

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

FINANCIAL STATEMENT AND
FEDERAL SINGLE AUDIT REPORT
OF

CITY OF WESTFIELD
HAMILTON COUNTY, INDIANA

January 1, 2012 to December 31, 2012



FILED
09/09/2013

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Cindy Gossard	01-01-12 to 12-31-15
Mayor	Andrew Cook	01-01-12 to 12-31-15
President of the Board of Public Works	Andrew Cook	01-01-12 to 12-31-15
President of the Common Council	Robert Horkay Jim Ake	01-01-12 to 12-31-12 01-01-13 to 12-31-13
Director of Public Works	Kurt Wanninger Jason T. Burtron Kenneth Alexander	01-01-12 to 10-26-12 10-27-12 to 02-24-13 02-25-13 to 12-31-13



INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statement

We have audited the accompanying financial statement of the City of Westfield (City), which comprises the financial position and results of operations for the year ended December 31, 2012, and the related notes to the financial statement.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the financial reporting provisions of the Indiana State Board of Accounts as allowed by state statute (IC 5-11-1-6). Management is responsible for and has determined that the regulatory basis of accounting, as established by the Indiana State Board of Accounts, is an acceptable basis of presentation. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of a financial statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on this financial statement 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 statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

INDEPENDENT AUDITOR'S REPORT
(Continued)

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As discussed in Note 1 of the financial statement, the City prepares its financial statement on the prescribed basis of accounting that demonstrates compliance with the reporting requirements established by the Indiana State Board of Accounts as allowed by state statute (IC 5-11-1-6), which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statement referred to above does not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position and results of operations of the City for the year ended December 31, 2012.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position and results of operations of the City for the year ended December 31, 2012, in accordance with the financial reporting provisions of the Indiana State Board of Accounts described in Note 1.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated August 7, 2013, 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* in considering the City's internal control over financial reporting and compliance.

Accompanying Information

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the City's financial statement. 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 financial statement. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statement. The information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the financial statement taken as a whole.

INDEPENDENT AUDITOR'S REPORT
(Continued)

Our audit was conducted for the purpose of forming an opinion on the City's financial statement. The Combining Schedule of Receipts, Disbursements, and Cash and Investment Balances – Regulatory Basis, Schedule of Payables and Receivables, Schedule of Leases and Debt, and Schedule of Capital Assets, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the financial statement. They have not been subjected to the auditing procedures applied by us in the audit of the financial statement and, accordingly, we express no opinion on them.

Other Information

The City's response to the Audit Results and Comments identified in our audit is described in the accompanying section of the report entitled Official Response. We did not audit the City's response and, accordingly, we express no opinion on it.



Bruce Hartman
State Examiner

August 7, 2013



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

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

We have audited, 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, the financial statement of the City of Westfield (City), which comprises the financial position and results of operations for the year ended December 31, 2012, and the related notes to the financial statement, and have issued our report thereon dated August 7, 2013, wherein we noted the City followed accounting practices the Indiana State Board of Accounts prescribes rather than accounting principles generally accepted in the United States of America.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statement, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A deficiency in internal control 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 and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statement will not be prevented or detected and corrected on a timely basis. A significant deficiency is a deficiency or combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs that we consider to be significant deficiencies. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs as item 2012-1 to be significant deficiencies.

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL
STATEMENT PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS
(Continued)

Compliance and Other Matters

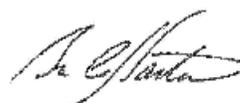
As part of obtaining reasonable assurance about whether the City's financial statement is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect 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*.

City of Westfield's Response to Findings

The City's response to the findings identified in our audit is described in the accompanying Official Response and Corrective Action Plan. The City's response was not subjected to the auditing procedures applied in the audit of the financial statement and, accordingly, we express no opinion on it.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Bruce Hartman
State Examiner

August 7, 2013

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FINANCIAL STATEMENT

The financial statement and accompanying notes were approved by management of the City. The financial statement and notes are presented as intended by the City.

CITY OF WESTFIELD
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For The Year Ended December 31, 2012

Fund	Cash and Investments 01-01-12	Receipts	Disbursements	Cash and Investments 12-31-12
General	\$ 5,192,988	\$ 12,409,038	\$ 9,857,284	\$ 7,744,742
Motor Vehicle Highway	254,083	952,029	954,002	252,110
Local Road And Street	146,583	392,291	530,906	7,968
Park Nonreverting Operating	525	2,099	2,280	344
Emergency Medical Services/Ambulance	134,608	151,146	231,025	54,729
Economic Development Operating	2,761	1,878	4,639	-
Community Development	-	5,390	5,390	-
Rainy Day	332,696	729,932	216,211	846,417
Cumulative Capital Development	151,660	710,011	588,718	272,953
2011 COIT Notes Construct	8,342,818	213,438	6,689,796	1,866,460
Cumulative Capital Improvement	29,668	79,748	33,547	75,869
2011 COIT Notes Bond & Int	1,035,417	-	335,917	699,500
City Facade Improv Grant	39,923	6,892	25,920	20,895
Safer Grant	76,752	753,504	339,825	490,431
Law Enforcement Lease	-	133,461	133,347	114
Fire Donation Fund	-	5,000	-	5,000
Golf Cart Fund	-	3,021	-	3,021
Training Facility Center	-	14,940	10,000	4,940
IT Surplus City Equipment	-	5,990	-	5,990
Grand Junction TIF	-	22,820	22,820	-
2012 COIT Ban Construction	-	8,207,235	2,288,286	5,918,949
2012 COIT Ban Interest	-	667,765	-	667,765
Grand Junction Plaza	-	32,570	32,570	-
Parks and Rec Donation	-	3,100	2,885	215
Grand Park Donation Fund	-	7,500	2,164	5,336
Old Friends Cemetery Grant	-	10,000	4,387	5,613
Invest Main St Series 2012B DSR	-	83,836	-	83,836
Invest MS Westfield 2012B Bond Fund	-	51,728	27,726	24,002
Invest MS Westfield Series 2012B Infr Improve	-	1,556,932	1,320,300	236,632
Public Safety Grant Duke	-	10,000	10,000	-
Fire Operation	337,429	7,861,796	7,105,943	1,093,282
Grant Misc	-	1,000,000	6,892	993,108
Law Enforcement	161,907	283,313	141,518	303,702
Police Donation	3,877	5,047	4,698	4,226
Parks & Recreation	450,195	319,550	375,842	393,903
Greenspace Beautification	17,300	3,159	8,570	11,889
Performance/Maint	110,669	21,245	-	131,914
Leaf	3,957	4,131	1,574	6,514
Trail Donation	14,796	-	-	14,796
Road & Street Improvement	46,474	651,639	644,717	53,396
Eastside Tif	626,553	1,463,606	1,221,768	868,391
Aurora Tif	2,371	5,781	576	7,576

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

CITY OF WESTFIELD
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For The Year Ended December 31, 2012
(Continued)

