

**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, 2014 to December 31, 2014



**FILED**

06/09/2016



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### SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Cindy Gossard	01-01-12 to 12-31-19
Mayor	Andrew Cook	01-01-12 to 12-31-19
President of the Board of Public Works and Safety	Andrew Cook	01-01-12 to 12-31-19
President Pro Tempore of the Common Council	Jim Ake Chuck Lehman	01-01-14 to 12-31-14 01-01-15 to 12-31-16
Director of Public Works	Kenneth Alexander Jeremy Lollar	01-01-14 to 01-31-15 02-01-15 to 12-31-16



**STATE OF INDIANA**  
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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, 2014, and the related notes to the financial statement as listed in the Table of Contents.

***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, 2014.

***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, 2014, in accordance with the financial reporting provisions of the Indiana State Board of Accounts described in Note 1.

***Other Matters***

*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.

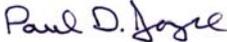
*Other Information*

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.

INDEPENDENT AUDITOR'S REPORT  
(Continued)

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued a report dated April 5, 2016, 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.

  
Paul D. Joyce, CPA  
State Examiner

April 5, 2016



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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, 2014, and the related notes to the financial statement, and have issued our report thereon dated April 5, 2016, 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 a deficiency in internal control over financial reporting that we consider to be a material weakness.

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 deficiency described in the accompanying Schedule of Findings and Questioned Costs as item 2014-001 to be a material weakness.

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**

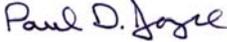
As part of obtaining reasonable assurance about whether the City's financial statement is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect 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 5, 2016

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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, 2014

Fund	Cash and Investments			Cash and Investments 12-31-14
	01-01-14	Receipts	Disbursements	
General	\$ 7,917,454	\$ 59,503,357	\$ 61,133,391	\$ 6,287,420
Motor Vehicle Highway	717,648	1,703,604	1,932,869	488,383
Local Road And Street	87,991	445,947	159,051	374,887
Park Nonreverting Operating	35,170	80,968	57,714	58,424
Emergency Medical Services/Ambulance	17,733	148,101	165,834	-
Rainy Day	1,000,000	-	-	1,000,000
Cumulative Capital Development	250,698	882,881	790,365	343,214
2011 COIT Notes Construction	795,677	-	795,677	-
Cumulative Capital Improvement	138,586	79,534	-	218,120
