01-09 to 12-31-10



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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

TO: THE OFFICIALS OF THE CITY OF WESTFIELD, HAMILTON COUNTY, INDIANA

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Westfield (City), as of and for the year ended December 31, 2009, which collectively comprise the City's basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of the City'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 City 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 City as of December 31, 2009, and the respective cash receipts and cash disbursements during the year then ended on the basis of accounting described in Note I.

In accordance with Government Auditing Standards, we have also issued a report dated June 3, 2010, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. 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.

The Schedule of Funding Progress is a not required part of the basic financial statements but is 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 City 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 City's basic financial statements. The Combining Schedules, as listed in the Table of Contents, Schedule of Capital Assets, and Schedule of Long-Term Debt are 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 Capital Assets and Schedule of Long-Term Debt have 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

August 10, 2010



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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 CITY OF WESTFIELD, HAMILTON COUNTY, INDIANA

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Westfield (City), as of and for the year ended December 31, 2009, which collectively comprise the City's basic financial statements and have issued our report thereon dated August 10, 2010. 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 City'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 City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

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

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. We consider the deficiencies described in item 2009-1 of the accompanying Schedule of Findings and Questioned Costs to be significant deficiencies in internal control over financial reporting.

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.

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)

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. However, of the significant deficiencies described above, we consider item 2009-1 to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City'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.

The City's response to the findings identified in our audit is described in the accompanying section of the report entitled Corrective Action Plan. We did not audit the City's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the City's management, Board of Public Works, Common 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

August 10, 2010

CITY OF WESTFIELD  
STATEMENT OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS  
For The Year Ended December 31, 2009

Functions/Programs	Program Receipts				Net (Disbursement) Receipt and Changes in Net Assets Primary Government		
	Disbursements	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Totals
<b>Primary government:</b>							
<b>Governmental activities:</b>							
General government	\$ 10,111,161	\$ 936,953	\$ 12,598	\$ -	\$ (9,161,610)	\$ -	\$ (9,161,610)
Public safety	4,599,911	1,175,731	-	385,000	(3,039,180)	-	(3,039,180)
Highways and streets	1,109,952	39,658	529,753	302,125	(238,416)	-	(238,416)
Economic development	220,994	-	-	-	(220,994)	-	(220,994)
Culture and recreation	905,245	8,298	82,714	-	(814,233)	-	(814,233)
Principal and interest on indebtedness	979,786	-	-	-	(979,786)	-	(979,786)
<b>Total governmental activities</b>	<b>17,927,049</b>	<b>2,160,640</b>	<b>625,065</b>	<b>687,125</b>	<b>(14,454,219)</b>	<b>-</b>	<b>(14,454,219)</b>
<b>Business-type activities:</b>							
Westfield Wastewater Utility	8,613,446	7,221,008	-	-	-	(1,392,438)	(1,392,438)
Westfield Water Utility	6,287,042	4,857,576	-	12,969	-	(1,416,497)	(1,416,497)
<b>Total business-type activities</b>	<b>14,900,488</b>	<b>12,078,584</b>	<b>-</b>	<b>12,969</b>	<b>-</b>	<b>(2,808,935)</b>	<b>(2,808,935)</b>
<b>Total primary government</b>	<b>\$ 32,827,537</b>	<b>\$ 14,239,224</b>	<b>\$ 625,065</b>	<b>\$ 700,094</b>	<b>(14,454,219)</b>	<b>(2,808,935)</b>	<b>(17,263,154)</b>
<b>General receipts:</b>							
Property taxes					10,593,142	-	10,593,142
Intergovernmental					5,075,622	-	5,075,622
Other local sources					1,247,992	108,191	1,356,183
Net proceeds from borrowings					6,933,830	1,200,000	8,133,830
Grants and contributions not restricted to specific programs					144,599	-	144,599
Investment earnings					3,660	11,503	15,163
<b>Total general receipts</b>					<b>23,998,845</b>	<b>1,319,694</b>	<b>25,318,539</b>
<b>Change in net assets</b>					<b>9,544,626</b>	<b>(1,489,241)</b>	<b>8,055,385</b>
<b>Net assets - beginning</b>					<b>4,367,940</b>	<b>5,919,994</b>	<b>10,287,934</b>
<b>Net assets - ending</b>					<b>\$ 13,912,566</b>	<b>\$ 4,430,753</b>	<b>\$ 18,343,319</b>
<b>Assets</b>							
Cash and investments					\$ 13,220,296	\$ 995,412	\$ 14,215,708
Restricted assets:							
Cash and investments					692,270	3,435,341	4,127,611
<b>Total assets</b>					<b>\$ 13,912,566</b>	<b>\$ 4,430,753</b>	<b>\$ 18,343,319</b>
<b>Net Assets</b>							
Restricted for:							
Highways and streets					\$ 184,545	\$ -	\$ 184,545
Culture and recreation					2,525	-	2,525
Debt service					-	2,467,985	2,467,985
Capital outlay					505,200	967,356	1,472,556
Unrestricted					13,220,296	995,412	14,215,708
<b>Total net assets</b>					<b>\$ 13,912,566</b>	<b>\$ 4,430,753</b>	<b>\$ 18,343,319</b>