Fund	Cash and Investments 01-01-12	Receipts	Disbursements	Cash and Investments 12-31-12
Bryne Memorial Grant	201	-	-	201
Westfield Connects Non-Reverting	45,385	64,438	31,065	78,758
Eagletown Tif	87,487	87,349	576	174,260
Fire Liberty Mutual Grant	13,369	-	11,425	1,944
Dnr State Trail Grant	-	22,610	22,610	-
Bond #2 Debt Service	12,569	146,712	154,509	4,772
Go Bond 2005 Debt Service	193,964	217,889	405,985	5,868
Psb Lease Rental Pmt	57,556	801,563	575,813	283,306
Eastside Tif 2009 Dsr	615,000	-	-	615,000
Go Bond 2005 Tech	727	-	727	-
South Union Streetscape	443,993	-	167,173	276,820
Fire Station 83 Proceeds	100,506	-	93,413	7,093
Regional Storm Detention	240,632	-	78,154	162,478
Psb/Adm Cap Improvement	97,485	-	97,485	-
Midland Trail Phase 1	80,435	-	57,434	23,001
EMS Clearing	31,561	367,553	384,391	14,723
Payroll	(7,576)	14,022,707	14,013,091	2,040
Wastewater Utility - Operating	19,420	3,220,844	3,240,101	163
Wastewater Utility - Bond And Interest	1,059,809	3,181,656	3,179,427	1,062,038
Wastewater Utility - Construction	734,780	28,577	763,357	-
Wastewater Utility - Debt Reserve	721,500	-	-	721,500
Wastewater Utility - Revenue	465,027	6,681,211	6,916,231	230,007
Stormwater Utility - Revenue	114,573	550,472	540,579	124,466
Wastewater Utility - Tap Fee	464,699	423,847	13,619	874,927
Wastewater Utility - Avail Fee	326,998	1,738,227	866,152	1,199,073
Wastewater Utility - Avail Fee Reim	107,746	72,185	119,351	60,580
Wastewater Utility - Escrow Dev Fee	177,867	304,116	-	481,983
Trash Revenue	412,390	1,230,474	1,259,246	383,618
Water Utility - Operating	473,536	3,229,835	3,619,189	84,182
Water Utility - Bond And Interest	494,305	1,976,593	1,999,431	471,467
Meter Deposits	13,551	3,800	2,000	15,351
Water Utility - Debt Reserve	203,970	78	78	203,970
Water Utility - Revenue	407,827	6,322,731	5,564,245	1,166,313
Water Utility - Tap Fee	229,691	231,473	420,136	41,028
Water Utility - Availability Fee	617,096	496,899	1,059,389	54,606
Water Utility - Avail Fee Reimburse	481,688	68,341	38,579	511,450
Water - Depreciation & Plant Expand	150,791	120,000	-	270,791
Water Utility - Escrow Dev Fees	7,421	3,140	-	10,561
Totals	<u>\$ 27,213,989</u>	<u>\$ 84,457,881</u>	<u>\$ 78,877,004</u>	<u>\$ 32,794,866</u>

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

CITY OF WESTFIELD
NOTES TO FINANCIAL STATEMENT

Note 1. 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 some or all of 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, trash, aviation, and urban redevelopment and housing.

The accompanying financial statement presents the financial information for the City.

B. Basis of Accounting

The financial statement is reported on a regulatory basis of accounting prescribed by the State Board of Accounts in accordance with state statute (IC 5-11-1-6), 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 regulatory 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.

C. Cash and Investments

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

D. Receipts

Receipts are presented in the aggregate on the face of the financial statement. The aggregate receipts include the following sources:

Taxes which can include one or more of the following: property taxes, certified shares (local option tax), property tax replacement credit (local option tax), county option income tax, wheel tax, innkeepers tax, food and beverage tax, county economic development income tax, boat and trailer excise tax, county adjusted gross income tax, and other taxes that are set by the City.

Licenses and permits which include amounts received from businesses, occupations, or nonbusinesses that must be licensed before doing business within the government's jurisdiction or permits levied according to the benefits presumably conferred by the permit. Examples of licenses and permits include: peddler licenses, dog tax licenses, auctioneer license, building and planning permits, demolition permits, electrical permits, sign permits, and gun permits.

Intergovernmental receipts which include receipts from other governments in the form of operating grants, entitlements, or payments in lieu of taxes. Examples of this type of receipts include, but are not limited to: federal grants, state grants, cigarette tax distributions received from the state, motor vehicle highway distribution received from the state,

CITY OF WESTFIELD
NOTES TO FINANCIAL STATEMENT
(Continued)

local road and street distribution received from the state, financial institution tax received from the state, auto excise surtax received from the state, commercial vehicle excise tax received from the state, major moves distributions received from the state, and riverboat receipts received from the county.

Charges for services which can include, but are not limited to the following: planning commission charges, building department charges, copies of public records, copy machine charges, accident report copies, gun permit applications, 911 telephone services, recycling fees, dog pound fees, emergency medical service fees, park rental fees, swimming pool receipts, cable tv receipts, ordinance violations, fines and fees, bond forfeitures, court costs, and court receipts.

Fines and forfeits which include receipts derived from fines and penalties imposed for the commission of statutory offenses, violation of lawful administrative rules and regulations (fines), and for the neglect of official duty and monies derived from confiscating deposits held as performance guarantees (forfeitures).

Utility fees which are comprised mostly of charges for current services.

Penalties which include fees received for late payments.

Other receipts which include amounts received from various sources which can include, but are not limited to the following: net proceeds from borrowings; interfund loan activity; transfers authorized by statute, ordinance, resolution or court order; internal service receipts; and fiduciary receipts.

E. Disbursements

Disbursements are presented in the aggregate on the face of the financial statement. The aggregate disbursements include the following uses:

Personal services include outflows for salaries, wages, and related employee benefits provided for all persons employed. In those units where sick leave, vacation leave, overtime compensation, and other such benefits are appropriated separately, such payments would also be included.

Supplies which include articles and commodities that are entirely consumed and materially altered when used and/or show rapid depreciation after use for a short period of time. Examples of supplies include office supplies, operating supplies, and repair and maintenance supplies.

Other services and charges which include, but are not limited to: professional services, communication and transportation, printing and advertising, insurance, utility services, repairs and maintenance, and rental charges.

Debt service principal and interest which include fixed obligations resulting from financial transactions previously entered into by the City. It includes all expenditures for the reduction of the principal and interest of the City's general obligation indebtedness.

Capital outlay which include all outflows for land, infrastructure, buildings, improvements, and machinery and equipment having an appreciable and calculable period of usefulness.

CITY OF WESTFIELD
NOTES TO FINANCIAL STATEMENT
(Continued)

Utility operating expenses which include all outflows for operating the utilities.

Other disbursements which include, but are not limited to the following: interfund loan payments, loans made to other funds, internal service disbursements, and transfers out that are authorized by statute, ordinance, resolution, or court order.

F. Interfund Transfers

The City may, from time to time, transfer money from one fund to another. These transfers, if any, are included as a part of the receipts and disbursements of the affected funds and as a part of total receipts and disbursements. The transfers are used for cash flow purposes as provided by various statutory provisions.

G. Fund Accounting

Separate funds are established, maintained, and reported by the City. Each fund is used to account for money received from and used for specific sources and uses as determined by various regulations. Restrictions on some funds are set by statute while other funds are internally restricted by the City. The money accounted for in a specific fund may only be available for use for certain, legally restricted purposes. Additionally, some funds are used to account for assets held by the City in a trustee capacity as an agent of individuals, private organizations, other funds, or other governmental units and therefore the funds cannot be used for any expenditures of the unit itself.

Note 2. Budgets

The operating budget is initially prepared and approved at the local level. The fiscal officer of the City submits a proposed operating budget to the governing board for the following calendar year. The budget is advertised as required by law. Prior to adopting the budget, the governing board conducts public hearings and obtains taxpayer comments. Prior to November 1, the governing board approves the budget for the next year. The budget for funds for which property taxes are levied or highway use taxes are received is subject to final approval by the Indiana Department of Local Government Finance.

Note 3. Property Taxes

Property taxes levied are collected by the County Treasurer and are scheduled to be distributed to the City in June and December; however, situations can arise which would delay the distributions. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's March 1 (lien date) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100 percent 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 normally become delinquent if not paid by May 10 and November 10, respectively.

