

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

EXAMINATION REPORT
OF
CITY OF WESTFIELD
HAMILTON COUNTY, INDIANA
January 1, 2010 to December 31, 2010



FILED
10/21/2011

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Officials	2
Independent Accountant's Report.....	3
Financial Statement:	
Statement of Receipts, Disbursements, and Cash and Investment Balances – Regulatory Basis	6
Notes to Financial Statement.....	7-12
Supplementary Information:	
Combining Schedule of Receipts, Disbursements, and Cash and Investment Balances – Regulatory Basis	14-25
Schedule of Capital Assets.....	26
Schedule of Long-Term Debt	27
Examination Results and Comments:	
Official Bond	28
Penalties, Interest, and Other Charges	28
Exit Conference.....	29
Official Response	30

OFFICIALS

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



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

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

INDEPENDENT ACCOUNTANT'S REPORT

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

We have examined the financial statement of the City of Westfield (City), for the period of January 1, 2010 to December 31, 2010. The City's management is responsible for the financial statement. Our responsibility is to express an opinion based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence supporting the financial statement and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

As discussed in Note 1, the City prepares its financial statement on the prescribed basis of accounting that demonstrates compliance with the reporting requirements established by the State Board of Accounts as allowed by 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 noted above is a different basis than that used in the prior year.

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, 2010, on the basis of accounting described in Note 1.

The Combining Schedule of Receipts, Disbursements, and Cash and Investment Balances – Regulatory Basis, Schedule of Capital Assets, and Schedule of Long-Term Debt, 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 examination procedures applied to the financial statement and, accordingly, we express no opinion on them.

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

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

STATE BOARD OF ACCOUNTS

July 25, 2011

(This page intentionally left blank.)

FINANCIAL STATEMENT

CITY OF WESTFIELD
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For The Year Ended December 31, 2010

	Cash and Investments 01-01-10	Receipts	Disbursements	Cash and Investments 12-31-10
General	\$ 3,454,199	\$ 10,823,469	\$ 9,082,701	\$ 5,194,967
Fire Operation	617,254	6,075,694	5,757,524	935,424
Motor Vehicle Highway	329,926	823,954	984,772	169,108
Local Road And Street	184,545	311,602	325,759	170,388
Park Nonreverting Operating	2,525	-	819	1,706
Emergency Medical Services/Ambulance	149,161	89,888	191,603	47,446
Economic Development Operating	26,551	-	23,790	2,761
Community Development	-	5,500	5,390	110
Grant, Misc	115,000	8,000	68,503	54,497
Rainy Day	106,324	979,304	35,500	1,050,128
Law Enforcement	149,522	204,572	149,639	204,455
Levy Excess	-	17,001	-	17,001
Police Donation	193	5,547	5,059	681
Parks & Recreation	777,426	217,907	625,796	369,537
Greenspace Beautification	6,120	24,142	6,102	24,160
Performance/Maint	26,220	64,942	-	91,162
Westside TIF	-	5,119	-	5,119
Leaf	5,713	-	4,230	1,483
Trail Donation	14,796	-	-	14,796
Road & Street Improvement	-	542,734	492,325	50,409
Eastside TIF	299,306	569,599	595,429	273,476
Aurora TIF	394	515	-	909
Bryne Memorial Grant	3,912	-	3,711	201
Westfield Connects Non-Reverting	32,272	95,275	105,167	22,380
Eagletown TIF	-	4,157	-	4,157
Fire Liberty Mutual Grant	-	20,001	6,632	13,369
DNR State Trail Grant	-	155,614	-	155,614
Youth Assistance Program	-	8,796	3,765	5,031
Bond #2 Debt Service	22,144	153,855	153,930	22,069
GO Bond 2005 Debt Service	36,154	295,105	325,298	5,961
PSB Lease Rental Pmt	194,301	441,261	574,519	61,043
Eastside TIF 2009 DSR	615,000	-	-	615,000
Cumulative Capital Development	459,023	264,046	668,256	54,813
Cumulative Capital Improvement	46,177	53,782	50,493	49,466
Go Bond 2005 Tech	727	-	-	727
South Union Streetscape	2,300,000	-	1,190,105	1,109,895
Fire Station 83 Proceeds	2,000,000	-	517,691	1,482,309
Regional Storm Detention	309,096	-	31,545	277,551
PSB/Adm Cap Improvement	128,587	-	63,887	64,700
Midland Trail Phase 1	1,500,000	-	971,225	528,775
EMS Clearing	56,643	345,901	223,894	178,650
Payroll	29,369	12,720,264	12,726,862	22,771
Wastewater Utility Operating	-	2,572,940	2,572,940	-
Wastewater Utility Bond And Interest	1,051,624	3,154,873	3,154,873	1,051,624
Wastewater Utility Construction	800,887	-	186,559	614,328
Wastewater Utility Debt Reserve	721,500	677	564	721,613
Wastewater Utility Expansion	11,970	-	11,970	-
Wastewater Utility Revenue	-	5,585,154	5,581,032	4,122
Stormwater Utility Revenue	268,912	404,829	642,809	30,932
Wastewater Utility Tap Fee	-	283,272	283,272	-
Wastewater Utility Availability Fee	12,918	537,551	550,469	-
Wastewater Utility Availability Fee Reimburse	-	47,745	44,528	3,217
Wastewater Utility Escrow Dev. Fee	110,004	56,188	22,945	143,247
Trash Revenue	87,129	1,207,228	1,070,475	223,882
Wastewater Utility Depreciation	44,153	-	44,153	-
Water Utility Operating	-	3,221,372	2,847,736	373,636
Water Utility Bond And Interest	490,444	1,019,451	1,078,388	431,507
Meter Deposits	8,775	2,400	-	11,175
Water Utility Construction	341	-	-	341
Water Utility Debt Reserve	204,463	-	493	203,970
Water Utility Revenue	4,668	4,789,868	4,564,396	230,140
Water Utility Tap Fee	143,735	131,894	175,591	100,038
Water Utility Availability Fee	84,698	386,163	15,323	455,538
Water Utility Availability Fee Reimburse	384,577	135,690	-	520,267
Water Depreciation & Plant Expansion	-	120,000	89,209	30,791
Water Utility Escrow Dev. Fees	-	7,421	-	7,421
Totals	<u>\$ 18,429,378</u>	<u>\$ 58,992,262</u>	<u>\$ 58,909,646</u>	<u>\$ 18,511,994</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, and urban redevelopment and housing.

