

**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, 2013 to December 31, 2013



**FILED**  
06/26/2015



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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 and Safety	Andrew Cook	01-01-12 to 12-31-15
President Pro Tempore of the Common Council	Jim Ake Chuck Lehman	01-01-13 to 12-31-14 01-01-15 to 12-31-15
Director of Public Works	Jason T. Burtron Kenneth Alexander Jeremy Lollar	10-27-12 to 02-24-13 02-25-13 to 01-31-15 02-01-15 to 12-31-15



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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**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, 2013, 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, 2013.

***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, 2013, 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 April 14, 2015, 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.

  
Paul D. Joyce, CPA  
State Examiner

April 14, 2015



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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, 2013, and the related notes to the financial statement, and have issued our report thereon dated April 14, 2015, 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.

Our consideration of the internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses.

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. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs as item 2014-001 to be material weaknesses.



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***

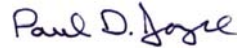
As part of obtaining reasonable assurance about whether the City's financial statement is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Questioned Costs as item 2014-001.

***City of Westfield's Response to Findings***

The City's response to the findings identified in our audit is described in the accompanying 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.

  
Paul D. Joyce, CPA  
State Examiner

April 14, 2015

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## FINANCIAL STATEMENT AND ACCOMPANYING NOTES

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, 2013

Fund	Cash and Investments 01-01-13	Receipts	Disbursements	Cash and Investments 12-31-13
General	\$ 7,744,741	\$ 11,254,458	\$ 11,081,745	\$ 7,917,454
Motor Vehicle Highway	252,109	1,756,231	1,290,692	717,648
Local Road And Street	7,969	433,405	353,383	87,991
Park Nonreverting Operating	343	53,762	18,935	35,170
Emergency Medical Services/Ambulanc	54,729	136,064	173,060	17,733
Economic Development Operating	-	1,878	1,878	-
Community Development	-	5,390	5,390	-
Rainy Day	846,417	153,583	-	1,000,000
Cumulative Capital Development	272,953	711,621	733,876	250,698
2011 COIT Notes Construct	1,866,460	-	1,070,783	795,677
Cumulative Capital Improvement	75,868	80,718	18,000	138,586
2011 COIT Notes Bond & Int	699,500	-	350,000	349,500
City Facade Improv Grant	20,895	8,763	10,550	19,108
Safer Grant	490,431	332,877	823,308	-
Law Enforcement Lease	114	-	114	-
Fire Donation Fund	5,000	-	-	5,000
Golf Cart Fund	3,021	1,147	-	4,168
Training Facility Center	4,940	74,062	53,572	25,430
IT Surplus City Equipment	5,990	9,600	9,416	6,174
Grand Junction TIF	-	162,923	162,923	-
2012 COIT Ban Construction	5,918,949	23,964,685	21,322,186	8,561,448
2012 COIT Ban Interest	667,765	1,852,868	494,423	2,026,210
Grand Junction Plaza	-	32,570	32,570	-
Parks and Rec Donation	215	85	-	300
Grand Park Donation Fund	5,336	131,123	136,459	-
Old Friends Cemetery Grant	5,613	-	5,613	-
Invest Main St Series 2012B DSR	83,836	10	19,992	63,854
Invest MS Westfield 2012B Bond Fund	24,002	16	24,018	-
Invest MS Westfield Series 2012B Infr Improve	236,632	34	236,666	-
Main St TIF 2011B Debt Sv	-	3,104	-	3,104
Inv Grand Park Turf Fund	-	7,177,244	6,553,271	623,973
Meyers Const Escrow/Retainage	-	359,897	-	359,897
Fire Operation	1,093,283	8,972,890	7,216,368	2,849,805
Sports Park Grant Fund	993,108	-	-	993,108
Law Enforcement	303,702	143,203	85,608	361,297
Police Donation	4,227	4,520	6,369	2,378
Parks & Recreation	393,903	845,841	603,807	635,937
Greenspace Beautification	11,889	3,732	12,197	3,424
Performance Maintenance	131,914	140,112	-	272,026
Leaf	6,514	6,643	3,051	10,106
Parks Rental Fees	14,796	8,125	95	22,826
Road & Street Improvement	53,397	1,404,723	1,239,310	218,810

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, 2013  
(Continued)

Fund	Cash and Investments 01-01-13	Receipts	Disbursements	Cash and Investments 12-31-13
Eastside Tif	868,391	1,313,273	1,633,933	547,731
Aurora Tif	7,576	4,976	-	12,552
Bryne Memorial Grant	201	-	201	-
Westfield Connects Non-Reverting	78,758	89,271	83,407	84,622
Eagletown Tif	174,260	104,958	-	279,218
Fire Liberty Mutual Grant	1,944	1,220	3,164	-
Dnr State Trail Grant	-	8,763	8,763	-
Bond #2 Debt Service	4,772	190,183	154,835	40,120
Go Bond 2005 Debt Service	5,869	561,491	409,610	157,750
Psb Lease Rental Pmt	283,306	1,030,951	576,413	737,844
Eastside Tif 2009 Dsr	615,000	-	-	615,000
South Union Streetscape	276,820	55,589	332,409	-
Fire Station 83 Proceeds	7,093	-	7,093	-
Regional Storm Detention	162,478	17,112	179,590	-
Sports Campus Operating	-	500,000	34,287	465,713
Midland Trail Phase 1	23,002	-	23,002	-
Payroll	2,040	14,202,461	14,175,000	29,501
Cash BAN Proceeds 2013	-	2,330,000	65,242	2,264,758
Wastewater Utility Operating	164	4,425,924	3,631,444	794,644
Wastewater Util-Bond And Interest	1,062,037	3,497,203	3,186,112	1,373,128
Wastewater Utility Debt Reserve	721,500	80	80	721,500
Wastewater Utility Revenue	230,007	7,976,252	8,193,211	13,048
Stormwater Utility Revenue	124,467	433,304	292,632	265,139
Wastewater Utility Tap Fee	874,926	589,579	246,097	1,218,408
Wastewater Utility Avail Fee	1,199,073	1,457,935	2,058,525	598,483
Wastewater Utility Avail Fee Reim	60,580	92,075	152,655	-
Wastewater Utility Escrow Dev Fee	481,983	28,910	510,893	-
Trash Revenue	383,618	1,243,756	1,328,339	299,035
Water Cash BAN Proceeds 2013	-	670,000	35,506	634,494
Water Utility Operating	84,182	3,506,996	3,591,178	-
Water Utility Bond And Interest	471,468	976,204	977,354	470,318
Meter Deposits	15,351	3,500	1,751	17,100
Water Utility Debt Reserve	203,970	100	100	203,970
Water Utility Revenue	1,166,312	7,064,042	5,655,578	2,574,776
Water Utility Tap Fee	41,027	299,673	126,885	213,815
Water Utility Availability Fee	54,607	1,180,186	364,486	870,307
Water Utility Avail Fee Reimburse	511,450	173,393	684,843	-
Water Depreciation & Plant Expand	270,791	332,200	602,991	-
Water Utility Escrow Dev Fees	10,561	1,908	12,469	-
EMS Clearng	14,723	366,606	353,414	27,915
Totals	<u>\$ 32,794,868</u>	<u>\$ 114,957,981</u>	<u>\$ 103,843,120</u>	<u>\$ 43,909,729</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, electric, gas, 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 Indiana 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. The basis of accounting involves the reporting of only cash and investments and the changes therein resulting from cash inflows (receipts) and cash outflows (disbursements) reported in the period in which they occurred.