CITY OF WESTFIELD
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 4. Deposits and Investments

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

State statutes authorize the City to invest in securities including, but not limited to, federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

Note 5. Risk Management

The City may be exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; medical benefits to employees, retirees, and dependents; and natural disasters.

These risks can be mitigated through the purchase of insurance, establishment of a self-insurance fund, and/or participation in a risk pool. The purchase of insurance transfers the risk to an independent third party. The establishment of a self-insurance fund allows the City to set aside money for claim settlements. The self-insurance fund would be included in the financial statement. The purpose of participation in a risk pool is to provide a medium for the funding and administration of the risks.

Note 6. Pension Plans

A. Public Employees' Retirement Fund

Plan Description

The Indiana Public Employees' Retirement Fund (PERF) is a defined benefit pension plan. PERF is an agent multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All full-time employees are eligible to participate in this defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through the Indiana Public Retirement System (INPRS) Board, most requirements of the system, and give the 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 members' contributions, set by state statute at 3 percent of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

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

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

CITY OF WESTFIELD
NOTES TO FINANCIAL STATEMENT
(Continued)

Funding Policy and Annual Pension Cost

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

B. 1977 Police Officers' and Firefighters' Pension and Disability Fund

Plan Description

The 1977 Police Officers' and Firefighters' Pension and Disability Fund is a cost-sharing multiple-employer defined benefit pension plan administered by the Indiana Public Retirement System (INPRS) 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.

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

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

Funding Policy

The contribution requirements of plan members and the City are established by the Board of Trustees of INPRS.

SUPPLEMENTARY INFORMATION – UNAUDITED

For additional financial information, the City's Annual Report information can be found on the Gateway website: <https://gateway.ifionline.org/>.

Differences may be noted between the financial information presented in the financial statement contained in this report and the financial information presented in the Annual Report of the City which is referenced above. These differences, if any, are due to adjustments made to the financial information during the course of the audit. This is a common occurrence in any financial statement audit. The financial information presented in this report is audited information, and the accuracy of such information can be determined by reading the opinion given in the Independent Auditor's Report.

The supplementary information presented was approved by management of the City. It is presented as intended by the City.

CITY OF WESTFIELD
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2012

	General	Motor Vehicle Highway	Local Road And Street	Park Nonreverting Operating	Emergency Medical Services/ Ambulance	Economic Development Operating	Community Development	Rainy Day
Cash and investments - beginning	\$ 5,192,988	\$ 254,083	\$ 146,583	\$ 525	\$ 134,608	\$ 2,761	\$ -	\$ 332,696
Receipts:								
Taxes	4,820,439	148,332	-	-	-	-	-	-
Licenses and permits	633,100	10,224	-	-	-	-	-	-
Intergovernmental	6,498,467	736,193	388,546	-	-	-	-	-
Charges for services	637	35,051	-	2,099	151,146	-	-	-
Fines and forfeits	935	6,788	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-	-
Other receipts	455,460	15,441	3,745	-	-	1,878	5,390	729,932
Total receipts	<u>12,409,038</u>	<u>952,029</u>	<u>392,291</u>	<u>2,099</u>	<u>151,146</u>	<u>1,878</u>	<u>5,390</u>	<u>729,932</u>
Disbursements:								
Personal services	6,047,127	185,527	-	-	-	-	-	-
Supplies	489,197	427,750	127,178	-	75,058	89	-	-
Other services and charges	1,863,162	107,264	49,764	-	16,706	4,550	-	216,211
Debt service - principal and interest	-	-	146,341	-	45,014	-	-	-
Capital outlay	161,975	216,460	206,305	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-	-
Other disbursements	1,295,823	17,001	1,318	2,280	94,247	-	5,390	-
Total disbursements	<u>9,857,284</u>	<u>954,002</u>	<u>530,906</u>	<u>2,280</u>	<u>231,025</u>	<u>4,639</u>	<u>5,390</u>	<u>216,211</u>
Excess (deficiency) of receipts over disbursements	<u>2,551,754</u>	<u>(1,973)</u>	<u>(138,615)</u>	<u>(181)</u>	<u>(79,879)</u>	<u>(2,761)</u>	<u>-</u>	<u>513,721</u>
Cash and investments - ending	<u>\$ 7,744,742</u>	<u>\$ 252,110</u>	<u>\$ 7,968</u>	<u>\$ 344</u>	<u>\$ 54,729</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 846,417</u>

CITY OF WESTFIELD
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2012
 (Continued)

	Cumulative Capital Development	2011 COIT Notes Construct	Cumulative Capital Improvement	2011 COIT Notes Bond & Int	City Facade Improv Grant	Safer Grant	Law Enforcement Lease	Fire Donation Fund
Cash and investments - beginning	\$ 151,660	\$ 8,342,818	\$ 29,668	\$ 1,035,417	\$ 39,923	\$ 76,752	\$ -	\$ -
Receipts:								
Taxes	654,011	-	-	-	-	-	-	-
Licenses and permits	-	213,438	-	-	-	-	-	-
Intergovernmental	50,500	-	79,748	-	-	753,504	-	-
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-	-
Other receipts	5,500	-	-	-	6,892	-	133,461	5,000
Total receipts	710,011	213,438	79,748	-	6,892	753,504	133,461	5,000
Disbursements:								
Personal services	-	-	-	-	-	-	-	-
Supplies	460	-	81	-	-	-	3,415	-
Other services and charges	790	752,376	-	-	5,000	-	-	-
Debt service - principal and interest	442,671	-	-	335,417	-	-	-	-
Capital outlay	144,797	5,911,376	33,466	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-	-
Other disbursements	-	26,044	-	500	20,920	339,825	129,932	-
Total disbursements	588,718	6,689,796	33,547	335,917	25,920	339,825	133,347	-
Excess (deficiency) of receipts over disbursements	121,293	(6,476,358)	46,201	(335,917)	(19,028)	413,679	114	5,000
Cash and investments - ending	\$ 272,953	\$ 1,866,460	\$ 75,869	\$ 699,500	\$ 20,895	\$ 490,431	\$ 114	\$ 5,000

CITY OF WESTFIELD
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2012
 (Continued)

	Golf Cart Fund	Training Facility Center	IT Surplus City Equipment	Grand Junction TIF	2012 COIT Ban Construction	2012 COIT Ban Interest	Grand Junction Plaza	Parks and Rec Donation
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts:								
Taxes	-	-	-	-	-	-	-	-
Licenses and permits	3,021	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	4,940	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-	-
Other receipts	-	10,000	5,990	22,820	8,207,235	667,765	32,570	3,100
Total receipts	<u>3,021</u>	<u>14,940</u>	<u>5,990</u>	<u>22,820</u>	<u>8,207,235</u>	<u>667,765</u>	<u>32,570</u>	<u>3,100</u>
Disbursements:								
Personal services	-	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-	2,885
Other services and charges	-	-	-	-	250,190	-	32,570	-
Debt service - principal and interest	-	-	-	-	-	-	-	-
Capital outlay	-	10,000	-	-	2,038,096	-	-	-
Utility operating expenses	-	-	-	-	-	-	-	-
Other disbursements	-	-	-	22,820	-	-	-	-
Total disbursements	<u>-</u>	<u>10,000</u>	<u>-</u>	<u>22,820</u>	<u>2,288,286</u>	<u>-</u>	<u>32,570</u>	<u>2,885</u>
Excess (deficiency) of receipts over disbursements	<u>3,021</u>	<u>4,940</u>	<u>5,990</u>	<u>-</u>	<u>5,918,949</u>	<u>667,765</u>	<u>-</u>	<u>215</u>
Cash and investments - ending	<u>\$ 3,021</u>	<u>\$ 4,940</u>	<u>\$ 5,990</u>	<u>\$ -</u>	<u>\$ 5,918,949</u>	<u>\$ 667,765</u>	<u>\$ -</u>	<u>\$ 215</u>