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

CITY OF WESTFIELD  
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, 2009

	General	Fire Operation	South Union Streetscape	Fire Station 83 Proceeds	Other Governmental Funds	Totals
<b>Receipts:</b>						
Taxes	\$ 5,424,274	\$ 3,494,509	\$ -	\$ -	\$ 2,322,297	\$ 11,241,080
Licenses and permits	260,152	-	-	-	463,879	724,031
Intergovernmental	2,960,183	1,536,379	-	-	2,035,849	6,532,411
Charges for services	59,632	790,440	-	-	305,300	1,155,372
Fines and forfeits	2,335	-	-	-	108,170	110,505
Other	189,373	6,822	-	-	57,370	253,565
<b>Total receipts</b>	<b>8,895,949</b>	<b>5,828,150</b>	<b>-</b>	<b>-</b>	<b>5,292,865</b>	<b>20,016,964</b>
<b>Disbursements:</b>						
General government	1,540,251	5,225,730	-	-	2,164,678	8,930,659
Public safety	3,879,374	-	-	-	610,262	4,489,636
Highways and streets	-	-	-	-	891,130	891,130
Economic development	186,105	-	-	-	34,889	220,994
Culture and recreation	890,365	-	-	-	10,675	901,040
<b>Debt service:</b>						
Principal	-	-	-	-	606,000	606,000
Interest	-	-	-	-	373,786	373,786
<b>Capital outlay:</b>						
General government	3,468	13,264	-	-	1,163,770	1,180,502
Public safety	47,432	-	-	-	62,843	110,275
Highways and streets	-	-	-	-	218,822	218,822
Culture and recreation	4,205	-	-	-	-	4,205
<b>Total disbursements</b>	<b>6,551,200</b>	<b>5,238,994</b>	<b>-</b>	<b>-</b>	<b>6,136,855</b>	<b>17,927,049</b>
Excess (deficiency) of receipts over disbursements	2,344,749	589,156	-	-	(843,990)	2,089,915
<b>Other financing sources (uses):</b>						
Net proceeds from borrowings	-	-	2,300,000	2,000,000	2,633,830	6,933,830
Transfers in	-	-	-	-	534,586	534,586
Transfers out	(29,231)	-	-	-	(505,355)	(534,586)
Other receipts	262,950	26,122	-	-	231,809	520,881
<b>Total other financing sources</b>	<b>233,719</b>	<b>26,122</b>	<b>2,300,000</b>	<b>2,000,000</b>	<b>2,894,870</b>	<b>7,454,711</b>
Excess of receipts and other financing sources over disbursements and other financing uses	2,578,468	615,278	2,300,000	2,000,000	2,050,880	9,544,626
Cash and investment fund balance - beginning	875,730	1,978	-	-	3,490,232	4,367,940
Cash and investment fund balance - ending	<u>\$ 3,454,198</u>	<u>\$ 617,256</u>	<u>\$ 2,300,000</u>	<u>\$ 2,000,000</u>	<u>\$ 5,541,112</u>	<u>\$ 13,912,566</u>
<b>Cash and Investment Assets - Ending</b>						
Cash and investments	\$ 3,454,198	\$ 617,256	\$ 2,300,000	\$ 2,000,000	\$ 4,848,842	\$ 13,220,296
<b>Restricted assets:</b>						
Cash and investments	-	-	-	-	692,270	692,270
<b>Total cash and investment assets - ending</b>	<u>\$ 3,454,198</u>	<u>\$ 617,256</u>	<u>\$ 2,300,000</u>	<u>\$ 2,000,000</u>	<u>\$ 5,541,112</u>	<u>\$ 13,912,566</u>
<b>Cash and Investment Fund Balance - Ending</b>						
<b>Restricted for:</b>						
Highways and streets	\$ -	\$ -	\$ -	\$ -	\$ 184,545	\$ 184,545
Culture and recreation	-	-	-	-	2,525	2,525
Capital outlay	-	-	-	-	505,200	505,200
Unrestricted	3,454,198	617,256	2,300,000	2,000,000	4,848,842	13,220,296
<b>Total cash and investment fund balance - ending</b>	<u>\$ 3,454,198</u>	<u>\$ 617,256</u>	<u>\$ 2,300,000</u>	<u>\$ 2,000,000</u>	<u>\$ 5,541,112</u>	<u>\$ 13,912,566</u>

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

CITY OF WESTFIELD  
STATEMENT OF ASSETS AND FUND BALANCES AND  
RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
PROPRIETARY FUNDS  
As Of And For The Year Ended December 31, 2009

	Westfield Wastewater Utility	Westfield Water Utility	Totals
Operating receipts:			
Sales for resale	\$ -	\$ 591,663	\$ 591,663
Fire protection receipts	-	13,420	13,420
Fees	6,821,499	3,674,839	10,496,338
Miscellaneous	399,509	577,654	977,163
<b>Total operating receipts</b>	<b><u>7,221,008</u></b>	<b><u>4,857,576</u></b>	<b><u>12,078,584</u></b>
Operating disbursements:			
Salaries and wages	1,711,456	1,899,195	3,610,651
Employee pensions and benefits	278,990	280,404	559,394
Purchased wastewater treatment	618,402	-	618,402
Sludge removal	25,364	-	25,364
Purchased power	253,083	324,264	577,347
Chemicals	78,692	50,552	129,244
Material and supplies	116,889	152,216	269,105
Contractual services	1,130,340	527,091	1,657,431
Transportation	15,943	12,201	28,144
Insurance claims and expense	60,311	59,337	119,648
Refunds	3,353	7,997	11,350
Equipment and capital improvements	549,325	1,106,204	1,655,529
Miscellaneous	292,158	816,939	1,109,097
<b>Total operating disbursements</b>	<b><u>5,134,306</u></b>	<b><u>5,236,400</u></b>	<b><u>10,370,706</u></b>
<b>Excess (deficiency) of operating receipts over operating disbursements</b>	<b><u>2,086,702</u></b>	<b><u>(378,824)</u></b>	<b><u>1,707,878</u></b>
Nonoperating receipts (disbursements):			
Rent	70,324	37,867	108,191
Investment income	5,815	5,688	11,503
Net proceeds from borrowings	-	1,200,000	1,200,000
Debt service of principal	(1,552,164)	(553,722)	(2,105,886)
Interest disbursements	(1,926,976)	(496,920)	(2,423,896)
<b>Total nonoperating receipts (disbursements)</b>	<b><u>(3,403,001)</u></b>	<b><u>192,913</u></b>	<b><u>(3,210,088)</u></b>
<b>Excess (deficiency) of receipts over disbursements and nonoperating receipts (disbursements)</b>	<b><u>(1,316,299)</u></b>	<b><u>(185,911)</u></b>	<b><u>(1,502,210)</u></b>
Capital contributions	-	12,969	12,969
Transfers in	6,027,609	4,297,528	10,325,137
Transfers out	(6,027,609)	(4,297,528)	(10,325,137)
<b>Excess (deficiency) of receipts, contributions and transfers in over disbursements and transfers out</b>	<b><u>(1,316,299)</u></b>	<b><u>(172,942)</u></b>	<b><u>(1,489,241)</u></b>
Cash and investment fund balance - beginning	<u>4,425,396</u>	<u>1,494,598</u>	<u>5,919,994</u>
<b>Cash and investment fund balance - ending</b>	<b><u>\$ 3,109,097</u></b>	<b><u>\$ 1,321,656</u></b>	<b><u>\$ 4,430,753</u></b>
<b><u>Cash and Investment Assets - December 31</u></b>			
Cash and investments	\$ 368,958	\$ 626,454	\$ 995,412
Restricted assets:			
Cash and investments	<u>2,740,139</u>	<u>695,202</u>	<u>3,435,341</u>
<b>Total cash and investment assets - December 31</b>	<b><u>\$ 3,109,097</u></b>	<b><u>\$ 1,321,656</u></b>	<b><u>\$ 4,430,753</u></b>
<b><u>Cash and Investment Fund Balance - December 31</u></b>			
Restricted for:			
Debt service	\$ 1,773,124	\$ 694,861	\$ 2,467,985
Capital outlay	967,015	341	967,356
Unrestricted	<u>368,958</u>	<u>626,454</u>	<u>995,412</u>
<b>Total cash and investment fund balance - December 31</b>	<b><u>\$ 3,109,097</u></b>	<b><u>\$ 1,321,656</u></b>	<b><u>\$ 4,430,753</u></b>

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

CITY OF WESTFIELD  
STATEMENT OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES  
FIDUCIARY FUNDS  
For The Year Ended December 31, 2009

	<u>Agency Fund</u>
Cash and investment fund balance - ending	<u>\$ 29,370</u>

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

CITY OF WESTFIELD  
NOTES TO FINANCIAL STATEMENTS

I. Summary of Significant Accounting Policies

A. Reporting Entity

The City was established under the laws of the State of Indiana. The City operates under a Council-Mayor 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, and urban redevelopment.