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.

CITY OF WESTFIELD  
NOTES TO FINANCIAL STATEMENT  
(Continued)

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, 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.

CITY OF WESTFIELD  
NOTES TO FINANCIAL STATEMENT  
(Continued)

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

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. 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.

**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.



CITY OF WESTFIELD  
NOTES TO FINANCIAL STATEMENT  
(Continued)

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 a cost-sharing 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  
One North Capitol, Suite 001  
Indianapolis, IN 46204  
Ph. (888) 526-1687

*Funding Policy and Annual Pension Cost*

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

CITY OF WESTFIELD  
NOTES TO FINANCIAL STATEMENT  
(Continued)

*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  
One North Capitol, 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.

**Note 7. Subsequent Events**

In 2012, the City determined that it was in its best interest to sell the Water and Wastewater Utilities. The Request for Proposal process began in the late spring/early summer of 2012. An agreement between the City and Citizens Energy Group was executed on November 16, 2012. In June 2013, the Indiana Utility Regulatory Commission held its hearing on the acquisition and their order for approval was dated November 25, 2013. The transfer of the Utilities occurred on March 21, 2014.

#### 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, 2013

	General	Motor Vehicle Highway	Local Road And Street	Park Nonreverting Operating	Emergency Medical Services/Ambulanc	Economic Development Operating	Community Development
Cash and investments - beginning	\$ 7,744,741	\$ 252,109	\$ 7,969	\$ 343	\$ 54,729	\$ -	\$ -
Receipts:							
Taxes	4,671,311	679,043	-	-	-	-	-
Licenses and permits	1,052,860	57,233	-	-	-	-	-
Intergovernmental	5,193,555	981,297	431,538	-	-	-	-
Charges for services	840	-	-	53,762	136,064	-	-
Fines and forfeits	1,988	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	333,904	38,658	1,867	-	-	1,878	5,390
Total receipts	11,254,458	1,756,231	433,405	53,762	136,064	1,878	5,390
Disbursements:							
Personal services	6,987,530	247,162	-	-	-	-	-
Supplies	555,820	440,362	29,427	2,666	42,947	-	-
Other services and charges	2,776,249	328,229	225,623	15,255	14,583	-	-
Debt service - principal and interest	-	-	84,303	-	63,929	-	-
Capital outlay	445,310	230,000	14,030	-	39,221	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	316,836	44,939	-	1,014	12,380	1,878	5,390
Total disbursements	11,081,745	1,290,692	353,383	18,935	173,060	1,878	5,390
Excess (deficiency) of receipts over disbursements	172,713	465,539	80,022	34,827	(36,996)	-	-
Cash and investments - ending	\$ 7,917,454	\$ 717,648	\$ 87,991	\$ 35,170	\$ 17,733	\$ -	\$ -

CITY OF WESTFIELD  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2013  
 (Continued)

	Rainy Day	Cumulative Capital Development	2011 COIT Notes Construct	Cumulative Capital Improvement	2011 COIT Notes Bond & Int	City Facade Improv Grant	Safer Grant
Cash and investments - beginning	\$ 846,417	\$ 272,953	\$ 1,866,460	\$ 75,868	\$ 699,500	\$ 20,895	\$ 490,431
Receipts:							
Taxes	-	654,184	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	57,437	-	80,718	-	-	332,877
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	153,583	-	-	-	-	8,763	-
Total receipts	153,583	711,621	-	80,718	-	8,763	332,877
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	880	-	-	-	-	-
Other services and charges	-	220,708	400,993	18,000	-	-	-
Debt service - principal and interest	-	512,288	-	-	350,000	-	-
Capital outlay	-	-	669,501	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	289	-	-	10,550	823,308
Total disbursements	-	733,876	1,070,783	18,000	350,000	10,550	823,308
Excess (deficiency) of receipts over disbursements	153,583	(22,255)	(1,070,783)	62,718	(350,000)	(1,787)	(490,431)
Cash and investments - ending	\$ 1,000,000	\$ 250,698	\$ 795,677	\$ 138,586	\$ 349,500	\$ 19,108	\$ -

CITY OF WESTFIELD  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2013  
 (Continued)