CITY OF WESTFIELD
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2012
 (Continued)

	Grand Park Donation Fund	Old Friends Cemetery Grant	Invest Main St Series 2012B DSR	Invest MS Westfield 2012B Bond Fund	Invest MS Westfield Series 2012B Infr Improve	Public Safety Grant Duke	Fire Operation	Grant Misc
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 337,429	\$ -
Receipts:								
Taxes	-	10,000	-	-	-	-	4,383,897	1,000,000
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	2,388,690	-
Charges for services	-	-	-	-	-	-	493,966	-
Fines and forfeits	-	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-	-
Other receipts	7,500	-	83,836	51,728	1,556,932	10,000	595,243	-
Total receipts	7,500	10,000	83,836	51,728	1,556,932	10,000	7,861,796	1,000,000
Disbursements:								
Personal services	-	-	-	-	-	-	5,932,104	-
Supplies	-	231	-	-	-	-	349,313	-
Other services and charges	2,164	-	-	-	-	-	392,969	-
Debt service - principal and interest	-	-	-	27,726	-	-	-	-
Capital outlay	-	-	-	-	1,320,300	-	37,133	-
Utility operating expenses	-	-	-	-	-	-	-	-
Other disbursements	-	4,156	-	-	-	10,000	394,424	6,892
Total disbursements	2,164	4,387	-	27,726	1,320,300	10,000	7,105,943	6,892
Excess (deficiency) of receipts over disbursements	5,336	5,613	83,836	24,002	236,632	-	755,853	993,108
Cash and investments - ending	\$ 5,336	\$ 5,613	\$ 83,836	\$ 24,002	\$ 236,632	\$ -	\$ 1,093,282	\$ 993,108

CITY OF WESTFIELD
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2012
 (Continued)

	Law Enforcement	Police Donation	Parks & Recreation	Greenspace Beautification	Performance/Maint	Leaf	Trail Donation
Cash and investments - beginning	\$ 161,907	\$ 3,877	\$ 450,195	\$ 17,300	\$ 110,669	\$ 3,957	\$ 14,796
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	15,220	-	290,160	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	2,898	-	6,380	-	-	-	-
Fines and forfeits	130,606	-	-	-	-	4,131	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	134,589	5,047	23,010	3,159	21,245	-	-
Total receipts	<u>283,313</u>	<u>5,047</u>	<u>319,550</u>	<u>3,159</u>	<u>21,245</u>	<u>4,131</u>	<u>-</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	670	629	-	-	-
Other services and charges	-	-	76,288	-	-	1,574	-
Debt service - principal and interest	54,961	-	-	-	-	-	-
Capital outlay	86,557	-	277,929	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	4,698	20,955	7,941	-	-	-
Total disbursements	<u>141,518</u>	<u>4,698</u>	<u>375,842</u>	<u>8,570</u>	<u>-</u>	<u>1,574</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>141,795</u>	<u>349</u>	<u>(56,292)</u>	<u>(5,411)</u>	<u>21,245</u>	<u>2,557</u>	<u>-</u>
Cash and investments - ending	<u>\$ 303,702</u>	<u>\$ 4,226</u>	<u>\$ 393,903</u>	<u>\$ 11,889</u>	<u>\$ 131,914</u>	<u>\$ 6,514</u>	<u>\$ 14,796</u>

CITY OF WESTFIELD
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2012
 (Continued)

	Road & Street Improvement	Eastside Tif	Aurora Tif	Bryne Memorial Grant	Westfield Connects Non-Reverting	Eagletown Tif	Fire Liberty Mutual Grant
Cash and investments - beginning	\$ 46,474	\$ 626,553	\$ 2,371	\$ 201	\$ 45,385	\$ 87,487	\$ 13,369
Receipts:							
Taxes	-	1,463,606	5,781	-	-	87,349	-
Licenses and permits	589,760	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	64,438	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	61,879	-	-	-	-	-	-
Total receipts	<u>651,639</u>	<u>1,463,606</u>	<u>5,781</u>	<u>-</u>	<u>64,438</u>	<u>87,349</u>	<u>-</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	1,985	-	-	-	-	-	-
Other services and charges	181,533	157,612	576	-	31,065	576	-
Debt service - principal and interest	-	614,435	-	-	-	-	-
Capital outlay	436,199	448,321	-	-	-	-	1,425
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	25,000	1,400	-	-	-	-	10,000
Total disbursements	<u>644,717</u>	<u>1,221,768</u>	<u>576</u>	<u>-</u>	<u>31,065</u>	<u>576</u>	<u>11,425</u>
Excess (deficiency) of receipts over disbursements	<u>6,922</u>	<u>241,838</u>	<u>5,205</u>	<u>-</u>	<u>33,373</u>	<u>86,773</u>	<u>(11,425)</u>
Cash and investments - ending	<u>\$ 53,396</u>	<u>\$ 868,391</u>	<u>\$ 7,576</u>	<u>\$ 201</u>	<u>\$ 78,758</u>	<u>\$ 174,260</u>	<u>\$ 1,944</u>

CITY OF WESTFIELD
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2012
 (Continued)

	Dnr State Trail Grant	Bond #2 Debt Service	Go Bond 2005 Debt Service	Psb Lease Rental Pmt	Eastside Tif 2009 Dsr	Go Bond 2005 Tech	South Union Streetscape
Cash and investments - beginning	\$ -	\$ 12,569	\$ 193,964	\$ 57,556	\$ 615,000	\$ 727	\$ 443,993
Receipts:							
Taxes	-	136,196	202,271	474,664	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	13,847	10,516	15,618	36,651	-	-	-
Charges for services	-	-	-	290,248	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	8,763	-	-	-	-	-	-
Total receipts	<u>22,610</u>	<u>146,712</u>	<u>217,889</u>	<u>801,563</u>	<u>-</u>	<u>-</u>	<u>-</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	727	-
Other services and charges	-	-	-	-	-	-	11,783
Debt service - principal and interest	-	154,509	405,985	568,713	-	-	-
Capital outlay	-	-	-	-	-	-	100,000
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	22,610	-	-	7,100	-	-	55,390
Total disbursements	<u>22,610</u>	<u>154,509</u>	<u>405,985</u>	<u>575,813</u>	<u>-</u>	<u>727</u>	<u>167,173</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>(7,797)</u>	<u>(188,096)</u>	<u>225,750</u>	<u>-</u>	<u>(727)</u>	<u>(167,173)</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ 4,772</u>	<u>\$ 5,868</u>	<u>\$ 283,306</u>	<u>\$ 615,000</u>	<u>\$ -</u>	<u>\$ 276,820</u>

CITY OF WESTFIELD
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2012
 (Continued)

	Fire Station 83 Proceeds	Regional Storm Detention	Psb/Adm Cap Improvement	Midland Trail Phase 1	EMS Clearing	Payroll	Wastewater Utility - Operating
Cash and investments - beginning	\$ 100,506	\$ 240,632	\$ 97,485	\$ 80,435	\$ 31,561	\$ (7,576)	\$ 19,420
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	-	-	-	-	367,553	14,022,707	3,220,844
Total receipts	-	-	-	-	367,553	14,022,707	3,220,844
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	3,215	-	-	-	-	-	-
Other services and charges	-	78,154	97,485	28	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	90,198	-	-	57,406	-	-	350,667
Utility operating expenses	-	-	-	-	-	-	2,873,425
Other disbursements	-	-	-	-	384,391	14,013,091	16,009
Total disbursements	93,413	78,154	97,485	57,434	384,391	14,013,091	3,240,101
Excess (deficiency) of receipts over disbursements	(93,413)	(78,154)	(97,485)	(57,434)	(16,838)	9,616	(19,257)
Cash and investments - ending	\$ 7,093	\$ 162,478	\$ -	\$ 23,001	\$ 14,723	\$ 2,040	\$ 163