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

Primary Government: City of Westfield

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

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. 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.

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, 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 City 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 fire operation fund accounts for all transactions relating to the operation of the City's fire department.

CITY OF WESTFIELD  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

The south union streetscape fund accounts for revenues received from the issuance of bonds. Expenditures include the construction and acquisition related costs for economic development or redevelopment projects.

The fire station 83 proceeds fund accounts for revenues received from the issuance of bonds. Expenditures include the construction and acquisition related costs for fire station 83.

The City reports the following major enterprise funds:

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 collections points.

Additionally, the City reports the following fund types:

The agency fund accounts for assets held by the City as an agent for payroll withholding entities.

C. Measurement Focus and Basis of Accounting

The government-wide, governmental fund, proprietary fund, and fiduciary fund financial statements are reported using the basis of accounting that demonstrates compliance with the cash 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 City utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting, while the fund financial statements for proprietary fund types would use the accrual basis of accounting. All government-wide financials would be presented on the accrual basis of accounting.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the enterprise fund statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their enterprise funds, subject to this same limitation. The City has elected not to follow subsequent private-sector guidance.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the City and its enterprise funds. Elimination of these charges would distort the direct costs and program receipts reported for the various functions concerned.

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

CITY OF WESTFIELD  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

Operating disbursements for enterprise funds include the cost of sales and services and administrative costs. All receipts and disbursements not meeting this definition are reported as nonoperating receipts and disbursements. Internal service funds are used to account for activities provided to other departments or agencies primarily with the government. The City does not have any internal service funds.

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

D. Assets and Cash and Investment Balances

1. Restricted Assets

All restricted assets, as presented in the accompanying financial statements, are restricted due to enabling legislation.

2. 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.

3. Property Taxes

Normally, property taxes levied are collected by the County Treasurer and are distributed to the City in June and in December. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. Taxable property is assessed at 100% of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which may become delinquent if not paid by May 10 and November 10, respectively. All property taxes collected by the County Treasurer and available for distribution were distributed to the City on or prior to December 31 of the year collected.

4. 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.

5. Long-Term Debt

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

6. Equity Classification

Government-Wide Statements

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

CITY OF WESTFIELD  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

- 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."

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 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 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 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.
- 4. Interfund loans – Flow of assets from one fund to another where repayment is expected is reported as interfund loans.

CITY OF WESTFIELD  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

Government-Wide Financial Statements

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

1. 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 loans and services between funds, if any, are not eliminated in the government-wide Statement of Activities and Net Assets – Cash and Investment Basis.
2. Primary government and component unit activity – Resource flows between the primary government and the discretely-presented component unit(s) are reported as if they were external transactions and are classified separately from internal activities within the primary government.

II. Stewardship, Compliance and Accountability

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 City 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. Prior to November 1, 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 City receives approval of the Indiana Department of Local Government Finance.

The City'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.

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. IC 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

CITY OF WESTFIELD  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

eligible to receive state funds and has a principal office or branch that qualifies to receive public funds of the political subdivision. The City does not have a deposit policy for custodial credit risk. At December 31, 2009, the City had deposit balances in the amount of \$19,081,334.

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

As of December 31, 2009, the City had the following investments:

Investment Type	Primary Government Market Value
U.S. treasuries and securities	\$ 917,279

Statutory Authorization for Investments

IC 5-13-9 authorizes the City 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 City to invest in securities fully guaranteed and issued by a federal agency, a federal instrumentality, or a federal government sponsored enterprise. These investments are required by statute to have a stated final maturity of not more than two years.

Indiana Code also provides for investment in money market mutual funds that are in the form of securities of, or interest in, an open-end, no-load, management-type investment company or investment trust registered under the provision of the federal Investment Company Act of 1940, as amended. Investments in money market mutual funds may not exceed 50% of the funds held by the City 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 have a stated final maturity of one day.

Additionally, the City may enter into repurchase agreements with depositories designated by the State Board of Finance as depositories for state deposits involving the City'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

CITY OF WESTFIELD  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

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 City does not have a formal investment policy for custodial credit risk for investments.

The following investments held by the City were exposed to custodial credit risks because they are uninsured and unregistered with securities held by the counterparty, or the counterparty's trust department or agent, either in the government's name or not in the government's name:

Primary Government:

Investment Type	2009 Not in the Government's Name
U.S. treasuries and securities	\$ <u>917,279</u>

Interest Rate Risk

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

Investment Type	Investment Maturities (in Years) More Than 2
U.S. treasuries and securities	\$ <u>917,279</u>

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The distribution of securities with credit ratings is summarized below. The City does not have a formal investment policy for credit risk for investments.

CITY OF WESTFIELD  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The City does not have a policy in regards to concentration of credit risk. United States of America government and United States of America governmental agency securities are exempt from this policy requirement.

B. Interfund Transfers

Interfund transfers for the year ended December 31, 2009, were as follows:

Transfer From	Transfer To	2009
General Fund	Other Governmental Funds	\$ 29,231
Other Governmental Funds	Other Governmental Funds	<u>505,355</u>
Total		<u>\$ 534,586</u>

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

IV. Other Information

A. Risk Management

The City 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; medical benefits to employees, and dependents; 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; medical benefits to employees, and dependents; and natural disasters are covered by commercial insurance from independent third parties.

Settled claims from risks covered by commercial insurance 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 Corporation

The City has entered into a capital lease with Westfield Public Safety Building Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the City. The lessor has been determined to be a related party of the City. Lease payments during the year 2009 totaled \$232,163.

CITY OF WESTFIELD  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

C. Rate Structure – Enterprise Funds

Water Utility

On February 25, 2002, the City Council adopted Ordinance 2002-16 to withdraw from the jurisdiction of the Indiana Utility Regulatory Commission. The current rate structure was approved by the Council on April 13, 2009.