	Law Enforcement Lease	Fire Donation Fund	Golf Cart Fund	Training Facility Center	IT Surplus City Equipment	Grand Junction TIF	2012 COIT Ban Construction
Cash and investments - beginning	\$ 114	\$ 5,000	\$ 3,021	\$ 4,940	\$ 5,990	\$ -	\$ 5,918,949
Receipts:							
Taxes	-	-	-	-	-	107,817	-
Licenses and permits	-	-	1,147	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	74,062	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	-	-	-	-	9,600	55,106	23,964,685
Total receipts	-	-	1,147	74,062	9,600	162,923	23,964,685
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	2,806	-	-	12,687
Other services and charges	-	-	-	50,412	9,416	10,388	525,693
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	117,685	20,259,595
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	114	-	-	354	-	34,850	524,211
Total disbursements	114	-	-	53,572	9,416	162,923	21,322,186
Excess (deficiency) of receipts over disbursements	(114)	-	1,147	20,490	184	-	2,642,499
Cash and investments - ending	\$ -	\$ 5,000	\$ 4,168	\$ 25,430	\$ 6,174	\$ -	\$ 8,561,448

CITY OF WESTFIELD  
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
For the Year Ended December 31, 2013  
(Continued)

	2012 COIT Ban Interest	Grand Junction Plaza	Parks and Rec Donation	Grand Park Donation Fund	Old Friends Cemetery Grant	Invest Main St Series 2012B DSR	Invest MS Westfield 2012B Bond Fund
Cash and investments - beginning	\$ 667,765	\$ -	\$ 215	\$ 5,336	\$ 5,613	\$ 83,836	\$ 24,002
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	1,852,868	32,570	85	131,123	-	10	16
Total receipts	1,852,868	32,570	85	131,123	-	10	16
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	791	-	-	-
Other services and charges	-	-	-	10,668	-	-	-
Debt service - principal and interest	494,423	-	-	-	-	19,992	24,018
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	32,570	-	125,000	5,613	-	-
Total disbursements	494,423	32,570	-	136,459	5,613	19,992	24,018
Excess (deficiency) of receipts over disbursements	1,358,445	-	85	(5,336)	(5,613)	(19,982)	(24,002)
Cash and investments - ending	\$ 2,026,210	\$ -	\$ 300	\$ -	\$ -	\$ 63,854	\$ -

CITY OF WESTFIELD  
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
For the Year Ended December 31, 2013  
(Continued)

	Invest MS Westfield Series <u>2012B Infr Improve</u>	Main St TIF 2011B Debt Sv	Inv Grand Park Turf Fund	Meyers Const Escrow/Retainage	Fire Operation	Sports Park Grant Fund	Law Enforcement
Cash and investments - beginning	\$ 236,632	\$ -	\$ -	\$ -	\$ 1,093,283	\$ 993,108	\$ 303,702
Receipts:							
Taxes	-	3,104	-	-	4,165,029	-	-
Licenses and permits	-	-	-	-	-	-	18,375
Intergovernmental	-	-	-	-	3,411,926	-	26,575
Charges for services	-	-	-	-	507,018	-	2,611
Fines and forfeits	-	-	-	-	-	-	95,344
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	<u>34</u>	<u>-</u>	<u>7,177,244</u>	<u>359,897</u>	<u>888,917</u>	<u>-</u>	<u>298</u>
Total receipts	<u>34</u>	<u>3,104</u>	<u>7,177,244</u>	<u>359,897</u>	<u>8,972,890</u>	<u>-</u>	<u>143,203</u>
Disbursements:							
Personal services	-	-	-	-	6,381,219	-	-
Supplies	-	-	-	-	283,848	-	16,240
Other services and charges	-	-	-	-	507,237	-	8,380
Debt service - principal and interest	-	-	-	-	-	-	57,488
Capital outlay	236,666	-	6,553,271	-	4,165	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>39,899</u>	<u>-</u>	<u>3,500</u>
Total disbursements	<u>236,666</u>	<u>-</u>	<u>6,553,271</u>	<u>-</u>	<u>7,216,368</u>	<u>-</u>	<u>85,608</u>
Excess (deficiency) of receipts over disbursements	<u>(236,632)</u>	<u>3,104</u>	<u>623,973</u>	<u>359,897</u>	<u>1,756,522</u>	<u>-</u>	<u>57,595</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ 3,104</u>	<u>\$ 623,973</u>	<u>\$ 359,897</u>	<u>\$ 2,849,805</u>	<u>\$ 993,108</u>	<u>\$ 361,297</u>



CITY OF WESTFIELD  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2013  
 (Continued)

	Police Donation	Parks & Recreation	Greenspace Beautification	Performance Maintenance	Leaf	Parks Rental Fees	Road & Street Improvement
Cash and investments - beginning	\$ 4,227	\$ 393,903	\$ 11,889	\$ 131,914	\$ 6,514	\$ 14,796	\$ 53,397
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	845,720	-	-	-	-	974,343
Intergovernmental	-	-	-	-	-	-	215,190
Charges for services	-	45	-	-	-	8,125	-
Fines and forfeits	-	-	-	-	6,643	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	4,520	76	3,732	140,112	-	-	215,190
Total receipts	4,520	845,841	3,732	140,112	6,643	8,125	1,404,723
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	5,146	31,865	10,168	-	335	95	-
Other services and charges	1,223	244,770	2,029	-	2,716	-	771,810
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	325,448	-	-	-	-	467,500
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	1,724	-	-	-	-	-
Total disbursements	6,369	603,807	12,197	-	3,051	95	1,239,310
Excess (deficiency) of receipts over disbursements	(1,849)	242,034	(8,465)	140,112	3,592	8,030	165,413
Cash and investments - ending	\$ 2,378	\$ 635,937	\$ 3,424	\$ 272,026	\$ 10,106	\$ 22,826	\$ 218,810

CITY OF WESTFIELD  
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
For the Year Ended December 31, 2013  
(Continued)