2011 COIT Notes Bond & Interest	349,500	1,750	351,250	-
City Facade Improvement Grant	19,108	-	-	19,108
Fire Donation Fund	5,000	-	-	5,000
Golf Cart Fund	4,168	1,450	200	5,418
Training Facility Center	25,430	91,160	70,777	45,813
IT Surplus City Equipment	6,174	7,650	-	13,824
Grand Junction TIF	-	136,439	131,160	5,279
2012 COIT BAN Construction	8,561,448	8,245,611	11,889,174	4,917,885
2012 COIT BAN Interest	2,026,210	-	856,230	1,169,980
Parks and Trails Donation	300	100	7	393
Invest Main St Series 2012B DSR	63,854	6	63,860	-
Invest MS Westfield 2012B Bond Fund	-	1,734,989	1,734,985	4
Main St TIF 2011B Debt Sv	3,104	142,859	48,017	97,946
Inv Grand Park Turf Fund	623,973	35	500,567	123,441
Meyers Const Escrow/Retainage	359,897	41,452	180,657	220,692
Supplemental Reserve	-	9,840,839	736,766	9,104,073
Sports Campus Operating	465,713	1,175,144	1,606,314	34,543
FEMA Grant	-	54,896	54,896	-
Infrastructure Improvements	-	47,136,271	21,240,933	25,895,338
PERF Payroll	-	2,220,932	2,137,244	83,688
EMS	27,915	352,936	346,393	34,458
Fire Operation	2,849,805	8,892,453	7,342,004	4,400,254
Sports Campus Grant	993,108	-	46,323	946,785
Law Enforcement	361,297	239,895	275,783	325,409
Police Donation	2,378	4,100	2,848	3,630
Parks & Recreation	635,937	583,393	740,095	479,235
Greenspace Beautification	3,424	-	121	3,303
Performance Maintenance	272,026	241,881	134,120	379,787
LEAF	10,106	681	3,980	6,807
Parks Rental Fees	22,826	11,662	2,628	31,860
Road & Street Improvement	218,810	1,597,627	1,330,494	485,943
Eastside TIF	547,731	1,319,386	1,289,106	578,011
Aurora TIF	12,552	5,230	-	17,782
Westfield Connects Non-Reverting	84,622	176,322	215,728	45,216
Eagletown TIF	279,218	95,610	270,960	103,868
Bond #2 Debt Service	40,120	37,685	77,805	-
GO Bond 2005 Debt Service	157,750	460,293	427,623	190,420
PSB Lease Rental	737,844	127,958	554,500	311,302
Eastside TIF 2009 Debt Service	615,000	-	-	615,000
Payroll	29,501	15,051,754	15,118,627	(37,372)
Wastewater Cash BAN Proceeds 2013	2,264,758	92,037	2,356,795	-
Wastewater Utility - Operating	794,644	1,252,480	2,047,124	-
Wastewater Utility - Bond And Interest	1,373,128	531,000	1,904,128	-
Wastewater Utility - Debt Reserve	721,500	-	721,500	-
Wastewater Utility - Revenue	13,048	3,958,631	3,971,679	-
Stormwater Utility - Revenue	265,139	754,693	375,127	644,705
Wastewater Utility - Tap Fee	1,218,408	174,095	1,392,503	-
Wastewater Utility - Avail Fee	598,483	87,500	685,983	-
Trash Revenue	299,035	1,414,045	1,337,762	375,318
Water Cash BAN Proceeds 2013	634,494	43,211	677,705	-
Water Utility - Operating	-	950,454	950,454	-
Water Utility - Bond And Interest	470,318	158,970	629,288	-
Water Utility - Meter Deposits	17,100	-	17,100	-
Water Utility - Debt Reserve	203,970	-	203,970	-
Water Utility - Revenue	2,574,776	3,498,301	6,073,077	-
Water Utility - Tap Fee	213,815	61,000	274,815	-
Water Utility - Availability Fee	870,307	46,900	917,207	-
Water Utility - Depreciation & Plant Expand	-	20,000	20,000	-
<b>Totals</b>	<b>\$ 43,909,729</b>	<b>\$ 175,918,158</b>	<b>\$ 159,373,293</b>	<b>\$ 60,454,594</b>