Wastewater Utility

The current rate structure was approved by the City Council on October 13, 2008.

D. Receipts Pledged

Water Utility Receipts Pledged

The City has pledged future income derived from the acquired or constructed assets receipts, net of specified operating expenditures, to repay revenue bonds issued in 1998. Proceeds from the bonds provided financing for utility improvements. The bonds are payable solely from income derived from the acquired or constructed assets net receipts and are payable through 2018. Annual principal and interest payments are expected to require less than 100 percent of net receipts.

The City has pledged future income derived from the acquired or constructed assets receipts, net of specified operating expenditures, to repay revenue bonds issued in 2002. Proceeds from the bonds provided financing for utility improvements. The bonds are payable solely from income derived from the acquired or constructed assets net receipts and are payable through 2023. Annual principal and interest payments are expected to require less than 100 percent of net receipts.

The City has pledged future income derived from the acquired or constructed assets receipts, net of specified operating expenditures, to repay revenue bonds issued in 2009. Proceeds from the bonds provided financing for utility improvements. The bonds are payable solely from income derived from the acquired or constructed assets net receipts and are payable through 2012. Annual principal and interest payments are expected to require less than 100 percent of net receipts.

Wastewater Utility Receipts Pledged

The City has pledged future income derived from the acquired or constructed assets receipts, net of specified operating expenditures, to repay revenue bonds issued in 2002. Proceeds from the bonds provided financing for utility improvements. The bonds are payable solely from income derived from the acquired or constructed assets net receipts and are payable through 2023. Annual principal and interest payments are expected to require less than 100 percent of net receipts.

The City has pledged future income derived from the acquired or constructed assets receipts, net of specified operating expenditures, to repay revenue bonds issued in 2004. Proceeds from the bonds provided financing for utility improvements. The bonds are payable solely from income derived from the acquired or constructed assets net receipts and are payable through 2025. Annual principal and interest payments are expected to require less than 100 percent of net receipts.

CITY OF WESTFIELD  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

The City has pledged future income derived from the acquired or constructed assets receipts, net of specified operating expenditures, to repay revenue bonds issued in 2006. Proceeds from the bonds provided financing for refunding of 1997 bond issue. The bonds are payable solely from income derived from the acquired or constructed assets net receipts and are payable through 2019. Annual principal and interest payments are expected to require less than 100 percent of net receipts.

The City has pledged future income derived from the acquired or constructed assets receipts, net of specified operating expenditures, to repay revenue bonds issued in 2007. Proceeds from the bonds provided financing for utility improvements. The bonds are payable solely from income derived from the acquired or constructed assets net receipts and are payable through 2032. Annual principal and interest payments are expected to require less than 100 percent of net receipts.

Tax Increment Receipts Pledged

The City has pledged a portion of incremental real property tax receipts collected in the TIF area to repay \$7,030,000 in tax increment bonds issued in 2009 to finance paying the costs of economic development and redevelopment in the East Side Economic Development Area. The bonds are payable solely from the incremental real property tax receipts collected in the TIF area generated by the tax proceeds attributable to all real property assessed value with the area, as of the assessment date, in excess of the base assessed value. Incremental real property tax receipts collected in the TIF area were projected to produce 100 percent of the debt service requirements over the life of the bonds.

E. Pension Plans

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

Public Employees' Retirement Fund

Plan Description

The City 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 City 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

CITY OF WESTFIELD  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

Funding Policy

The contribution requirements of plan members for PERF are established by the Board of Trustees of PERF. The total contributions made to PERF by the City during the period were \$492,761.

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

1977 Police Officers' and Firefighters' Pension and Disability Fund

Plan Description

The City 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.

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 52 with 20 years of service. An employee with 20 years of service may leave service, but will not receive benefits until reaching age 52. 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

The contribution requirements of plan members and the City are established by the Board of Trustees of PERF. The City's contributions to the plan during the period were \$456,492.

CITY OF WESTFIELD  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF FUNDING PROGRESS

Public Employees' Retirement Fund

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)
07-01-07	\$ 2,782,874	\$ 3,451,978	\$ (669,104)	81%	\$ 4,991,921	(13%)
07-01-08	3,395,474	3,958,469	(562,995)	86%	5,578,066	(10%)
07-01-09	3,577,284	3,999,781	(422,497)	89%	6,249,209	(7%)

CITY OF WESTFIELD  
 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, 2009

	Motor Vehicle Highway	Local Road And Street	Park Nonreverting Operating	Emergency Medical Services/Ambulanc	Economic Development Operating	Community Development	Grant, Misc
<b>Receipts:</b>							
Taxes	\$ 64,094	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	535,005	302,125	-	-	25,000	-	115,000
Charges for services	49,018	-	4,533	154,311	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other	5,302	-	-	-	-	-	-
<b>Total receipts</b>	<b>653,419</b>	<b>302,125</b>	<b>4,533</b>	<b>154,311</b>	<b>25,000</b>	<b>-</b>	<b>115,000</b>
<b>Disbursements:</b>							
General government	-	-	-	-	-	-	-
Public safety	-	-	-	139,760	-	-	-
Highways and streets	722,208	168,922	-	-	-	-	-
Economic development	-	-	-	-	25,174	9,715	-
Culture and recreation	-	-	10,675	-	-	-	-
Debt service:							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Capital outlay:							
General government	-	-	-	-	-	-	-
Public safety	-	-	-	59,147	-	-	-
Highways and streets	-	218,822	-	-	-	-	-
<b>Total disbursements</b>	<b>722,208</b>	<b>387,744</b>	<b>10,675</b>	<b>198,907</b>	<b>25,174</b>	<b>9,715</b>	<b>-</b>
Excess (deficiency) of receipts over disbursements	(68,789)	(85,619)	(6,142)	(44,596)	(174)	(9,715)	115,000
<b>Other financing sources (uses):</b>							
Net proceeds from borrowings	-	-	-	-	-	-	-
Transfers in	-	-	-	-	25,174	5,389	-
Transfers out	-	-	-	-	-	(11,309)	-
Other receipts	7,437	99,000	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>7,437</b>	<b>99,000</b>	<b>-</b>	<b>-</b>	<b>25,174</b>	<b>(5,920)</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(61,352)	13,381	(6,142)	(44,596)	25,000	(15,635)	115,000
Cash and investment fund balance - beginning	391,280	171,164	8,667	193,756	1,551	15,635	-
Cash and investment fund balance - ending	\$ 329,928	\$ 184,545	\$ 2,525	\$ 149,160	\$ 26,551	\$ -	\$ 115,000
<b>Cash and Investment Assets - Ending</b>							
Cash and investments	\$ 329,928	\$ -	\$ -	\$ 149,160	\$ 26,551	\$ -	\$ 115,000
Restricted assets:							
Cash and investments	-	184,545	2,525	-	-	-	-
<b>Total cash and investment assets - ending</b>	<b>\$ 329,928</b>	<b>\$ 184,545</b>	<b>\$ 2,525</b>	<b>\$ 149,160</b>	<b>\$ 26,551</b>	<b>\$ -</b>	<b>\$ 115,000</b>