	Eastside Tif	Aurora Tif	Bryne Memorial Grant	Westfield Connects Non-Reverting	Eagletown Tif	Fire Liberty Mutual Grant	Dnr State Trail Grant
Cash and investments - beginning	\$ 868,391	\$ 7,576	\$ 201	\$ 78,758	\$ 174,260	\$ 1,944	\$ -
Receipts:							
Taxes	1,303,273	4,976	-	-	104,958	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	89,271	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	10,000	-	-	-	-	1,220	8,763
Total receipts	1,313,273	4,976	-	89,271	104,958	1,220	8,763
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	418,259	-	-	83,407	-	-	-
Debt service - principal and interest	612,248	-	-	-	-	-	-
Capital outlay	602,676	-	-	-	-	3,164	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	750	-	201	-	-	-	8,763
Total disbursements	1,633,933	-	201	83,407	-	3,164	8,763
Excess (deficiency) of receipts over disbursements	(320,660)	4,976	(201)	5,864	104,958	(1,944)	-
Cash and investments - ending	\$ 547,731	\$ 12,552	\$ -	\$ 84,622	\$ 279,218	\$ -	\$ -

CITY OF WESTFIELD  
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
For the Year Ended December 31, 2013  
(Continued)

	Bond #2 Debt Service	Go Bond 2005 Debt Service	Psb Lease Rental Pmt	Eastside Tif 2009 Dsr	South Union Streetscape	Fire Station 83 Proceeds	Regional Storm Detention
Cash and investments - beginning	\$ 4,772	\$ 5,869	\$ 283,306	\$ 615,000	\$ 276,820	\$ 7,093	\$ 162,478
Receipts:							
Taxes	178,121	525,880	653,102	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	12,062	35,611	44,226	-	-	-	-
Charges for services	-	-	333,623	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	-	-	-	-	55,589	-	17,112
Total receipts	<u>190,183</u>	<u>561,491</u>	<u>1,030,951</u>	<u>-</u>	<u>55,589</u>	<u>-</u>	<u>17,112</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	6,000	-	6,084	-	179,590
Debt service - principal and interest	154,835	409,610	570,413	-	-	-	-
Capital outlay	-	-	-	-	326,325	7,093	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	<u>154,835</u>	<u>409,610</u>	<u>576,413</u>	<u>-</u>	<u>332,409</u>	<u>7,093</u>	<u>179,590</u>
Excess (deficiency) of receipts over disbursements	<u>35,348</u>	<u>151,881</u>	<u>454,538</u>	<u>-</u>	<u>(276,820)</u>	<u>(7,093)</u>	<u>(162,478)</u>
Cash and investments - ending	<u>\$ 40,120</u>	<u>\$ 157,750</u>	<u>\$ 737,844</u>	<u>\$ 615,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF WESTFIELD  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2013  
 (Continued)

	Sports Campus Operating	Midland Trail Phase 1	Payroll	Cash BAN Proceeds 2013	Wastewater Utility Operating	Wastewater Util-Bond And Interest	Wastewater Utility Debt Reserve
Cash and investments - beginning	\$ -	\$ 23,002	\$ 2,040	\$ -	\$ 164	\$ 1,062,037	\$ 721,500
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	500,000	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	-	-	14,202,461	2,330,000	4,425,924	3,497,203	80
Total receipts	500,000	-	14,202,461	2,330,000	4,425,924	3,497,203	80
Disbursements:							
Personal services	-	-	-	-	859,616	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	34,287	-	-	-	54,558	-	-
Debt service - principal and interest	-	-	-	-	-	3,186,112	-
Capital outlay	-	23,002	-	-	596,173	-	-
Utility operating expenses	-	-	-	65,242	1,568,122	-	-
Other disbursements	-	-	14,175,000	-	552,975	-	80
Total disbursements	34,287	23,002	14,175,000	65,242	3,631,444	3,186,112	80
Excess (deficiency) of receipts over disbursements	465,713	(23,002)	27,461	2,264,758	794,480	311,091	-
Cash and investments - ending	\$ 465,713	\$ -	\$ 29,501	\$ 2,264,758	\$ 794,644	\$ 1,373,128	\$ 721,500

CITY OF WESTFIELD  
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
For the Year Ended December 31, 2013  
(Continued)

	Wastewater Utility Revenue	Stormwater Utility Revenue	Wastewater Utility Tap Fee	Wastewater Utility Avail Fee	Wastewater Utility Avail Fee Reim	Wastewater Utility Escrow Dev Fee	Trash Revenue
Cash and investments - beginning	\$ 230,007	\$ 124,467	\$ 874,926	\$ 1,199,073	\$ 60,580	\$ 481,983	\$ 383,618
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	7,727,280	427,429	589,579	794,387	92,075	28,910	1,234,793
Penalties	90,293	5,875	-	-	-	-	7,639
Other receipts	158,679	-	-	663,548	-	-	1,324
Total receipts	7,976,252	433,304	589,579	1,457,935	92,075	28,910	1,243,756
Disbursements:							
Personal services	-	42,107	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	326,330	-	-	-	-	-	-
Capital outlay	-	187,458	184,548	1,397,113	-	-	-
Utility operating expenses	409,483	54,430	61,549	661,079	-	-	1,328,339
Other disbursements	7,457,398	8,637	-	333	152,655	510,893	-
Total disbursements	8,193,211	292,632	246,097	2,058,525	152,655	510,893	1,328,339
Excess (deficiency) of receipts over disbursements	(216,959)	140,672	343,482	(600,590)	(60,580)	(481,983)	(84,583)
Cash and investments - ending	\$ 13,048	\$ 265,139	\$ 1,218,408	\$ 598,483	\$ -	\$ -	\$ 299,035

CITY OF WESTFIELD  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2013  
 (Continued)