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 licenses, 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 these types 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.

CITY OF WESTFIELD  
NOTES TO FINANCIAL STATEMENT  
(Continued)

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.

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

CITY OF WESTFIELD  
NOTES TO FINANCIAL STATEMENT  
(Continued)

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.

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.

CITY OF WESTFIELD  
NOTES TO FINANCIAL STATEMENT  
(Continued)

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.

*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. Cash Balance Deficit**

The financial statement contains one fund (Payroll) with a deficit in cash. This is a result of under transferring funds to the clearing account.

CITY OF WESTFIELD  
NOTES TO FINANCIAL STATEMENT  
(Continued)

**Note 8. *Holding Corporation***

The City has entered into a capital lease with Westfield Washington Township Public Safety Building Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the City. The lessor has been determined to be a related-party of the City. Lease payments during the year 2014 totaled \$554,500.

**Note 9. *Subsequent Events***

The City's Common Council approved the issuance of a \$2,500,000 Taxable Economic Development Bond on January 26, 2015, and a \$2,000,000 General Obligation Bond on October 12, 2015.

#### OTHER INFORMATION - UNAUDITED

The City's Annual Financial 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 Financial 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 other 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, 2014

	General	Motor Vehicle Highway	Local Road And Street	Park Nonreverting Operating	Emergency Medical Services/ Ambulance	Rainy Day	Cumulative Capital Development
Cash and investments - beginning	\$ 7,917,454	\$ 717,648	\$ 87,991	\$ 35,170	\$ 17,733	\$ 1,000,000	\$ 250,698
Receipts:							
Taxes	4,962,651	384,896	-	-	-	-	628,267
Licenses and permits	1,156,965	143,581	-	-	-	-	-
Intergovernmental	6,674,009	1,159,375	445,947	-	-	-	254,614
Charges for services	7,087	-	-	80,968	138,508	-	-
Fines and forfeits	288	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	46,702,357	15,752	-	-	9,593	-	-
Total receipts	59,503,357	1,703,604	445,947	80,968	148,101	-	882,881
Disbursements:							
Personal services	9,701,571	-	-	-	-	-	-
Supplies	364,716	471,424	-	-	46,861	-	-
Other services and charges	3,584,887	1,299,393	129,654	23,861	28,129	-	25,089
Debt service - principal and interest	610,548	71,493	-	-	56,748	-	765,276
Capital outlay	299,540	45,137	29,397	-	34,096	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	46,572,129	45,422	-	33,853	-	-	-
Total disbursements	61,133,391	1,932,869	159,051	57,714	165,834	-	790,365
Excess (deficiency) of receipts over disbursements	(1,630,034)	(229,265)	286,896	23,254	(17,733)	-	92,516
Cash and investments - ending	\$ 6,287,420	\$ 488,383	\$ 374,887	\$ 58,424	\$ -	\$ 1,000,000	\$ 343,214

CITY OF WESTFIELD  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2014  
 (Continued)

	2011 COIT Notes Construction	Cumulative Capital Improvement	2011 COIT Notes Bond & Interest	City Facade Improvement Grant	Fire Donation Fund	Golf Cart Fund	Training Facility Center
Cash and investments - beginning	\$ 795,677	\$ 138,586	\$ 349,500	\$ 19,108	\$ 5,000	\$ 4,168	\$ 25,430
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	1,450	-
Intergovernmental	-	79,534	-	-	-	-	-
Charges for services	-	-	-	-	-	-	82,780
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	-	-	1,750	-	-	-	8,380
Total receipts	-	79,534	1,750	-	-	1,450	91,160
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	200	1,680
Other services and charges	-	-	-	-	-	-	60,591
Debt service - principal and interest	-	-	350,000	-	-	-	-
Capital outlay	795,677	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	1,250	-	-	-	8,506
Total disbursements	795,677	-	351,250	-	-	200	70,777
Excess (deficiency) of receipts over disbursements	(795,677)	79,534	(349,500)	-	-	1,250	20,383
Cash and investments - ending	\$ -	\$ 218,120	\$ -	\$ 19,108	\$ 5,000	\$ 5,418	\$ 45,813

CITY OF WESTFIELD  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2014  
 (Continued)

	IT Surplus City Equipment	Grand Junction TIF	2012 COIT BAN Construction	2012 COIT BAN Interest	Parks and Trails Donation	Invest Main St Series 2012B DSR	Invest MS Westfield 2012B Bond Fund
Cash and investments - beginning	\$ 6,174	\$ -	\$ 8,561,448	\$ 2,026,210	\$ 300	\$ 63,854	\$ -
Receipts:							
Taxes	-	136,439	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	191,737	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	7,650	-	8,053,874	-	100	6	1,734,989
Total receipts	7,650	136,439	8,245,611	-	100	6	1,734,989
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	7	-	-
Other services and charges	-	4,567	157,383	-	-	-	-
Debt service - principal and interest	-	-	-	856,230	-	-	1,734,985
Capital outlay	-	126,593	11,731,791	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	63,860	-
Total disbursements	-	131,160	11,889,174	856,230	7	63,860	1,734,985
Excess (deficiency) of receipts over disbursements	7,650	5,279	(3,643,563)	(856,230)	93	(63,854)	4
Cash and investments - ending	<u>\$ 13,824</u>	<u>\$ 5,279</u>	<u>\$ 4,917,885</u>	<u>\$ 1,169,980</u>	<u>\$ 393</u>	<u>\$ -</u>	<u>\$ 4</u>

CITY OF WESTFIELD  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2014  
 (Continued)