CITY OF WESTFIELD
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2012
 (Continued)

	Wastewater Utility - Bond And Interest	Wastewater Utility - Construction	Wastewater Utility - Debt Reserve	Wastewater Utility - Revenue	Stormwater Utility - Revenue	Wastewater Utility - Tap Fee	Wastewater Utility - Avail Fee
Cash and investments - beginning	\$ 1,059,809	\$ 734,780	\$ 721,500	\$ 465,027	\$ 114,573	\$ 464,699	\$ 326,998
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	6,521,174	414,686	423,847	1,738,227
Penalties	-	-	-	85,998	6,286	-	-
Other receipts	3,181,656	28,577	-	74,039	129,500	-	-
Total receipts	<u>3,181,656</u>	<u>28,577</u>	<u>-</u>	<u>6,681,211</u>	<u>550,472</u>	<u>423,847</u>	<u>1,738,227</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	763,357	-	-	412,848	3,705	-
Utility operating expenses	-	-	-	163,939	120,220	6,854	837,575
Other disbursements	3,179,427	-	-	6,752,292	7,511	3,060	28,577
Total disbursements	<u>3,179,427</u>	<u>763,357</u>	<u>-</u>	<u>6,916,231</u>	<u>540,579</u>	<u>13,619</u>	<u>866,152</u>
Excess (deficiency) of receipts over disbursements	<u>2,229</u>	<u>(734,780)</u>	<u>-</u>	<u>(235,020)</u>	<u>9,893</u>	<u>410,228</u>	<u>872,075</u>
Cash and investments - ending	<u>\$ 1,062,038</u>	<u>\$ -</u>	<u>\$ 721,500</u>	<u>\$ 230,007</u>	<u>\$ 124,466</u>	<u>\$ 874,927</u>	<u>\$ 1,199,073</u>

CITY OF WESTFIELD
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2012
 (Continued)

	Wastewater Utility - Avail Fee Reim	Wastewater Utility - Escrow Dev Fee	Trash Revenue	Water Utility - Operating	Water Utility - Bond And Interest	Meter Deposits	Water Utility - Debt Reserve
Cash and investments - beginning	\$ 107,746	\$ 177,867	\$ 412,390	\$ 473,536	\$ 494,305	\$ 13,551	\$ 203,970
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	72,185	304,116	1,199,051	3,340	-	-	-
Penalties	-	-	8,640	-	-	-	-
Other receipts	-	-	22,783	3,226,495	1,976,593	3,800	78
Total receipts	<u>72,185</u>	<u>304,116</u>	<u>1,230,474</u>	<u>3,229,835</u>	<u>1,976,593</u>	<u>3,800</u>	<u>78</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	517,683	-	-	-
Utility operating expenses	-	-	1,259,246	3,078,996	-	-	-
Other disbursements	119,351	-	-	22,510	1,999,431	2,000	78
Total disbursements	<u>119,351</u>	<u>-</u>	<u>1,259,246</u>	<u>3,619,189</u>	<u>1,999,431</u>	<u>2,000</u>	<u>78</u>
Excess (deficiency) of receipts over disbursements	<u>(47,166)</u>	<u>304,116</u>	<u>(28,772)</u>	<u>(389,354)</u>	<u>(22,838)</u>	<u>1,800</u>	<u>-</u>
Cash and investments - ending	<u>\$ 60,580</u>	<u>\$ 481,983</u>	<u>\$ 383,618</u>	<u>\$ 84,182</u>	<u>\$ 471,467</u>	<u>\$ 15,351</u>	<u>\$ 203,970</u>

CITY OF WESTFIELD
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2012
 (Continued)

	Water Utility - Revenue	Water Utility - Tap Fee	Water Utility - Availability Fee	Water Utility - Avail Fee Reimburse	Water - Depreciation & Plant Expand	Water Utility - Escrow Dev Fees	Totals
Cash and investments - beginning	\$ 407,827	\$ 229,691	\$ 617,096	\$ 481,688	\$ 150,791	\$ 7,421	\$ 27,213,989
Receipts:							
Taxes	-	-	-	-	-	-	13,386,546
Licenses and permits	-	-	-	-	-	-	1,754,923
Intergovernmental	-	-	-	-	-	-	10,972,280
Charges for services	-	-	-	-	-	-	1,051,803
Fines and forfeits	-	-	-	-	-	-	142,460
Utility fees	6,292,399	231,473	472,805	68,341	-	-	17,741,644
Penalties	23,098	-	-	-	-	-	124,022
Other receipts	7,234	-	24,094	-	120,000	3,140	39,284,203
Total receipts	<u>6,322,731</u>	<u>231,473</u>	<u>496,899</u>	<u>68,341</u>	<u>120,000</u>	<u>3,140</u>	<u>84,457,881</u>
Disbursements:							
Personal services	-	-	-	-	-	-	12,164,758
Supplies	-	-	-	-	-	-	1,482,883
Other services and charges	-	-	-	-	-	-	4,330,390
Debt service - principal and interest	-	-	-	-	-	-	2,795,772
Capital outlay	-	18,126	922,377	-	-	-	14,566,706
Utility operating expenses	301,905	400,000	136,972	38,579	-	-	9,217,711
Other disbursements	5,262,340	2,010	40	-	-	-	34,318,784
Total disbursements	<u>5,564,245</u>	<u>420,136</u>	<u>1,059,389</u>	<u>38,579</u>	<u>-</u>	<u>-</u>	<u>78,877,004</u>
Excess (deficiency) of receipts over disbursements	<u>758,486</u>	<u>(188,663)</u>	<u>(562,490)</u>	<u>29,762</u>	<u>120,000</u>	<u>3,140</u>	<u>5,580,877</u>
Cash and investments - ending	<u>\$ 1,166,313</u>	<u>\$ 41,028</u>	<u>\$ 54,606</u>	<u>\$ 511,450</u>	<u>\$ 270,791</u>	<u>\$ 10,561</u>	<u>\$ 32,794,866</u>

CITY OF WESTFIELD
 SCHEDULE OF PAYABLES AND RECEIVABLES
 December 31, 2012

<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Governmental activities	\$ 10,245	\$ -
Wastewater	170,982	734,458
Water	<u>80,417</u>	<u>367,323</u>
Totals	<u>\$ 261,644</u>	<u>\$ 1,101,781</u>

CITY OF WESTFIELD
SCHEDULE OF LEASES AND DEBT
December 31, 2012

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
Chase Equipment Finance	Pumper Truck	\$ 90,027	05-19-11	11-19-17
Fifth Third	Police Lease	59,827	11-01-12	05-01-22
Fifth Third	Vehicle Lease	37,714	06-01-06	12-01-13
Huntington Bank	2 Kenworth Dump Trucks	46,589	06-21-10	06-21-17
JP Morgan Chase	Police Lease	109,923	11-09-12	05-09-15
JP Morgan Chase	Ladder Truck	113,198	11-09-12	02-09-22
JP Morgan Chase	Vehicle Lease	123,236	11-01-11	05-01-14
Regions Equipment Finance Corp	Ambulance	65,974	09-23-09	03-23-14
Regions Equipment Finance Corp	Police Lease	<u>61,391</u>	01-27-10	05-15-13
Total governmental activities		<u>707,879</u>		
Total of annual lease payments		<u>\$ 707,879</u>		