	Water Cash BAN Proceeds 2013	Water Utility Operating	Water Utility Bond And Interest	Meter Deposits	Water Utility Debt Reserve	Water Utility Revenue	Water Utility Tap Fee
Cash and investments - beginning	\$ -	\$ 84,182	\$ 471,468	\$ 15,351	\$ 203,970	\$ 1,166,312	\$ 41,027
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	3,574	-	-	-	7,031,607	299,673
Penalties	-	-	-	-	-	21,904	-
Other receipts	670,000	3,503,422	976,204	3,500	100	10,531	-
Total receipts	670,000	3,506,996	976,204	3,500	100	7,064,042	299,673
Disbursements:							
Personal services	-	1,205,313	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	45,116	-	-	-	-	-
Debt service - principal and interest	-	-	942,935	-	-	113,087	-
Capital outlay	-	732,702	-	-	-	23,679	85,996
Utility operating expenses	35,506	1,494,525	-	-	-	715,183	-
Other disbursements	-	113,522	34,419	1,751	100	4,803,629	40,889
Total disbursements	35,506	3,591,178	977,354	1,751	100	5,655,578	126,885
Excess (deficiency) of receipts over disbursements	634,494	(84,182)	(1,150)	1,749	-	1,408,464	172,788
Cash and investments - ending	\$ 634,494	\$ -	\$ 470,318	\$ 17,100	\$ 203,970	\$ 2,574,776	\$ 213,815

CITY OF WESTFIELD  
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
For the Year Ended December 31, 2013  
(Continued)

	Water Utility Availability Fee	Water Utility Avail Fee Reimburse	Water Depreciation & Plant Expand	Water Utility Escrow Dev Fees	EMS Clearing	Totals
Cash and investments - beginning	\$ 54,607	\$ 511,450	\$ 270,791	\$ 10,561	\$ 14,723	\$ 32,794,868
Receipts:						
Taxes	-	-	-	-	-	13,050,798
Licenses and permits	-	-	-	-	-	3,449,678
Intergovernmental	-	-	-	-	-	10,823,012
Charges for services	-	-	-	-	366,606	1,572,027
Fines and forfeits	-	-	-	-	-	103,975
Utility fees	612,169	172,917	-	-	-	19,014,393
Penalties	-	-	-	-	-	125,711
Other receipts	568,017	476	332,200	1,908	-	66,818,387
Total receipts	1,180,186	173,393	332,200	1,908	366,606	114,957,981
Disbursements:						
Personal services	-	-	-	-	-	15,722,947
Supplies	-	-	-	-	-	1,436,083
Other services and charges	-	-	-	-	-	6,971,683
Debt service - principal and interest	-	-	-	-	-	7,922,011
Capital outlay	338,628	-	602,377	-	-	34,473,326
Utility operating expenses	25,687	-	614	-	-	6,419,759
Other disbursements	171	684,843	-	12,469	353,414	30,897,311
Total disbursements	364,486	684,843	602,991	12,469	353,414	103,843,120
Excess (deficiency) of receipts over disbursements	815,700	(511,450)	(270,791)	(10,561)	13,192	11,114,861
Cash and investments - ending	\$ 870,307	\$ -	\$ -	\$ -	\$ 27,915	\$ 43,909,729

CITY OF WESTFIELD  
SCHEDULE OF PAYABLES AND RECEIVABLES  
December 31, 2013

Government or Enterprise	Accounts Payable	Accounts Receivable
Wastewater	\$ 1,032,729	\$ 975,982
Water	109,511	619,682
Governmental activities	-	-
Totals	<u>\$ 1,142,240</u>	<u>\$ 1,595,664</u>



CITY OF WESTFIELD  
SCHEDULE OF LEASES AND DEBT  
December 31, 2013

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
Chase Equipment Finance	Pumper Truck	\$ 90,027	5/19/2011	11/19/2017
Fifth Third	Police Lease	59,827	11/1/2012	5/1/2022
Huntington Bank	2 Kenworth Dump Trucks	46,589	6/21/2010	6/21/2017
JP Morgan Chase	EMS Medical Equip	37,831	10/11/2013	5/1/2018
JP Morgan Chase	Police Lease	109,923	11/9/2012	5/9/2015
JP Morgan Chase	Ladder Truck	113,198	11/9/2012	2/9/2022
JP Morgan Chase	Vehicle Lease	61,618	11/1/2011	5/1/2014
JP Morgan Chase	Police Lease	114,995	5/1/2013	5/13/2016
Regions Equipment Finance Corp	Ambulance	65,974	9/23/2009	3/23/2014
Total governmental activities		<u>699,982</u>		
Total of annual lease payments		<u>\$ 699,982</u>		

Type	Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:			
General obligation bonds	2001 Bonds - Road and Trail Projects	\$ 76,000	\$ 77,805
General obligation bonds	2005 Bonds - Park Improvements and IT Upgrades	1,820,000	427,622
General obligation bonds	2004 First Mortgage Refunding Bonds - Public Safety Building	3,620,000	573,100
Revenue bonds	Economic Development Tax Increment Revenue Bonds Series 2011B - Road Project	1,675,000	96,384
Revenue bonds	2009 Tax Increment Bonds - East Side Economic Development	6,270,000	613,635
Notes and loans payable	2012 COIT Tax Bond Anticipation Notes - Grand Sports Park Campus Project	8,900,000	228,730
Notes and loans payable	2011 COIT Tax Anticipation Notes - Grand Sports Park Campus Project	10,000,000	350,000
Notes and loans payable	2013 COIT Tax Bond Anticipation Notes - Grand Sports Park Campus Project	25,000,000	627,500
Notes and loans payable	2013 INDOT Bridge Loan - 156st Street Bridge	4,070,349	472,582
Notes and loans payable	2013 City of Westfield Lease Purchase Agreement - Turf for Grand Sports Park Campus Project	7,177,000	844,425
Total governmental activities		<u>68,608,349</u>	<u>4,311,783</u>
Wastewater:			
Revenue bonds	2006 Refunding Bonds - Construction of Wastewater Treatment Plant	4,000,000	772,337
Revenue bonds	2007 Bonds - Interceptor Project	13,805,000	696,825
Revenue bonds	2004 Bonds - Wastewater Treatment Plant Improvements	8,100,000	902,644
Revenue bonds	2002 Bonds - Purchase of Hamilton Southwestern Utilities	6,230,000	822,414
Notes and loans payable	Energy Savings Contract	902,806	326,330
Notes and loans payable	2013 BANS	2,330,000	2,356,795
Total Wastewater		<u>35,367,806</u>	<u>5,877,345</u>
Water:			
Revenue bonds	1998 Bonds - Water Treatment Plant Improvements	875,000	195,250
Revenue bonds	2002 Bonds - Purchase of Hamilton Southwestern Utilities	5,630,000	745,385
Notes and loans payable	Energy Savings Contract	312,859	113,087
Notes and loans payable	2013 BANS	670,000	677,705
Total Water		<u>7,487,859</u>	<u>1,731,427</u>
Totals		<u>\$ 111,464,014</u>	<u>\$ 11,920,555</u>