	Main St TIF 2011B Debt Sv	Inv Grand Park Turf Fund	Meyers Const Escrow/Retainage	Supplemental Reserve	Sports Campus Operating	FEMA Grant	Infrastructure Improvements
Cash and investments - beginning	\$ 3,104	\$ 623,973	\$ 359,897	\$ -	\$ 465,713	\$ -	\$ -
Receipts:							
Taxes	142,859	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	324,873	-	54,896	197,826
Charges for services	-	-	-	-	1,150,144	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	-	35	41,452	9,515,966	25,000	-	46,938,445
Total receipts	<u>142,859</u>	<u>35</u>	<u>41,452</u>	<u>9,840,839</u>	<u>1,175,144</u>	<u>54,896</u>	<u>47,136,271</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	2,707	42,934	-	616
Other services and charges	-	-	-	718,275	1,538,380	54,896	2,745,750
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	500,567	-	-	-	-	6,994,567
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	48,017	-	180,657	15,784	25,000	-	11,500,000
Total disbursements	<u>48,017</u>	<u>500,567</u>	<u>180,657</u>	<u>736,766</u>	<u>1,606,314</u>	<u>54,896</u>	<u>21,240,933</u>
Excess (deficiency) of receipts over disbursements	<u>94,842</u>	<u>(500,532)</u>	<u>(139,205)</u>	<u>9,104,073</u>	<u>(431,170)</u>	<u>-</u>	<u>25,895,338</u>
Cash and investments - ending	<u>\$ 97,946</u>	<u>\$ 123,441</u>	<u>\$ 220,692</u>	<u>\$ 9,104,073</u>	<u>\$ 34,543</u>	<u>\$ -</u>	<u>\$ 25,895,338</u>

CITY OF WESTFIELD  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2014  
 (Continued)

	PERF Payroll	EMS	Fire Operation	Sports Campus Grant	Law Enforcement	Police Donation	Parks & Recreation
Cash and investments - beginning	\$ -	\$ 27,915	\$ 2,849,805	\$ 993,108	\$ 361,297	\$ 2,378	\$ 635,937
Receipts:							
Taxes	-	-	3,859,546	-	7,268	-	-
Licenses and permits	-	-	21,690	-	21,105	-	-
Intergovernmental	-	-	3,867,902	-	-	-	-
Charges for services	-	352,897	1,140,561	-	-	-	583,393
Fines and forfeits	-	-	-	-	211,522	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	2,220,932	39	2,754	-	-	4,100	-
Total receipts	2,220,932	352,936	8,892,453	-	239,895	4,100	583,393
Disbursements:							
Personal services	-	-	6,545,881	-	-	-	-
Supplies	-	-	127,976	-	-	-	-
Other services and charges	-	-	502,088	-	-	-	524,077
Debt service - principal and interest	-	-	29,914	-	210,483	-	-
Capital outlay	-	-	126,552	46,323	-	-	216,018
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	2,137,244	346,393	9,593	-	65,300	2,848	-
Total disbursements	2,137,244	346,393	7,342,004	46,323	275,783	2,848	740,095
Excess (deficiency) of receipts over disbursements	83,688	6,543	1,550,449	(46,323)	(35,888)	1,252	(156,702)
Cash and investments - ending	\$ 83,688	\$ 34,458	\$ 4,400,254	\$ 946,785	\$ 325,409	\$ 3,630	\$ 479,235

CITY OF WESTFIELD  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2014  
 (Continued)

	Greenspace Beautification	Performance Maintenance	LEAF	Parks Rental Fees	Road & Street Improvement	Eastside TIF	Aurora TIF
Cash and investments - beginning	\$ 3,424	\$ 272,026	\$ 10,106	\$ 22,826	\$ 218,810	\$ 547,731	\$ 12,552
Receipts:							
Taxes	-	-	-	-	-	1,319,386	5,230
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	241,881	-	11,662	1,597,627	-	-
Fines and forfeits	-	-	681	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	<u>-</u>	<u>241,881</u>	<u>681</u>	<u>11,662</u>	<u>1,597,627</u>	<u>1,319,386</u>	<u>5,230</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	2,628	34,566	-	-
Other services and charges	-	-	254	-	1,295,928	68,175	-
Debt service - principal and interest	-	-	-	-	-	1,086,217	-
Capital outlay	-	134,120	3,726	-	-	134,714	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	121	-	-	-	-	-	-
Total disbursements	<u>121</u>	<u>134,120</u>	<u>3,980</u>	<u>2,628</u>	<u>1,330,494</u>	<u>1,289,106</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>(121)</u>	<u>107,761</u>	<u>(3,299)</u>	<u>9,034</u>	<u>267,133</u>	<u>30,280</u>	<u>5,230</u>
Cash and investments - ending	<u>\$ 3,303</u>	<u>\$ 379,787</u>	<u>\$ 6,807</u>	<u>\$ 31,860</u>	<u>\$ 485,943</u>	<u>\$ 578,011</u>	<u>\$ 17,782</u>