Type	Description of Debt Purpose	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:			
General obligation bonds	2001 Bonds - Road and Trail Projects	\$ 222,000	\$ 154,835
General obligation bonds	2005 Bonds - Park Improvements and IT Upgrades	2,155,000	409,610
General obligation bonds	2004 First Mortgage Refunding Bonds - Public Safety Building	4,005,000	572,150
Revenue bonds	Economic Development Tax Increment Revenue Bonds Series 2011B - Road Project	1,720,000	92,709
Revenue bonds	2009 Tax Increment Bonds - East Side Economic Development	6,505,000	612,248
Notes and loans payable	2012 COIT Tax Bond Anticipation Notes - Grand Sports Park Campus Project	8,900,000	210,305
Notes and loans payable	2011 COIT Tax Anticipation Notes - Grand Sports Park Campus Project	<u>10,000,000</u>	<u>350,000</u>
Total governmental activities		<u>33,507,000</u>	<u>2,401,857</u>
Wastewater:			
Revenue bonds	2006 Refunding Bonds - Construction of Wastewater Treatment Plant	4,580,000	764,958
Revenue bonds	2007 Bonds - Interceptor Project	13,850,000	693,738
Revenue bonds	2004 Bonds - Wastewater Treatment Plant Improvements	8,595,000	902,444
Revenue bonds	2002 Bonds - Purchase of Hamilton Southwestern Utilities	6,700,000	824,974
Notes and loans payable	Energy Savings Contract	<u>1,176,680</u>	<u>326,330</u>
Total Wastewater		<u>34,901,680</u>	<u>3,512,444</u>
Water:			
Revenue bonds	1998 Bonds - Water Treatment Plant Improvements	1,025,000	197,150
Revenue bonds	2002 Bonds - Purchase of Hamilton Southwestern Utilities	6,055,000	745,785
Revenue bonds	2009 - Land Purchase for Well Development	-	-
Notes and loans payable	Energy Savings Contract	<u>407,767</u>	<u>113,087</u>
Total Water		<u>7,487,767</u>	<u>1,056,022</u>
Totals		<u>\$ 75,896,447</u>	<u>\$ 6,970,323</u>

CITY OF WESTFIELD
SCHEDULE OF CAPITAL ASSETS
December 31, 2012

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.

	Ending Balance
Governmental activities:	
Land	\$ 1,144,346
Infrastructure	888,773
Buildings	6,443,000
Improvements other than buildings	1,244,174
Machinery, equipment, and vehicles	11,319,005
Total governmental activities	21,039,298
Wastewater:	
Land	1,073,853
Infrastructure	36,350,150
Buildings	10,489,022
Improvements other than buildings	7,711,977
Machinery, equipment, and vehicles	10,367,710
Construction in progress	17,355,366
Books and other	9,969,480
Total Wastewater	93,317,558
Water:	
Land	2,599,099
Infrastructure	19,473,808
Buildings	7,130,327
Machinery, equipment, and vehicles	4,366,867
Construction in progress	1,046,534
Books and other	7,941,160
Total Water	42,557,795
Total capital assets	\$ 156,914,651

CITY OF WESTFIELD
OTHER REPORT

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

Water and Wastewater Utilities

CITY OF WESTFIELD
AUDIT RESULTS AND COMMENTS

APPROPRIATIONS

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

<u>Fund</u>	<u>Year</u>	<u>Excess Amount Expended</u>
Local Road & Street	2012	\$ 70,640.85
Cumulative Capital Development	2012	107,718.35

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

CONDITION OF RECORDS

Financial records presented for audit were incomplete and not reflective of the activity of the EMS Clearing Fund. The City uses a third party to handle the billing and collection of EMS charges. The third party administrator deposits those collections into a City owned bank account. The collections are not posted to the City's revenues until the money is transferred to the City's main account. There are not procedures in place to transfer these collections on a regular basis.

Controls over the receipting, disbursing, recording, and accounting for the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records and financial statements and incorrect decision making. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

PENALTIES, INTEREST, AND OTHER CHARGES

The City Water Utility paid penalties, interest, and other charges to the Indiana Department of Revenue in the amount of \$1,934 because the City Water Utility did not remit payments on a timely basis.

Officials and employees have the duty to pay claims and remit taxes in a timely fashion. Failure to pay claims or remit taxes in a timely manner could be an indicator of serious financial problems which should be investigated by the governmental unit.

Additionally, officials and employees have a responsibility to perform duties in a manner which would not result in any unreasonable fees being assessed against the governmental unit.

Any penalties, interest or other charges paid by the governmental unit may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

CITY OF WESTFIELD
AUDIT RESULTS AND COMMENTS
(Continued)

INTERNAL CONTROLS OVER THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

The City of Westfield did not have a proper system of internal control in place to prevent or detect and correct errors on the Schedule of Expenditures of Federal Awards (SEFA). The City of Westfield should have proper controls in place over the preparation of the SEFA to ensure accounting reporting of federal awards. Without a proper system of internal control in place that operates effectively, material misstatements of the SEFA could remain undetected.

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)

DELINQUENT WASTEWATER ACCOUNTS

Delinquent wastewater fees and penalties had not been recorded with the County Recorder nor were they certified to the County Auditor which would result in a lien against the property.

Indiana Code 36-9-23-33 states in part:

"(b) Except as provided in subsection (l), the officer charged with the collection of fees and penalties assessed under this chapter shall enforce their payment. As often as the officer determines is necessary in a calendar year, the officer shall prepare either of the following:

(1) A list of the delinquent fees and penalties that are enforceable under this section, which must include the following:

(A) The name or names of the owner or owners of each lot or parcel of real property on which fees are delinquent.

(B) A description of the premises, as shown by the records of the county auditor.

(C) The amount of the delinquent fees, together with the penalty.

(2) An individual instrument for each lot or parcel of real property on which the fees are delinquent.

(c) The officer shall record a copy of each list or each individual instrument with the county recorder . . .

(e) Using the lists and instruments prepared under subsection (b) and recorded under subsection (c), the officer shall, not later than ten (10) days after the list or each individual instrument is recorded under subsection (c), certify to the county auditor a list of the liens that remain unpaid for collection in the next May."

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

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE

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

Report on Compliance for Each Major Federal Program

We have audited the City of Westfield's (City) compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on its major federal program for the year ended December 31, 2012. The City's major federal program is identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the City's major federal program based on our audit of the types of compliance requirements referred to above. 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 on compliance for the major federal program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Each Major Federal Program

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2012.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying Schedule of Findings and Questioned Costs as item 2012-3. Our opinion on the major federal program is not modified with respect to these matters.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
(Continued)

The City's response to the noncompliance findings identified in our audit is described in the accompanying Official Response and Corrective Action Plan. The City's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

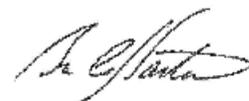
Management of the City is responsible for establishing and maintaining effective internal control over compliance with types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the type of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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 was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as items 2012-2, 2012-3, and 2012-4 to be material weaknesses.

The City's response to the internal control over compliance findings identified in our audit is described in the accompanying Official Response and Corrective Action Plan. The City's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.



Bruce Hartman
State Examiner

August 7, 2013

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

The Schedule of Expenditures of Federal Awards and accompanying note presented were approved by management of the City. The schedule and note are presented as intended by the City.