CITY OF WESTFIELD  
SCHEDULE OF CAPITAL ASSETS  
December 31, 2013

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	\$ 1,741,346
Infrastructure	1,059,230
Buildings	6,443,000
Improvements other than buildings	1,244,174
Machinery, equipment, and vehicles	12,163,886
Construction in progress	<u>27,482,368</u>
Total governmental activities	<u>50,134,004</u>
Wastewater:	
Land	1,082,916
Infrastructure	38,006,941
Buildings	10,495,513
Improvements other than buildings	9,723,706
Machinery, equipment, and vehicles	10,964,847
Construction in progress	19,818,937
Books and other	<u>9,969,480</u>
Total Wastewater	<u>100,062,340</u>
Water:	
Land	2,670,461
Infrastructure	21,833,353
Buildings	7,130,327
Machinery, equipment, and vehicles	4,704,115
Construction in progress	2,115,104
Books and other	<u>7,941,160</u>
Total Water	<u>46,394,520</u>
Total capital assets	<u><u>\$ 196,590,864</u></u>

SUPPLEMENTAL AUDIT OF  
FEDERAL AWARDS



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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

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

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE 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 each of its major federal programs for the year ended December 31, 2013. 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.

***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 each of the City's major federal programs 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 each 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 each of its major federal programs for the year ended December 31, 2013.

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

***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 items 2013-002 and 2013-004. Our opinion on each major federal program is not modified with respect to these matters.

The City's response to the noncompliance findings identified in our audit is described in the accompanying 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 the 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 types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each 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 2013-002, 2013-003, and 2013-005 to be material weaknesses.

The City's response to the internal control over compliance findings identified in our audit is described in the accompanying 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.

  
Paul D. Joyce, CPA  
State Examiner

April 14, 2015

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#### SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND ACCOMPANYING NOTE

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, 2013

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 Transportation</u>				
Highway Safety Cluster				
Alcohol Impaired Driving Countermeasures Incentive Grants I	Hamilton County Traffic Safety Partnership	20.601		\$ 26,575
Total - Highway Safety Cluster				26,575
Highway Planning and Construction Cluster				
Highway Planning and Construction	Indiana Department of Transportation	20.205		
US 31 Utility Relocation			DES 0900273-1296427	582,277
161st St & Oakridge Road roundabout			DES 1173100	215,190
Total - Highway Planning and Construction Cluster				797,467
Total - Department of Transportation				824,042
<u>Department of Homeland Security</u>				
Assistance to Firefighters Grant	Direct grant	97.044		332,877
Total - Department of Homeland Security				332,877
Total federal awards expended				\$ 1,156,919

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 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?	yes
Significant deficiencies identified?	none reported
Noncompliance material to financial statement noted?	yes

Federal Awards:

Internal control over major programs:	
Material weaknesses identified?	yes
Significant deficiencies identified?	yes
Type of auditor's report issued on compliance for major programs:	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 Programs:

CFDA Number	Name of Federal Program or Cluster
97.044	Highway Planning and Construction Cluster 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 2013-001 - INTERNAL CONTROLS OVER THE  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

The City 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). Errors were made on the SEFA presented for audit. The City should have proper controls in place over the preparation of the SEFA to ensure accurate reporting of federal awards. Without a proper system of internal control in place that operates effectively, misstatements of the SEFA could remain undetected.

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

During the audit of the SEFA, we noted the following errors: A program was not included on the SEFA. The grantor agency was not presented for two of the grants listed on the SEFA. A CFDA number was not listed on two of the grants on the SEFA. Audit adjustments were proposed, accepted by the City, and made to the SEFA presented in this report.

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.

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)

OMB Circular A-133, Subpart C, section .300 states in part: "The auditee shall: . . . (d) Prepare appropriate financial statements, including the schedule of expenditures of Federal Awards in accordance with section .310."

OMB Circular A-133, Subpart C, section .310(b) states:

"Schedule of expenditures of Federal awards. The auditee shall also prepare a schedule of expenditures of Federal awards for the period covered by the auditee's financial statements. While not required, the auditee may choose to provide information requested by Federal awarding agencies and pass-through entities to make the schedule easier to use. For example, when a Federal program has multiple award years, the auditee may list the amount of Federal awards expended for each award year separately. At a minimum, the schedule shall:

- (1) List individual Federal programs by Federal agency. For Federal programs included in a cluster of programs, list individual Federal programs within a cluster of programs. For R&D, total Federal awards expended shall be shown either by individual award or by Federal agency and major subdivision within the Federal agency. For example, the National Institutes of Health is a major subdivision in the Department of Health and Human Services.
- (2) For Federal awards received as a subrecipient, the name of the pass-through entity and identifying number assigned by the pass-through entity shall be included.
- (3) Provide total Federal awards expended for each individual Federal program and the CFDA number or other identifying number when the CFDA information is not available.
- (4) Include notes that describe the significant accounting policies used in preparing the schedule.
- (5) To the extent practical, pass-through entities should identify in the schedule the total amount provided to subrecipients from each Federal program.
- (6) Include, in either the schedule or a note to the schedule, the value of the Federal awards expended in the form of non-cash assistance, the amount of insurance in effect during the year, and loans or loan guarantees outstanding at year end. While not required, it is preferable to present this information in the schedule."

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

**Section III - Federal Award Findings and Questioned Costs**

**FINDING 2013-002 - REPORTING**

Federal Agency: Department of Transportation  
Federal Program: Highway Planning and Construction  
CFDA Number: 20.205  
Federal Award Number and Year (or Other Identifying Number): DES 1173100  
Pass-Through Entity: Indiana Department of Transportation

The City did not adequately identify the application of funds for federally sponsored activities in their financial records. Grant expenditures were attributed to the expense category "Services Contractual, Road and Street." This category included both federally funded and non-federally funded activities, and the descriptions of the activities were not always accurate.