CITY OF WESTFIELD  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2014  
 (Continued)

	Westfield Connects Non-Reverting	Eagletown TIF	Bond #2 Debt Service	GO Bond 2005 Debt Service	PSB Lease Rental	Eastside TIF 2009 Debt Service	Payroll
Cash and investments - beginning	\$ 84,622	\$ 279,218	\$ 40,120	\$ 157,750	\$ 737,844	\$ 615,000	\$ 29,501
Receipts:							
Taxes	-	95,610	34,389	429,867	78,006	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	112,956	-	2,396	30,426	26,952	-	-
Charges for services	63,366	-	-	-	23,000	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	-	-	900	-	-	-	15,051,754
Total receipts	<u>176,322</u>	<u>95,610</u>	<u>37,685</u>	<u>460,293</u>	<u>127,958</u>	<u>-</u>	<u>15,051,754</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	215,728	270,960	-	-	-	-	-
Debt service - principal and interest	-	-	77,805	427,623	554,500	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	15,118,627
Total disbursements	<u>215,728</u>	<u>270,960</u>	<u>77,805</u>	<u>427,623</u>	<u>554,500</u>	<u>-</u>	<u>15,118,627</u>
Excess (deficiency) of receipts over disbursements	<u>(39,406)</u>	<u>(175,350)</u>	<u>(40,120)</u>	<u>32,670</u>	<u>(426,542)</u>	<u>-</u>	<u>(66,873)</u>
Cash and investments - ending	<u>\$ 45,216</u>	<u>\$ 103,868</u>	<u>\$ -</u>	<u>\$ 190,420</u>	<u>\$ 311,302</u>	<u>\$ 615,000</u>	<u>\$ (37,372)</u>

CITY OF WESTFIELD  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2014  
 (Continued)

	Wastewater Cash BAN Proceeds 2013	Wastewater Utility - Operating	Wastewater Utility - Bond And Interest	Wastewater Utility - Debt Reserve	Wastewater Utility - Revenue	Stormwater Utility - Revenue	Wastewater Utility - Tap Fee
Cash and investments - beginning	\$ 2,264,758	\$ 794,644	\$ 1,373,128	\$ 721,500	\$ 13,048	\$ 265,139	\$ 1,218,408
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	2,031,557	752,857	124,136
Penalties	-	-	-	-	28,770	1,836	-
Other receipts	92,037	1,252,480	531,000	-	1,898,304	-	49,959
Total receipts	92,037	1,252,480	531,000	-	3,958,631	754,693	174,095
Disbursements:							
Personal services	-	275,706	-	-	-	54,129	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	151	-	-	-	-	-
Debt service - principal and interest	2,356,795	163,165	764,610	-	-	-	-
Capital outlay	-	12,735	-	-	-	48,039	1,068,834
Utility operating expenses	-	1,476,477	-	-	8,747	203,449	814
Other disbursements	-	118,890	1,139,518	721,500	3,962,932	69,510	322,855
Total disbursements	2,356,795	2,047,124	1,904,128	721,500	3,971,679	375,127	1,392,503
Excess (deficiency) of receipts over disbursements	(2,264,758)	(794,644)	(1,373,128)	(721,500)	(13,048)	379,566	(1,218,408)
Cash and investments - ending	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 644,705	\$ -

CITY OF WESTFIELD  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2014  
 (Continued)

	Wastewater Utility - Avail Fee	Trash Revenue	Water Cash BAN Proceeds 2013	Water Utility - Operating	Water Utility - Bond And Interest	Water Utility - Meter Deposits
Cash and investments - beginning	\$ 598,483	\$ 299,035	\$ 634,494	\$ -	\$ 470,318	\$ 17,100
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	87,500	1,410,560	-	3,494	-	-
Penalties	-	1,701	-	-	-	-
Other receipts	-	1,784	43,211	946,960	158,970	-
Total receipts	<u>87,500</u>	<u>1,414,045</u>	<u>43,211</u>	<u>950,454</u>	<u>158,970</u>	<u>-</u>
Disbursements:						
Personal services	-	-	-	362,438	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	152	-	-
Debt service - principal and interest	-	-	677,705	56,543	170,318	-
Capital outlay	239,634	-	-	7,979	-	-
Utility operating expenses	-	1,313,907	-	449,977	-	-
Other disbursements	446,349	23,855	-	73,365	458,970	17,100
Total disbursements	<u>685,983</u>	<u>1,337,762</u>	<u>677,705</u>	<u>950,454</u>	<u>629,288</u>	<u>17,100</u>
Excess (deficiency) of receipts over disbursements	<u>(598,483)</u>	<u>76,283</u>	<u>(634,494)</u>	<u>-</u>	<u>(470,318)</u>	<u>(17,100)</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ 375,318</u>	<u>\$ -</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, 2014  
 (Continued)