CITY OF WESTFIELD  
 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, 2009  
 (Continued)

	Rainy Day	Law Enforcement	Levy Excess	Police Donation	Parks & Recreation	Greenspace Beautification	Performance/Maint
Receipts:							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	12,795	-	-	149,976	-	-
Intergovernmental	387,452	-	-	-	82,714	4,599	-
Charges for services	-	3,970	-	-	3,765	-	-
Fines and forfeits	-	108,170	-	-	-	-	-
Other	-	20,000	-	-	1,651	1,520	26,220
<b>Total receipts</b>	<b>387,452</b>	<b>144,935</b>	<b>-</b>	<b>-</b>	<b>238,106</b>	<b>6,119</b>	<b>26,220</b>
Disbursements:							
General government	44,477	-	-	-	382,531	16,232	-
Public safety	-	85,254	-	248	-	-	-
Highways and streets	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Debt service:							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Capital outlay:							
General government	-	-	-	-	311,153	-	-
Public safety	-	-	-	3,696	-	-	-
Highways and streets	-	-	-	-	-	-	-
<b>Total disbursements</b>	<b>44,477</b>	<b>85,254</b>	<b>-</b>	<b>3,944</b>	<b>693,684</b>	<b>16,232</b>	<b>-</b>
Excess (deficiency) of receipts over disbursements	342,975	59,681	-	(3,944)	(455,578)	(10,113)	26,220
Other financing sources (uses):							
Net proceeds from borrowings	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	4,057	-
Transfers out	(494,046)	-	-	-	-	-	-
Other receipts	-	-	-	-	16,088	-	-
<b>Total other financing sources (uses)</b>	<b>(494,046)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>16,088</b>	<b>4,057</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(151,071)	59,681	-	(3,944)	(439,490)	(6,056)	26,220
Cash and investment fund balance - beginning	257,395	89,841	-	4,137	1,216,917	12,176	-
Cash and investment fund balance - ending	\$ 106,324	\$ 149,522	\$ -	\$ 193	\$ 777,427	\$ 6,120	\$ 26,220
<b>Cash and Investment Assets - Ending</b>							
Cash and investments	\$ 106,324	\$ 149,522	\$ -	\$ 193	\$ 777,427	\$ 6,120	\$ 26,220
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<b>\$ 106,324</b>	<b>\$ 149,522</b>	<b>\$ -</b>	<b>\$ 193</b>	<b>\$ 777,427</b>	<b>\$ 6,120</b>	<b>\$ 26,220</b>

CITY OF WESTFIELD  
 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, 2009  
 (Continued)

	Leaf	Trail Donation	Road & Street Improvement	Eastside Tif	Aurora Tif	Bryne Memorial Grant	Westfield Connects Non-Reverting
<b>Receipts:</b>							
Taxes	\$ -	\$ -	\$ -	\$ 498,640	\$ 394	\$ -	\$ -
Licenses and permits	-	-	301,108	-	-	-	-
Intergovernmental	-	-	-	-	-	12,598	-
Charges for services	-	-	-	-	-	-	66,703
Fines and forfeits	-	-	-	-	-	-	-
Other	901	-	-	360	-	-	-
<b>Total receipts</b>	<b>901</b>	<b>-</b>	<b>301,108</b>	<b>499,000</b>	<b>394</b>	<b>12,598</b>	<b>66,703</b>
<b>Disbursements:</b>							
General government	-	3,642	546,995	684,540	-	8,686	32,412
Public safety	-	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Debt service:							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Capital outlay:							
General government	-	4,180	489,588	193,375	-	-	2,020
Public safety	-	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-	-
<b>Total disbursements</b>	<b>-</b>	<b>7,822</b>	<b>1,036,583</b>	<b>877,915</b>	<b>-</b>	<b>8,686</b>	<b>34,432</b>
<b>Excess (deficiency) of receipts over disbursements</b>	<b>901</b>	<b>(7,822)</b>	<b>(735,475)</b>	<b>(378,915)</b>	<b>394</b>	<b>3,912</b>	<b>32,271</b>
<b>Other financing sources (uses):</b>							
Net proceeds from borrowings	-	-	-	209,734	-	-	-
Transfers in	-	11,309	488,657	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Other receipts	-	11,309	-	97,975	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>22,618</b>	<b>488,657</b>	<b>307,709</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses</b>	<b>901</b>	<b>14,796</b>	<b>(246,818)</b>	<b>(71,206)</b>	<b>394</b>	<b>3,912</b>	<b>32,271</b>
<b>Cash and investment fund balance - beginning</b>	<b>4,812</b>	<b>-</b>	<b>246,818</b>	<b>370,511</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash and investment fund balance - ending</b>	<b>\$ 5,713</b>	<b>\$ 14,796</b>	<b>\$ -</b>	<b>\$ 299,305</b>	<b>\$ 394</b>	<b>\$ 3,912</b>	<b>\$ 32,271</b>
<b>Cash and Investment Assets - Ending</b>							
Cash and investments	\$ 5,713	\$ 14,796	\$ -	\$ 299,305	\$ 394	\$ 3,912	\$ 32,271
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<b>\$ 5,713</b>	<b>\$ 14,796</b>	<b>\$ -</b>	<b>\$ 299,305</b>	<b>\$ 394</b>	<b>\$ 3,912</b>	<b>\$ 32,271</b>

CITY OF WESTFIELD  
 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, 2009  
 (Continued)