CITY OF WESTFIELD
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Year Ended December 31, 2012

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended
<u>Department of Housing and Urban Development</u>				
CDBG - Entitlement Grants Cluster Community Development Block Grants/ Entitlement Grants	Hamilton County	14.218	B-10-UC-18-0023	\$ 61,879
Total - Department of Housing and Urban Development				<u>61,879</u>
<u>Department of Transportation</u>				
Highways Planning and Construction Cluster Recreational Trails Program	Indiana Department of Natural Resources	20.219	STP-9929	<u>22,610</u>
Total for Cluster				<u>22,610</u>
Highway Safety Cluster State and Community Highway Safety DUI Task Force	Hamilton County	20.600	FY 2010 - FY 2013	<u>21,542</u>
Alcohol Impaired Driving Countermeasures Incentive Grants I Aggressive Driving Big County/Big City Seatbelt	Hamilton County	20.601	FY 2010 - FY 2013 FY 2010 - FY 2013	4,855 <u>13,654</u>
Total for Program				<u>18,509</u>
Total for Cluster				<u>40,051</u>
Total - Department of Transportation				<u>62,661</u>
<u>Department of Homeland Security</u>				
Assistance to Firefighters Grant SAFER Salary Grant	Direct grant	97.044	EMW-2010-FH-00064	<u>753,504</u>
Total - Department of Homeland Security				<u>753,504</u>
<u>Department of Agriculture</u>				
Cooperative Forestry Assistance	Indiana Department of Natural Resources	10.664	FY 2011	<u>3,534</u>
Total - Department of Agriculture				<u>3,534</u>
Total federal awards expended				<u>\$ 881,578</u>

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

CITY OF WESTFIELD
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 City of Westfield and is presented in accordance with the cash and investment basis of accounting used in the preparation of the financial statement. 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.

CITY OF WESTFIELD
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Auditor's Results

Financial Statement:

Type of auditor's report issued:	Adverse as to GAAP; Unmodified as to Regulatory Basis
Internal control over financial reporting:	
Material weaknesses identified?	no
Significant deficiencies identified?	yes
Noncompliance material to financial statement noted?	no

Federal Awards:

Internal control over major program:	
Material weaknesses identified?	yes
Significant deficiencies identified?	none reported
Type of auditor's report issued on compliance for major program:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133?	yes

Identification of Major Program:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
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

FEDERAL FINDING 2012-1 - INTERNAL CONTROLS OVER SEFA

The City of Westfield did not have a proper system of internal control in place to prevent or detect and correct errors on the Schedule of Expenditures of Federal Awards (SEFA). The City of Westfield should have proper controls in place over the preparation of the SEFA to ensure accounting reporting of federal awards. Without a proper system of internal control in place that operates effectively, material misstatements of the SEFA could remain undetected.

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)

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

Controls over the receipting, disbursing, recording, and accounting for the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records and financial statements and incorrect decision making. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

Section III – Federal Award Findings and Questioned Costs

FEDERAL FINDING 2012-2 - CASH MANAGEMENT

Federal Agency: Department of Homeland Security
Federal Program: Assistance to Firefighters Grant
CFDA Number: 97.044
Federal Award Number and Year (or Other Identifying Number): EMW-2010-FH-00064
Pass-Through Entity: Direct Grant

The City failed to implement internal control procedures to ensure that cash management requirements were met. No review or approval was conducted on the reimbursement requests prior to submission.

OMB Circular A-133 section .300 states in part:

"The auditee shall: . . . (b) Maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs."

The City is not in compliance with requirements set forth by the Circular A-133 to maintain internal controls. Failure to comply with these requirements could cause the City to be ineligible to receive future federal awards.

We recommended that the City implement control procedures necessary to ensure compliance with cash management requirements.

FEDERAL FINDING 2012-3 - REPORTING

Federal Agency: Department of Homeland Security
Federal Program: Assistance to Firefighters Grant
CFDA Number: 97.044
Federal Award Number and Year (or Other Identifying Number): EMW-2010-FH-00064
Pass-Through Entity: Direct Grant

As part of the grant agreement between the City and the Department of Homeland Security, the City is required to submit a Federal Financial Report for reporting periods June 30 and December 31 of each grant year. Each Federal Financial Report has five sections: (1) Transactions: Cumulative, (2) Federal Expenditures and Unobligated Balance, (3) Recipient Share, (4) Program Income, and (5) Indirect Expense. For the reporting periods of June 30, 2012, and December 31, 2012, the City incorrectly reported the cash receipts under the Transactions: Cumulative section of the Federal Financial Report. The total amount of the Federal award (\$1,463,133.00) was recorded as cash receipts for each of the two periods. Per City records,

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

only \$753,504.00 of Federal reimbursements had been deposited in the City's bank account and recorded prior to the June 30, 2012 reporting date. Only \$1,130,256.00 had been deposited in the City's bank account and recorded prior to the December 31, 2012 reporting date. Additionally, for the reporting period of December 31, 2012, the City incorrectly reported the cash disbursements under the Transactions: Cumulative section of the Federal Financial Report. The City reported that it had expended \$161,438.50 prior to the December 31, 2012 reporting date. City records indicated that the City had expended \$1,130,256.00 prior to that reporting date. Based on the aforementioned reporting inaccuracies, the amounts reported for cash on hand at each reporting date were incorrectly stated as well.

The City does not have an adequate control system in place to safeguard against errors occurring in the reporting process.

44 CFR 13.41 (b) states:

"Financial Status Report—(1) Form. Grantees will use Standard Form 269 or 269A, Financial Status Report, to report the status of funds for all non-construction grants and for construction grants when required in accordance with paragraph (e)(2)(iii) of this section."

44 CFR 13.20 states in part:

"(b) The financial management systems of other grantees and subgrantees must meet the following standards:

- (1) *Financial reporting.* Accurate, current, and complete disclosure of the financial results of financially assisted activities must be made in accordance with the financial reporting requirements of the grant or subgrant."

OMB Circular A-133 section .300 states in part:

"The auditee shall: . . . (b) Maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs."

The City was not in compliance with reporting requirements for this program or the requirements set forth by the OMB Circular A-133 to maintain internal controls. Failure to comply with these requirements could cause the City to be ineligible to receive future federal awards.

We recommended that the City implement control procedures that will ensure that errors are identified before reports are submitted, therefore allowing reports to be accurately submitted.

FEDERAL FINDING 2012-4 - LEVEL OF EFFORT

Federal Agency: Department of Homeland Security
Federal Program: Assistance to Firefighters Grant
CFDA Number: 97.044
Federal Award Number and Year (or Other Identifying Number): EMW-2010-FH-00064
Pass-Through Entity: Direct Grant

The City failed to implement internal control procedures to ensure that the level of effort requirements, of the Assistance to Firefighters Grant, was being followed. The officials had no review process in place to ensure that expenditures were in accordance with the level of effort provisions of the grant.

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

OMB Circular A-133 section .300 states in part:

"The auditee shall: . . . (b) Maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs."

The City was not in compliance with requirements set forth by Circular A-133 to maintain internal controls. Failure to comply with these requirements could cause the City to be ineligible to receive future federal awards.

We recommended that the City implement the control procedures that will allow for proper review of City records to ensure that the level of effort requirements is being met.



Mayor
Andy Cook

City Council
Jim Ake
John Dippel
Steven Hoover
Robert L. Horkay
Robert J. Smith
Cindy L. Spoljaric
Robert W. Stokes

Clerk Treasurer
Cindy J. Gossard

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Finding Number 2011-01

Original SBA Audit Report Number B40868

Fiscal Year 2011

Auditee Contact Person Cindy Gossard

Title of Contact Person Clerk Treasurer

Phone Number 317-804-3026

Status of Finding We are not notified as to when the deposits are made and they are not found until the next month when the bank reconciliations are completed.

A handwritten signature in cursive script that reads "Cindy Gossard".