	Water Utility - Debt Reserve	Water Utility - Revenue	Water Utility - Tap Fee	Water Utility - Availability Fee	Water Utility - Depreciation & Plant Expand	Totals
Cash and investments - beginning	\$ 203,970	\$ 2,574,776	\$ 213,815	\$ 870,307	\$ -	\$ 43,909,729
Receipts:						
Taxes	-	-	-	-	-	12,084,414
Licenses and permits	-	-	-	-	-	1,344,791
Intergovernmental	-	-	-	-	-	13,231,706
Charges for services	-	-	-	-	-	5,665,611
Fines and forfeits	-	-	-	-	-	212,491
Utility fees	-	1,651,713	61,000	45,000	-	6,167,817
Penalties	-	6,067	-	-	-	38,374
Other receipts	-	1,840,521	-	1,900	20,000	137,172,954
Total receipts	-	3,498,301	61,000	46,900	20,000	175,918,158
Disbursements:						
Personal services	-	-	-	-	-	16,939,725
Supplies	-	-	-	-	-	1,096,315
Other services and charges	-	-	-	-	-	13,248,368
Debt service - principal and interest	-	-	-	-	-	11,020,958
Capital outlay	-	81,013	2,445	159,481	-	22,838,978
Utility operating expenses	-	915,737	-	-	2,034	4,371,142
Other disbursements	203,970	5,076,327	272,370	757,726	17,966	89,857,807
Total disbursements	203,970	6,073,077	274,815	917,207	20,000	159,373,293
Excess (deficiency) of receipts over disbursements	(203,970)	(2,574,776)	(213,815)	(870,307)	-	16,544,865
Cash and investments - ending	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 60,454,594

CITY OF WESTFIELD  
SCHEDULE OF PAYABLES AND RECEIVABLES  
December 31, 2014

<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Stormwater	<u>\$ 3,441</u>	<u>\$ 20,810</u>

CITY OF WESTFIELD  
SCHEDULE OF LEASES AND DEBT  
December 31, 2014

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
Fifth Third	Pumper Truck	\$ 59,827	11/01/12	05/01/22
Huntington Bank	2 Kenworth Dump Trucks	46,589	06/21/10	06/21/17
JP Morgan Chase	Pumper Truck	90,027	11/05/10	11/19/17
JP Morgan Chase	Police Lease	54,961	03/01/12	05/09/15
JP Morgan Chase	Ladder Truck	113,198	03/01/12	02/09/22
JP Morgan Chase	Police Lease	114,995	05/01/13	05/13/16
JP Morgan Chase	EMS Medical Equip	37,831	10/11/13	05/01/18
JP Morgan Chase	Public Safety Equipment	321,238	04/14/14	11/28/16
First Security Finance	Turf for Grand Sports Park Campus Project	844,425	07/03/13	07/10/23
Westfield Washington Township Public Safety Building Corporation	Public Safety Building	<u>541,000</u>	04/23/14	01/05/21
Total governmental activities		<u>2,224,091</u>		
Total of annual lease payments		<u>\$ 2,224,091</u>		

Type	Description of Debt Purpose	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:			
General obligation bonds	2005 Bonds - Park Improvements and IT Upgrades	\$ 1,455,000	\$ 429,760
Revenue bonds	2009 Tax Increment Bonds - East Side Economic Development	6,025,000	613,548
Revenue bonds	Economic Development Tax Increment Revenue Bonds Series 2012B - Road Project	1,560,000	80,118
Notes and loans payable	2011 COIT Tax Anticipation Notes - Grand Sports Park Campus Project	10,000,000	350,000
Notes and loans payable	2012 COIT Tax Bond Anticipation Notes - Grand Sports Park Campus Project	8,900,000	228,730
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	<u>3,677,218</u>	<u>472,582</u>
Total governmental activities		<u>56,617,218</u>	<u>2,802,238</u>
Totals		<u>\$ 56,617,218</u>	<u>\$ 2,802,238</u>