	Bond #2 Debt Service	Go Bond 2005 Debt Service	Psb Lease Rental Pmt	Eastside Tif 2009 Dsr	Cumulative Capital Development	Cumulative Capital Improvement
<b>Receipts:</b>						
Taxes	\$ 176,517	\$ 288,616	\$ 531,043	\$ -	\$ 762,993	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	352	23,635	43,519	-	62,528	56,322
Charges for services	-	-	23,000	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other	-	-	-	-	-	1,416
<b>Total receipts</b>	<b>176,869</b>	<b>312,251</b>	<b>597,562</b>	<b>-</b>	<b>825,521</b>	<b>57,738</b>
<b>Disbursements:</b>						
General government	-	-	7,100	-	388,498	20,533
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Debt service:						
Principal	121,000	165,000	320,000	-	-	-
Interest	33,725	111,098	228,963	-	-	-
Capital outlay:						
General government	-	-	-	-	-	112,990
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
<b>Total disbursements</b>	<b>154,725</b>	<b>276,098</b>	<b>556,063</b>	<b>-</b>	<b>388,498</b>	<b>133,523</b>
Excess (deficiency) of receipts over disbursements	22,144	36,153	41,499	-	437,023	(75,785)
<b>Other financing sources (uses):</b>						
Net proceeds from borrowings	-	-	-	615,000	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>615,000</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	22,144	36,153	41,499	615,000	437,023	(75,785)
Cash and investment fund balance - beginning	-	-	152,801	-	22,000	121,962
Cash and investment fund balance - ending	\$ 22,144	\$ 36,153	\$ 194,300	\$ 615,000	\$ 459,023	\$ 46,177
<b>Cash and Investment Assets - Ending</b>						
Cash and investments	\$ 22,144	\$ 36,153	\$ 194,300	\$ 615,000	\$ -	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	459,023	46,177
<b>Total cash and investment assets - ending</b>	<b>\$ 22,144</b>	<b>\$ 36,153</b>	<b>\$ 194,300</b>	<b>\$ 615,000</b>	<b>\$ 459,023</b>	<b>\$ 46,177</b>

CITY OF WESTFIELD  
 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, 2009  
 (Continued)

	Go Bond 2005 Tech	Regional Storm Detention	Psb/Adm Cap Improvement	Midland Trail Phase 1	Firefighters Grant	Totals
<b>Receipts:</b>						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,322,297
Licenses and permits	-	-	-	-	-	463,879
Intergovernmental	-	-	-	-	385,000	2,035,849
Charges for services	-	-	-	-	-	305,300
Fines and forfeits	-	-	-	-	-	108,170
Other	-	-	-	-	-	57,370
<b>Total receipts</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>385,000</b>	<b>5,292,865</b>
<b>Disbursements:</b>						
General government	1,944	-	27,088	-	-	2,164,678
Public safety	-	-	-	-	385,000	610,262
Highways and streets	-	-	-	-	-	891,130
Economic development	-	-	-	-	-	34,889
Culture and recreation	-	-	-	-	-	10,675
Debt service:						
Principal	-	-	-	-	-	606,000
Interest	-	-	-	-	-	373,786
Capital outlay:						
General government	1,327	-	49,137	-	-	1,163,770
Public safety	-	-	-	-	-	62,843
Highways and streets	-	-	-	-	-	218,822
<b>Total disbursements</b>	<b>3,271</b>	<b>-</b>	<b>76,225</b>	<b>-</b>	<b>385,000</b>	<b>6,136,855</b>
Excess (deficiency) of receipts over disbursements	(3,271)	-	(76,225)	-	-	(843,990)
<b>Other financing sources (uses):</b>						
Net proceeds from borrowings	-	309,096	-	1,500,000	-	2,633,830
Transfers in	-	-	-	-	-	534,586
Transfers out	-	-	-	-	-	(505,355)
Other receipts	-	-	-	-	-	231,809
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>309,096</b>	<b>-</b>	<b>1,500,000</b>	<b>-</b>	<b>2,894,870</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(3,271)	309,096	(76,225)	1,500,000	-	2,050,880
Cash and investment fund balance - beginning	3,997	-	204,812	-	-	3,490,232
Cash and investment fund balance - ending	<u>\$ 726</u>	<u>\$ 309,096</u>	<u>\$ 128,587</u>	<u>\$ 1,500,000</u>	<u>\$ -</u>	<u>\$ 5,541,112</u>
<b>Cash and Investment Assets - Ending</b>						
Cash and investments	\$ 726	\$ 309,096	\$ 128,587	\$ 1,500,000	\$ -	\$ 4,848,842
Restricted assets:						
Cash and investments	-	-	-	-	-	692,270
<b>Total cash and investment assets - ending</b>	<u>\$ 726</u>	<u>\$ 309,096</u>	<u>\$ 128,587</u>	<u>\$ 1,500,000</u>	<u>\$ -</u>	<u>\$ 5,541,112</u>

CITY OF WESTFIELD  
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES  
 AGENCY FUNDS  
 For The Year Ended December 31, 2009

	Payroll	Totals
Additions:		
Agency fund additions	\$ 11,573,984	\$ 11,573,984
Deductions:		
Agency fund deductions	11,614,307	11,614,307
Excess (deficiency) of total additions over total deductions	(40,323)	(40,323)
Cash and investment fund balance - beginning	69,693	69,693
Cash and investment fund balance - ending	\$ 29,370	\$ 29,370

CITY OF WESTFIELD  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF CAPITAL ASSETS  
 For The Year Ended December 31, 2009

Capital assets are reported at actual or estimated historical cost based on appraisals or deflated current replacement cost. Contributed or donated assets are reported at estimated fair value at the time received.

General infrastructure assets are included if acquired (purchased, constructed, or donated) after July 1, 1980, or if they received major renovations, restorations, or improvements after that date. The government was able to estimate the historical cost for the initial reporting of these assets through backtrending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year). As the government constructs or acquires additional capital assets each period, including infrastructure assets, they are reported at historical cost.

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 554,171
Buildings	7,311,773
Improvements other than buildings	702,670
Machinery and equipment	<u>8,104,609</u>
 Total governmental activities, capital assets not being depreciated	 <u>\$ 16,673,223</u>

<u>Primary Government</u>	<u>Ending Balance</u>
Business-type activities:	
Water Utility:	
Capital assets, not being depreciated:	
Land	\$ 2,560,074
Construction in progress	3,957,070
Buildings	7,524,868
Improvements other than buildings	22,161,909
Machinery and equipment	1,523,627
Transportation equipment	<u>510,881</u>
 Total Water Utility capital assets	 <u>38,238,429</u>
 Wastewater Utility:	
Capital assets, not being depreciated:	
Land	1,036,128
Construction in progress	15,212,694
Buildings	13,627,217
Improvements other than buildings	47,191,669
Machinery and equipment	9,791,533
Transportation equipment	<u>519,474</u>
 Total Wastewater Utility capital assets	 <u>87,378,715</u>
 Total business-type activities capital assets	 <u>\$ 125,617,144</u>

CITY OF WESTFIELD  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF LONG-TERM DEBT  
 December 31, 2009