The cause of these issues is a lack of oversight over the recording of the financial results of the grant projects.

49 CFR 18.20 states in part:

"(a) A State must expand and account for grant funds in accordance with State laws and procedures for expending and accounting for its own funds. Fiscal control and accounting procedures of the State, as well as its subgrantees and cost-type contractors, must be sufficient to—

- (1) Permit preparation of reports required by this part and the statutes authorizing the grant, and
- (2) Permit the tracing of funds to a level of expenditures adequate to establish that such funds have not been used in violation of the restrictions and prohibitions of applicable statutes.

(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.
- (2) Accounting records. Grantees and subgrantees must maintain records which adequately identify the source and application of funds provided for financially-assisted activities. These records must contain information pertaining to grant or subgrant awards and authorizations, obligations, unobligated balances, assets, liabilities, outlays or expenditures, and income."

OMB Circular A-133, Subpart C, 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."

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

Failure to comply with these requirements could cause the grant to be suspended or terminated or cause the City to be ineligible to receive future federal awards.

We recommended that the City implement oversight over the financial reporting of grant activities, including a system of internal control.

***FINDING 2013-003 - INTERNAL CONTROL OVER ALLOWABLE ACTIVITIES, ALLOWABLE COSTS, AND REPORTING***

Federal Agency: Department of Transportation

Federal Program: Highway Planning and Construction

CFDA Number: 20.205

Federal Award Number and Year (or Other Identifying Number): DES 1173100

Pass-Through Entity: Indiana Department of Transportation

Management of the City has not established an effective internal control system, which would include segregation of duties, related to the grant agreement and the following compliance requirements: Allowable Activities, Allowable Costs, and Reporting.

We could not find evidence that grant activities, costs, and reports were subjected to a review process.

The failure to establish an effective internal control system places the City at risk of noncompliance with the grant agreement and the compliance requirements. A lack of segregation of duties within an internal control system could also allow noncompliance with compliance requirements and allow the misuse and mismanagement of federal funds and assets by not having proper oversight, reviews, and approvals over the activities of the program.

An internal control system, including segregation of duties, should be designed and operate effectively to provide reasonable assurance that material noncompliance with the grant agreement or a compliance requirement of a federal program will be prevented, or detected and corrected, on a timely basis. In order to have an effective internal control system, it is important to have proper segregation of duties. This is accomplished by making sure proper oversight, reviews, and approvals take place and to have a separation of functions over certain activities related to the program. The fundamental premise of segregation of duties is that an individual or small group of individuals should not be in a position to initiate, approve, undertake, and review the same activity.

OMB Circular A-133, Subpart C, 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 failure to establish internal controls could enable material noncompliance to go undetected. Noncompliance of the grant agreement or the compliance requirements could result in the loss of federal funds to the City.

We recommended that the City's management establish controls, including segregation of duties, related to the grant agreement and compliance requirements listed above.

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

***FINDING 2013-004 - REPORTING - ASSISTANCE TO FIREFIGHTERS GRANT***

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): FY2013  
Pass-Through Entity: Direct Grant

We could find no evidence that four out of five required reports for the audit period had been submitted.

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 and provide quarterly performance reports in conjunction with the automated payment requests.

In addition, final financial and performance reports are due 90 days after the end of the grant performance period.

We could find no evidence that the June financial report, the Q2 performance report, or either final report had been submitted.

There are no questioned costs associated with this issue. The cause of the issue was a lack of oversight over the reporting of the SAFER grant.

The Grant Award states in part:

"Semiannual financial reports are due within 30 days of the end of every six month period for the life of the grant. At the end of the performance period, or upon completion of the grantee's final program narrative, the grantee must complete an on-line final financial status report that is required to close out the grant. Although the guidance state extensions will not be granted, if a grantee's performance period is extended beyond the initial period, a periodic performance report is due every six month increment until closeout."

We recommended that the City implement oversight over the Reporting requirements of the grant, including a system of internal control.

***FINDING 2013-005 - INTERNAL CONTROL OVER LEVEL OF EFFORT, REPORTING, CASH MANAGEMENT, PERIOD OF AVAILABILITY - ASSISTANCE TO FIREFIGHTERS GRANT***

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): FY 2013  
Pass-Through Entity: Direct Grant

Management of the City has not established an effective Internal Control system, which would include segregation of duties, related to the grant agreement and the following compliance requirements: Level of Effort, Reporting, Cash Management, and Period of Availability.

We could not find evidence that level of effort and reporting activities were subjected to a review process.

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

Controls were established over Cash Management and Period of Availability. The Payroll Clerk sends a report to the Grant Administrator detailing actual salary and benefit costs for the SAFER firefighters for the period covered by the reimbursement request. However, the established control was not used effectively.

The failure to establish an effective internal control system places the City at risk of noncompliance with the grant agreement and the compliance requirements. A lack of segregation of duties within an internal control system could also allow noncompliance with compliance requirements and allow the misuse and mismanagement of federal funds and assets by not having proper oversight, reviews, and approvals over the activities of the program.

An internal control system, including segregation of duties, should be designed and operate effectively to provide reasonable assurance that material noncompliance with the grant agreement or a compliance requirement of a federal program will be prevented, or detected and corrected, on a timely basis. In order to have an effective internal control system, it is important to have proper segregation of duties. This is accomplished by making sure proper oversight, reviews, and approvals take place and to have a separation of functions over certain activities related to the program. The fundamental premise of segregation of duties is that an individual or small group of individuals should not be in a position to initiate, approve, undertake, and review the same activity.

OMB Circular A-133, Subpart C, 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 failure to establish internal controls could enable material noncompliance to go undetected. Noncompliance of the grant agreement or the compliance requirements could result in the loss of federal funds to the City.

We recommended that the City's management establish controls, including segregation of duties, related to the grant agreement and compliance requirements listed above.