CITY OF WESTFIELD  
 SCHEDULE OF CAPITAL ASSETS  
 December 31, 2014

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	\$ 2,623,240
Infrastructure	1,114,872
Buildings	11,337,730
Improvements other than buildings	15,046,163
Machinery, equipment, and vehicles	15,473,936
Construction in progress	41,147,576
Total governmental activities	86,743,517
Total capital assets	\$ 86,743,517

SUPPLEMENTAL AUDIT OF  
FEDERAL AWARDS



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

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

**Report on Compliance for the 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, 2014. 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 the 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, 2014.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR THE 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 item 2014-003. Our opinion on the 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**

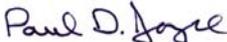
Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on 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 2014-002 and 2014-003 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 5, 2016

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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, 2014

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 Planning and Construction Cluster				
Highway Planning and Construction	IN Department of Transportation			
Monon Trail		20.205	DES 0900029	\$ 378,914
US 31 Project		20.205	DES 0900273	<u>437,828</u>
Total - Highway Planning and Construction				<u>816,742</u>
Total - Highway Planning and Construction Cluster				<u>816,742</u>
Total - Department of Transportation				<u>816,742</u>
<u>Department of Homeland Security</u>				
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	IN Department of Homeland Security			
		97.036	385PA4173000000	<u>54,896</u>
Homeland Security Grant Program	IN Department of Homeland Security			
		97.067	38513SHSP00000	<u>6,326</u>
Total - Department of Homeland Security				<u>61,222</u>
Total federal awards expended				<u>\$ 877,964</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 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?	no
Noncompliance material to financial statement noted?	yes

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 a 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:

\_\_\_\_\_  
Name of Federal Program or Cluster

Highway Planning and Construction Cluster

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 2014-001 - SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

The City did not have a proper system of internal controls in place to prevent, or detect and correct, errors on the Schedule of Expenditures of Federal Awards (SEFA). The City did not have procedures in place to ensure the SEFA was reviewed for accuracy and completeness.

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, material 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:

- The Highway Planning and Construction Cluster (CFDA #20.205) expenditures were understated by \$309,594.
- The Homeland Security Grant Program (CFDA 97.067) with expenditures of \$6,326 was not included on the SEFA presented for audit.
- The presented names and project numbers for the Highway Planning and Construction (CFDA #20.205) and Disaster Grants - Public Assistance (Presidentially Declared Disasters (CFDA #97.036) grants were incorrect.

Audit adjustments were proposed, accepted by the City, and made to the SEFA.

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.

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

- (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."

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

***FINDING 2014-002 - PERIOD OF AVAILABILITY, PROCUREMENT AND SUSPENSION AND DEBARMENT, 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 0900029, 0900273  
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: Period of Availability, Procurement and Suspension and Debarment, and Reporting.

This is considered a material weakness as no internal control procedures have been established to ensure compliance with the above compliance requirements.

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 with 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 2014-003 - REAL PROPERTY ACQUISITION***

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 0900029, 0900273  
Pass-Through Entity: Indiana Department of Transportation

Management of the City has not established an effective internal control system related to the grant agreement and the Real Property Acquisition compliance requirements. This is considered to be a material weakness which allowed the following noncompliance to occur.

The City personnel could not provide documentation of an appraisal review for the three properties tested from the population of five property acquisitions during our audit period which represents a 60 percent error rate.

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."

49 CFR 24.104 states:

"The Agency shall have an appraisal review process and, at a minimum:

(a) A qualified review appraiser (see section 24.103(d)(1) and appendix A, section 24.104) shall examine the presentation and analysis of market information in all appraisals to assure that they meet the definition of appraisal found in 49 CFR 24.2(a)(3), appraisal requirements found in 49 CFR 24.103 and other applicable requirements, including, to the extent appropriate, the UASFLA, and support the appraiser's opinion of value. The level of review analysis depends on the complexity of the appraisal problem. As needed, the review appraiser shall, prior to acceptance, seek necessary corrections or revisions. The review appraiser shall identify each appraisal report as recommended (as the basis for the establishment of the amount believed to be just compensation), accepted (meets all requirements, but not selected as recommended or approved), or not accepted. If authorized by the Agency to do so, the staff review appraiser shall also approve the appraisal (as the basis for the establishment of the amount believed to be just compensation), and, if also authorized to do so, develop and report the amount believed to be just compensation. (See appendix A, section 24.104(a).)