The City has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:		
Capital leases:		
Public Safety Building	\$ 4,900,000	\$ 568,519
Various vehicles and equipment	1,276,570	568,201
Bonds payable:		
General obligation bonds:		
Road and Trail Projects	619,000	153,930
Park Improvement/IT Upgrades	2,985,000	324,798
Tax increment financing bonds:		
Redevelopment TIF Bond	7,030,000	75,000
Total governmental activities debt	\$ 16,810,570	\$ 1,690,448
Business-type activities:		
Water Utility:		
Notes and loans payable	\$ 667,267	\$ 113,087
Revenue bonds:		
Purchase of Hamilton Southeastern Utility	1,425,000	190,550
Water Treatment Plant Improvements	7,215,000	743,605
Waterworks Revenue Bond	1,200,000	144,233
Total Water Utility	10,507,267	1,191,475
Wastewater Utility:		
Notes and loans payable	1,925,508	326,330
Revenue bonds:		
Purchase of Hamilton Southeastern Utility	7,990,000	823,715
Wastewater Treatment Plant Improvements	9,965,000	901,144
Construction of Wastewater Treatment Plant	6,160,000	746,815
Installation of Sewer Lines	13,955,000	683,200
Total Wastewater Utility	39,995,508	3,481,204
Total business-type activities debt	\$ 50,502,775	\$ 4,672,679

CITY OF WESTFIELD  
AUDIT RESULTS AND COMMENTS

FIRE DEPARTMENT GRANT AWARDS

Assistance to Firefighters Grant awards, applied for by Fire Department officials under the name of the City of Westfield, were deposited to the bank account and accounted for on the records of the Westfield Fire Endowment, Inc., a not-for-profit entity. None of the funds received or disbursed were recorded or included in the City of Westfield's annual report. (CTAR)

IC 36-5-6-6(a)(1) states that the Clerk-Treasurer shall "receive and care for all town money and pay the money out only on the order of the town legislative body".

PARK NONREVERTING OPERATING FUND

In 2006, the Town of Westfield established a Park Nonreverting Operating Fund by ordinance; however, for 2007, 2008, and 2009, the Council did not set a budget for the Park Nonreverting Operating Fund as required by Statute.

IC 36-10-3-22 states: ". . . (b) the unit's fiscal body may establish by ordinance, upon request of the board: (1) a special nonreverting operating fund for park purposes from which expenditures may be made as provided by ordinance, either by appropriation by the board or by the unit's fiscal body: . . ."

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SUPPLEMENTAL AUDIT OF  
FEDERAL AWARDS



**STATE OF INDIANA**  
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STATE BOARD OF ACCOUNTS  
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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 CITY OF WESTFIELD, HAMILTON COUNTY, INDIANA

Compliance

We have audited the compliance of the City of Westfield (City) 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, 2009. The City'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 City's management. Our responsibility is to express an opinion on the City'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 City'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 City's compliance with those requirements.

As described in item 2009-2 in the accompanying Schedule of Findings and Questioned Costs, the City did not comply with requirements regarding subrecipient monitoring that are applicable to its Assistance to Firefighters Grant. Compliance with such requirements is necessary, in our opinion, for the City to comply with requirements applicable to that program.

In our opinion, except for the noncompliance described in the preceding paragraph, the City complied, in all material respects, with the requirements referred to above that are applicable to each of its other major federal programs for the year ended December 31, 2009.

Internal Control Over Compliance

The management of the City 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 City's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to

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)

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 City's internal control over compliance.

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 City'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 2009-2 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. Of the significant deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs, we consider item 2009-2, to be material weaknesses.

The City's response to the findings identified in our audit is described in the accompanying Corrective Action Plan. We did not audit the City's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the City's management, Board of Public Works, Common 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

August 10, 2010

CITY OF WESTFIELD  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For The Year Ended December 31, 2009

Federal Grantor Agency/Pass-Through Entity Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>			
Pass-Through Indiana Office of Community and Rural Affairs Community Development Block Grants/Entitlement Grants Sidewalk Curb Ramp Maintenance Program	14.218	B-06-UC-18-0023	\$ <u>122,555</u>
<u>U.S. DEPARTMENT OF JUSTICE</u>			
Direct Grant ARRA - Edward Byrne Memorial Competitive Grant Program	16.808	2009-SB-B9-1161	<u>12,598</u>
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>			
Pass-Through Indiana Criminal Justice Institute Highway Safety Cluster State and Community Highway Safety Big City/Big County Seatbelt Enforcement Grant	20.600	PT-10-04-04-03	7,730
Alcohol Impaired Driving Countermeasures Incentive Grant I DUI Task Force	20.601	K8-2010-03-03-10	<u>18,737</u>
Total for cluster			<u>26,467</u>
Pass-Through Indiana Department of Transportation Recreational Trails Program Monon Trail Project Opticom	20.219	STP-9929 (042) ST-32662A	159,088 <u>16,990</u>
Total for program			<u>176,078</u>
Pass-Through Hamilton County Council on Alcohol and Drugs Commercial Driver's License Program Improvement Grant Judicial Technology and Automation	20.232	CY 2009	<u>9,000</u>
Total for federal grantor agency			<u>211,545</u>
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>			
Direct Grant Assistance to Firefighters Grant	97.044	EMW-2008-FR-00045 EMW-2008-FO-00108	368,800 <u>16,200</u>
Total for federal grantor agency			<u>385,000</u>
Total federal awards expended			<u>\$ <u>731,698</u></u>

The accompanying notes are an integral part of the Schedule of Expenditures of Federal Awards.

CITY OF WESTFIELD  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

I. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the City of Westfield (City) and is presented in accordance with the cash and investment basis of accounting used in the preparation of the financial statements. Accordingly, the amount of federal awards expended is based on when the disbursement related to the award occurs except when the federal award is received on a reimbursement basis. In these instances the federal awards are considered expended when the reimbursement is received.

II. Subrecipients

Of the federal expenditures presented in the schedule, the City provided federal awards to sub-recipients as follows for the year ended December 31, 2009:

Program Title	Federal CFDA Number	2009
Assistance to Firefighters Grant	97.044	\$ <u>385,000</u>

CITY OF WESTFIELD  
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?	yes
Significant deficiencies identified that are not considered to be material weaknesses?	no

Noncompliance material to financial statements noted? no

Federal Awards:

Internal control over major programs:

Material weaknesses identified?	yes
Significant deficiencies identified that are not considered to be material weaknesses?	no

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

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 Number	Name of Federal Program or Cluster
97.044	Assistance to Firefighters Grant

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

FINDING 2009-1, REPORTABLE CONDITION - ASSISTANCE TO FIREFIGHTERS GRANT

Controls over financial statement presentation of the City were insufficient. Grant awards totaling \$385,000 for the Assistance to Firefighters Grants were accounted for in the records of the Westfield Fire Endowment, Inc., a separate not-for-profit corporation.