Cindy J. Gossard IAMC, CMC, CPFA
Clerk- Treasurer
City of Westfield

Clerk Treasurer's Office

(317) 804-3020 office
(317) 804-3024 fax

130 Penn Street
Westfield, IN 46074
westfield.in.gov



July 8, 2013

Mayor
Andy Cook

City Council
Jim Ake
John Dippel
Steven Hoover
Robert L. Horkay
Robert J. Smith
Cindy L. Spoljaric
Robert W. Stokes

Clerk Treasurer
Cindy J. Gossard

Finding No. 2012-01, Internal Controls Over SEFA

Auditee Contact Person: Cindy Gossard

Contact Person Title: Clerk-Treasurer

Contact Phone Number: 317-804-3026

The City will put into place procedures to document approvals for our Federal expenditures in Gateway beginning in 2013.

A handwritten signature in cursive script that reads "Cindy Gossard".

Cindy Gossard

Clerk Treasurer

Clerk Treasurer's Office

(317) 804-3020 office
(317) 804-3024 fax

130 Penn Street
Westfield, IN 46074
westfield.in.gov



July 8, 2013

Finding No. 2012-2, Internal Control/Cash Management

Federal Agency: U.S. Department of Homeland Security

Federal Program: Assistance to Firefighters Grant

CFDA Number: 97.044

Federal Award Number: EMW-2010-FH-00064

Auditee Contact Person: Cindy Gossard

Contact Person Title: Clerk-Treasurer

Contact Phone Number: 317-804-3026

Mayor
Andy Cook

City Council
Jim Ake
John Dippel
Steven Hoover
Robert L. Horkay
Robert J. Smith
Cindy L. Spoljaric
Robert W. Stokes

Clerk Treasurer
Cindy J. Gossard

The City will institute procedures for each department that applies for Federal Grants to ensure that grants are accounted for properly. Each department will be required to document grant information on a shared site located on the City's server that will centrally locate the status of all grants in progress. In addition, for all grants that are approved, the department will supply to the Clerk Treasurer's office sufficient information on the grant, which will include the grant award notification and the grant budget, to allow efficient processing of receipts and disbursements. The grant coordinator for each department will alert the Clerk Treasurer's office when any requests for draws from the federal grant have been made and when to anticipate the receipt of the federal grant draws.

Information will be provided to identify the specific grant and the amount to be received from that grant for each draw. The Clerk Treasurer will promptly receipt the grant funding and post the receipt to the appropriated grant fund. All fund reports will be available on the shared site located on the City's server.

In the event that advance draws are received for any future grant, the Departmental grant coordinator will work with the Clerk Treasurer's office to ensure that minimal time elapses between the receipt of the federal funding and the disbursement of the funding for project costs.


Cindy Gossard

Clerk Treasurer

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July 8, 2013

Finding No. 2012-3, Internal Control/Reporting

Federal Agency: U.S. Department of Homeland Security

Federal Program: Assistance to Firefighters Grant

CFDA Number: 97.044

Federal Award Number: EMW-2010-FH-00064

Auditee Contact Person: Cindy Gossard

Contact Person Title: Clerk-Treasurer

Contact Phone Number: 317-804-3026

Mayor
Andy Cook

City Council
Jim Ake
John Dippel
Steven Hoover
Robert L. Horkay
Robert J. Smith
Cindy L. Spoljaric
Robert W. Stokes

Clerk Treasurer
Cindy J. Gossard

The City will institute control procedures for each department that for Federal Grants to ensure that errors are identified and corrected before submitting reports.


Cindy Gossard

Clerk Treasurer

Clerk Treasurer's Office

(317) 804-3020 office
(317) 804-3024 fax

130 Penn Street
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July 8, 2013

Finding No. 2012-4, Internal Control/Level of Effort

Federal Agency: U.S. Department of Homeland Security

Federal Program: Assistance to Firefighters Grant

CFDA Number: 97.044

Federal Award Number: EMW-2010-FH-00064

Auditee Contact Person: Cindy Gossard

Contact Person Title: Clerk-Treasurer

Contact Phone Number: 317-804-3026

Mayor
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City Council
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Robert J. Smith
Cindy L. Spoljaric
Robert W. Stokes

Clerk Treasurer
Cindy J. Gossard

The City will institute control procedures for each department that for Federal Grants to ensure that will allow proper review of records to meet level of effort requirements.

A handwritten signature in black ink, appearing to read "Cindy Gossard", is written over the typed name.

Cindy Gossard

Clerk Treasurer

Clerk Treasurer's Office

(317) 804-3020 office
(317) 804-3024 fax

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CITY OF WESTFIELD
EXIT CONFERENCE

The contents of this report were discussed on August 5, 2013, with Cindy Gossard, Clerk Treasurer; Jason T. Burtron, City Administrator; Jim Ake, President of the Common Council; Rosy Oshry, OW Krohn & Associates LLP; Tammy Havard, Financial Strategist; and John Dippel, Vice President of the Common Council. The Official Response has been made a part of this report and may be found on pages 52 and 53.



CITY OF
Westfield
INDIANA

OFFICIAL RESPONSE
August 7, 2013

Mayor
Andy Cook

City Council
Jim Ake
John Dippel
Steven Hoover
Robert L. Horkay
Robert J. Smith
Cindy L. Spoljaric
Robert W. Stokes

Clerk Treasurer
Cindy J. Gossard

Appropriations – The Clerk Treasurer's office is in the process of implementing new software and reporting system as well as Keystone and has been running the two systems parallel for 2 years. The Clerk Treasurer's office in the future will determine if it appears that any appropriation may be overspent, will then determine if certain expenses may be paid out of other appropriations or if there is a need to request an additional appropriation.

Condition of Records – Per official response of 2012 there is a procedure in place for the Emergency Medical Services deposits to be made monthly to the General Fund.

The Clerk-Treasurer will now set up a separate fund for the Emergency Medical Services bank account to alleviate any confusion in the future.

Penalties, Interest and Other Charges – The URT tax amount has to be estimated and paid before the end of the month and therefore at times may be underestimated.

The Clerk Treasurer has established new procedures for quarterly estimates of payments to the Indiana Department of Revenue.

Internal Controls Over SEFA – The Clerk Treasurer was informed of this requirement during the 2012 audit and will comply with this requirement in the future.

Delinquent Wastewater Accounts – The employee responsible for filing the liens for delinquent wastewater accounts left the City of Westfield in 2012 and did not advise any of the remaining staff of this requirement. The Clerk Treasurer was advised of this issue and the long-standing lien filing process has resumed.

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Section II Federal Findings

Federal Finding 2012-13, Internal Controls over SEFA – This finding in relation to the SAFER Grant controls.

The Clerk Treasurer has a procedure in place to be used for all grants, requiring a schedule of distributions to be uploaded to the Grant Site, which is accessible to the Clerk's office. This provides a check for accuracy as well as a documented financial trail.

Section III – Federal Award Findings and Questioned Costs

Federal Finding 2012-13, Cash Management - This finding relates to the timing management of cash from the SAFER Grant.

The Clerk Treasurer has established a procedure that all notifications should be sent directly to the Clerk's office and the bank deposits will be checked on a weekly basis for potential grant money received for posting on a timelier basis.

Federal Finding 2012-13, Level of Effort – This finding relates to the Maintenance of the SAFER Grant.

The City was in compliance with this requirement but had not communicated that we understood we were in compliance with this requirement, so therefore we became non-compliant.

The Clerk Treasurer will send an email in the future in relation to the SAFER grant that acknowledges we understand we are in compliance.

Cindy Gossard
Clerk Treasurer
City of Westfield

Clerk Treasurer's Office

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