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#### AUDITEE PREPARED DOCUMENTS

The subsequent documents were provided by management of the City. The documents are presented as intended by the City.



**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 2012-1

Original Assigned SBA Audit Report Number B42570  
Report Period: January 1, 2012 to December 31, 2012  
Pass-Through Entity or Federal Grantor Agency: Not Applicable  
Contact Person Responsible for Corrective Action: Cindy Gossard, Clerk  
Treasurer  
Contact Phone Number: 317-804-3026

### Status of Audit Finding:

The City of Westfield are still working on implementing a proper system of internal controls so that errors on the Schedule of Expenditures of Federal Awards (SEFA) can be prevented or detected.

A handwritten signature in cursive script, reading "Cindy J. Gossard", written over a horizontal line.

Signature

A handwritten signature in cursive script, reading "Clerk Treasurer", written over a horizontal line.

Title

A handwritten date in cursive script, reading "Mar 10, 2015", written over a horizontal line.

Date

### Clerk Treasurer's Office

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

130 Penn Street  
Westfield, IN 46074  
[westfield.in.gov](http://westfield.in.gov)



**Mayor**  
Andy Cook

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**Clerk Treasurer**  
Cindy J. Gossard

## SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2012-2, Finding 2012-3, Finding 2012-4

Original Assigned SBA Audit Report Number B42570  
Report Period: January 1, 2012 to December 31, 2012  
Pass-Through Entity or Federal Grantor Agency: Dept. of Homeland Security  
Contact Person Responsible for Corrective Action: Cindy Gossard, Clerk  
Treasurer  
Contact Phone Number: 317-804-3026

### Status of Audit Finding:

The Assistance to Firefighters Grant (CFDA#97.044) funds administered by the City of Westfield were 100% spent during 2013. In the future, we will work to implement a sound internal control structure so that cash management, level of effort and reporting requirements for this grant will be met.

A handwritten signature in cursive script, reading "Cindy J. Gossard", written over a horizontal line.

Signature

A handwritten signature in cursive script, reading "Clerk Treasurer", written over a horizontal line.

Title

A handwritten date "Mar 10, 2015" written over a horizontal line.

Date

### Clerk Treasurer's Office

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

130 Penn Street  
Westfield, IN 46074  
[westfield.in.gov](http://westfield.in.gov)



**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

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**CORRECTIVE ACTION PLAN**

**Finding 2013-001 INTERNAL CONTROLS OVER THE PREPARATION OF THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

Contact Person Responsible for Corrective Action: Cindy Gossard Clerk Treasurer  
Contact Phone Number: 317-557-9451

**Description of Corrective Action Plan:**

We will more diligently work to correctly identify all of the federal awards expended from the City for inclusion in the Schedule of Expenditures of Federal Awards.

**Anticipated Completion Date:**

This will be completed by June 1, 2015 in conjunction with documenting federal awards expended into the Gateway Annual Report we are required by statute to prepare.

**FINDING 2013-002 CASH MANAGEMENT**

Contact Person responsible for Corrective Action: Cindy Gossard Clerk Treasurer  
Contact Phone Number: 317-557-9451

**Description of Corrective Action Plan**

We will work to improve our system of internal control over cash management for the Highway Planning and Construction grants administered by the city and will attempt to better identify federal expenditures on our ledgers for this federal grant.

**Anticipated Completion Date:**

The process to better Highway Planning and Construction federal awards expended from the City is currently being implemented.

**FINDING 2013-003 INTERNAL CONTROLS OVER ALLOWABLE ACTIVITIES,  
ALLOWABLE COSTS, PROCUREMENT SUSPENSION AND DEBARMENT AND  
REPORTING**

Contact Person Responsible for Corrective Action: Cindy Gossard Clerk Treasurer  
Contact Phone Number: 317-557-9451

**Description of Corrective Action Plan:**

We will work to improve our system of internal control over allowable activities, allowable costs, procurement suspension and debarment and reporting for the Highway Planning and Construction grants administered by the City. We will attempt to establish a review process so that grant activities, costs and reports will be reviewed by a person knowledgeable of these requirements and also will review contractors retained by the City to work on federally funding projects so a determination can be made if they have been debarred from working on these projects.

**Anticipated Completion Date:**

The process to comply with the recommendations of this finding are currently being implemented.

**FINDIND 2013-004 REPORTING-ASSISTANCE TO FIREFIGHTERS GRANT (SAFER)**

Contact Person responsible for Corrective Action: Cindy Gossard Clerk Treasurer  
Contact Phone Number: 317-557-9451

**Description of Corrective Action Plan:**

We will work to improve the reporting process for SAFER Grants that the City will administer in the future by reviewing the grant agreements and determining the reporting requirements for this grant.

Anticipated Completion Date:

Will be completed in the future at the point and time that reports required by the grant agreement for the SAFER grant are to be filed or completed.

**FINDIND 2013-005 INTERNAL CONTROL OVER LEVEL OF EFFORT, REPORTING, CASH MANAGEMENT, PERIOD OF AVAILABILITY-ASSISTANCE TO FIREFIGHTERS GRANT (SAFER)**


Contact Person Responsible for Corrective Action: Cindy Gossard Clerk Treasurer  
Contact Phone Number: 317-557-9451

Description of Corrective Action Plan:

We will work to improve our internal controls over these compliance requirements for SAFER grants that we will administer in the future. We will do this by better documenting reviews of level of effort and reporting requirements by a person knowledgeable of these grant requirements as well as documenting the amounts of payroll costs submitted on reimbursement requests for this grant.

Anticipated Completion Date:

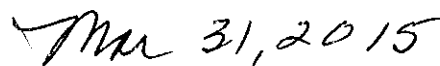
Will be completed in the future at the point in time that reports required by the grant agreement for the SAFER grant are to be filed or completed.



Signature



Title



Date

#### OTHER REPORT

In addition to this report, a Supplemental Compliance Report has been issued for the City. That report can be found on the Indiana State Board of Accounts' website: <http://www.in.gov/sboa/>.