This affects the overall presentation of the financial statements in that the financial activity for these grants was not reflected in the annual report or financial records of the City.

All federal awards received by the City should be accounted for on the records of the Clerk-Treasurer.

CITY OF WESTFIELD  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

IC 36-5-6-6(a)(1) states that the Clerk-Treasurer shall "receive and care for all town money and pay the money out only on the order of the town legislative body".

Section III – Federal Award Findings and Questioned Costs

FINDING 2009-2, SUBRECIPIENT MONITORING

Federal Agency: U.S. Department of Homeland Security  
Federal Program: Assistance to Firefighters Grant  
CFDA Number: 97.044  
Auditee Contact Person: Jason Lemons  
Title of Contact Person: Assistant Fire Chief, City of Westfield Fire Department  
Phone Number: 317-804-3303

The City of Westfield Fire Department is the legal applicant for this grant and therefore the City of Westfield is responsible for accounting for the grant activity and the monitoring of the subrecipient. The grant award was accounted for on the records of the Westfield Fire Endowment, Inc., a separate nonprofit corporation. Grant awards received by and invoices paid from the Westfield Fire Endowment, Inc., were not monitored by the management of the city.

From our review of the supporting documentation and inquiry of fire department personnel, we conclude that current monitoring of the financial activity does not meet the requirements for subrecipient monitoring. We recommended that the city require the subrecipient to provide detailed documentation relating to grant awards received and expended.

Circular A-133, Section .400(d) states:

Pass-through entity responsibilities. A pass-through entity shall perform the following for the Federal awards it makes:

- (1) Identify Federal awards made by informing each subrecipient of CFDA title and number, award name and number, award year, if the award is R & D, and name of Federal agency. When some of this information is not available, the pass-through entity shall provide the best information available to describe the Federal award.
- (2) Advise subrecipients of requirements imposed on them by Federal laws, regulations, and the provisions of contracts or grant agreements as well as any supplemental requirements imposed by the pass-through entity.
- (3) Monitor the activities of subrecipients as necessary to ensure that Federal awards are used for authorized purposes in compliance with laws, regulations, and the provisions of contracts or grant agreements and that performance goals are achieved.
- (4) Ensure that subrecipients expending \$500,000 or more in Federal awards during the subrecipient's fiscal year have met the audit requirements of this part for that fiscal year.

CITY OF WESTFIELD  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

- (5) Issue a management decision on audit findings within six months after receipt of the subrecipient's audit report and ensure that the subrecipient takes appropriate and timely corrective action.
- (6) Consider whether subrecipient audits necessitate adjustment of the pass-through entity's own records.
- (7) Require each subrecipient to permit the pass-through entity and auditors to have access to the records and financial statements as necessary for the pass-through entity to comply with this part.

The management of the City of Westfield needs to establish methods for monitoring the financial activities of the subrecipient. The Grant Agreement signed, requires the city to follow all of the applicable Code of Federal Regulations.

CITY OF WESTFIELD  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters are reportable.

**CORRECTIVE ACTION PLAN**

*Mayer*  
ANDY COOK

*City Council*  
JOHN DIPPFL  
STEVE HOOVER  
ROBERT L. HORKAY  
KEN KINGSHILL  
ROBERT J. SMITH  
TOM SMITH  
ROB STOKES

*Clerk Treasurer*  
CINDY J. GOSSARD

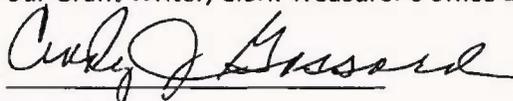
**FINDING 2009-1, REPORTABLE CONDITION-ASSISTANCE TO FIREFIGHTERS GRANT**

Auditee Contact Person: Cindy Gossard  
Contact Person Title: Clerk-Treasurer  
Contact Phone Number: 317-804-3026

There was a miscommunication between the City of Westfield Fire Department and the Clerk-Treasurer's Office.

A grant was applied and awarded through the U.S. Department of Homeland Security. The information and detailed documentation was not supplied to the Clerk-Treasurer's office. The sub recipient was not aware that this money is required to be monitored by the City of Westfield. Instead it was receipted and expended out of Westfield Fire Endowment, Inc. Through the **2009 audit** this surfaced and all parties have a clear understanding that this is to be tracked to the City of Westfield through the Clerk-Treasurer's office. All parties are in full cooperation and there are monthly meetings to assure that the City is in full compliance with Federal evaluation and reporting requirements.

Detailed documentation relating to grant awards received or expended are now running through the City of Westfield Clerk-Treasurer's office. To assure this happening there are monthly audits between our Grant Writer, Clerk-Treasurer's office and Department Heads.



Cindy J. Gossard  
Clerk-Treasurer  
City of Westfield

# City of Westfield

Indiana 1834

"Old Town Charm, New City State"

*Mayor*

ANDY COOK

*City Council*

JOHN DIPPEL

STEVE HOOVER

ROBERT L. HORKAY

KEN KINGSMILL

ROBERT J. SMITH

TOM SMITH

ROB STOKES

## CORRECTIVE ACTION PLAN

### FINDING 2009-2, SUBRECIPIENT MONITORING

*Clerk-Treasurer*

CINDY J. GOSSARD

Federal Agency: U.S. Department of Homeland Security

Federal Program: Assistance to Firefighters Grant

CFDA Number: 97.044

Federal Award No: EMW-2008-FR-00045; EMW-2008-FO-00108

Auditee Contact Person: Jason Lemons

Contact Person Title: Assistant Fire Chief, City of Westfield Fire Department

Contact Phone Number: 317-804-3303

There will not be any money receipted or expended that is not monitored through the City of Westfield Clerk-Treasurer's office. Any employee applying for a future grant or grants will alert the grant contact and the Clerk-Treasurer's Office to assure that the appropriate entity (City of Westfield) will be on the Grant Application. Once a grant or grants are awarded there will be monthly internal audits to assure compliancy and monitoring of financial activity of the sub recipient as authorized under section 469B (a) complying with Federal evaluation and reporting requirements.



Cindy J. Gossard

Clerk-Treasurer

City of Westfield

CITY OF WESTFIELD  
EXIT CONFERENCE

The contents of this report were discussed on August 19, 2010, with Cindy Gossard, Clerk-Treasurer; Tom Smith, President of the City Council; John Dippel, Vice President of the City Council; and Rosy Oshry, Financial Consultant. The officials concurred with our audit findings.

The contents of this report were discussed on August 23, 2010, with Andrew Cook, Mayor.