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

(b) If the review appraiser is unable to recommend (or approve) an appraisal as an adequate basis for the establishment of the offer of just compensation, and it is determined by the acquiring Agency that it is not practical to obtain an additional appraisal, the review appraiser may, as part of the review, present and analyze market information in conformance with section 24.103 to support a recommended (or approved) value. (See appendix A, section 24.104(b).)

(c) The review appraiser shall prepare a written report that identifies the appraisal reports reviewed and documents the findings and conclusions arrived at during the review of the appraisal(s). Any damages or benefits to any remaining property shall be identified in the review appraiser's report. The review appraiser shall also prepare a signed certification that states the parameters of the review. The certification shall state the approved value, and, if the review appraiser is authorized to do so, the amount believed to be just compensation for the acquisition. (See appendix A, section 24.104(c).)"

The failure to establish internal controls enabled material noncompliance to go undetected. The City did not comply with the Real Acquisition compliance requirement. Noncompliance with 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 requirement listed above and establish procedures to ensure documentation of an appraisal review of property acquisitions is presented in the future.

#### AUDITEE PREPARED DOCUMENTS

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



March 24, 2016

Corrective Action Plan

**Mayor**  
Andy Cook

**City Council**  
Jim Ake  
Steven Hoover  
Robert L. Horkay  
Chuck Lehman  
Robert J. Smith  
Cindy L. Spoljaric  
Robert W. Stokes

**Clerk Treasurer**  
Cindy J. Gossard

Finding No. 2014-001: Schedule of Expenditures of Federal Awards  
Auditee Contact Person: Cindy Gossard  
Contact Person Title: Clerk-Treasurer  
Contact Phone Number: 317-804-3026

Description of Corrective Action Plan

We have implemented a new software to institute control procedures for each department for Grants. We believe this will ensure accurate reporting of all grants on the schedule and oversight to insure all grants have been included. We expect to have this implementation completed by December 2016.

  
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](http://westfield.in.gov)



March 24, 2016

Corrective Action Plan

**Mayor**  
Andy Cook

Finding No. 2014-002: Period of Availability; Procurement Suspension and Debarment; and Reporting

**City Council**  
Jim Ake  
Steven Hoover  
Robert L. Horkay  
Chuck Lehman  
Robert J. Smith  
Cindy L. Spoljaric  
Robert W. Stokes

Auditee Contact Person: Cindy Gossard

Contact Person Title: Clerk-Treasurer

Contact Phone Number: 317-804-3026

**Clerk Treasurer**  
Cindy J. Gossard

Description of Corrective Action Plan

We have implemented a new software to institute control procedures for each Grant for each department. We are doing training on how to fully utilize this system. We will provide accounting assignments to each Grant to accurately track the receipts and disbursements. We expect to have this implementation completed by December 2016.

  
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](http://westfield.in.gov)



March 24, 2016

Corrective Action Plan

**Mayor**  
Andy Cook

Finding No. 2014-003: Real Property Acquisition

Auditee Contact Person: Cindy Gossard

**City Council**

Jim Ake  
Steven Hoover  
Robert L. Horkay  
Chuck Lehman  
Robert J. Smith  
Cindy L. Spoljaric  
Robert W. Stokes

Contact Person Title: Clerk-Treasurer

Contact Phone Number: 317-804-3026

Description of Corrective Action Plan

**Clerk Treasurer**

Cindy J. Gossard

We will implement an appraisal review process to maintain internal controls and establish procedures to ensure documentation of an appraisal review of property acquisitions are presented. We will be doing training on how to fully understand this action plan. We expect to have this implementation completed by December 2016.

A handwritten signature in black ink 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](http://westfield.in.gov)

#### OTHER REPORTS

In addition to this report, other reports may have been issued for the City. All reports can be found on the Indiana State Board of Accounts' website: <http://www.in.gov/sboa/>.