The accompanying financial statement presents the financial information for the City (primary government), and does not include financial information for any of the City's legally separate component units, which accounting principles generally accepted in the United States of America require to be reported with the financial information of the City (primary government.)

B. Basis of Accounting

The financial statement is reported on a regulatory basis of accounting prescribed by the State Board of Accounts in accordance with state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Receipts are recorded when received and disbursements are recorded when paid.

The regulatory basis of accounting differs from accounting principles generally accepted in the United States of America in that receipts are recognized when received in cash rather than when earned and disbursements are recognized when paid rather than when a liability is incurred.

C. Cash and Investments

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

D. Receipts

Receipts are presented in the aggregate on the face of the financial statement. The aggregate receipts may include, but are not limited to, 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.

Special assessments which include amounts levied against certain properties to defray all or part of the cost of a specific capital improvement or service deemed to benefit primarily those properties.

CITY OF WESTFIELD
NOTES TO FINANCIAL STATEMENT
(Continued)

License and permits which includes 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 license and permits include: peddler licenses; dog tax licenses, auctioneer license, building and planning permits, demolition permits, electrical permits, sign permits; and gun permits.

Intergovernmental receipts which includes receipts from other governments in the form of operating grants, entitlements, or payments in lieu of taxes. Examples of this type of receipts includes, but is 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 includes 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).

Net proceeds from borrowings which includes receipts from general obligation bonds, notes and loans.

Intergovernmental loan activity which includes amounts received from other funds as loans on a temporary basis.

Transfers in which includes funds authorized by statute, ordinance, resolution or court order to be transferred in from another fund.

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

Internal service receipts which are comprised mostly of fees received for services performed for other funds.

Fiduciary receipts which are comprised mostly of contributions to the pensions funds from state and local sources.

E. Disbursements

Disbursements are presented in the aggregate on the face of the financial statement. The aggregate disbursements may include, but are not limited to, the following uses:

CITY OF WESTFIELD
NOTES TO FINANCIAL STATEMENT
(Continued)

Personal services which includes 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 includes 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 includes, but is not limited to: professional services, communication and transportation, printing and advertising, insurance, utility services, repairs and maintenance; and rental charges.

Debt service principle and interest which includes 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 includes all outflows for land, infrastructure, buildings, improvements, machinery and equipment having an appreciable and calculable period of usefulness.

Interfund loan payments and loans made which includes amounts that are owed to a particular fund by another fund.

Transfers out which includes funds authorized by statute, ordinance, resolution or court order to be transferred to another fund.

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.

CITY OF WESTFIELD
NOTES TO FINANCIAL STATEMENT
(Continued)

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 were 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 statute (IC 5-13-9) authorizes 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. These risks may also be mitigated by the City by recording as a disbursement and replacement items purchased.

CITY OF WESTFIELD
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 6. Pension Plan

A. Public Employees' Retirement Fund

Plan Description

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

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

Public Employees' Retirement Fund
Harrison Building, Room 800
143 West Market Street
Indianapolis, IN 46204
Ph. (317) 233-4162

Funding Policy and Annual Pension Cost

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

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 Employees' Retirement Plan (PERF) for all police officers and firefighters hired after April 30, 1977.

State statute (IC 36-8-8) regulates the operations of the system, including benefits, vesting and requirements for contributions by employers and by employees. Covered employees may retire at age 52 with 20 years of service. An employee with 20 years of service may leave service, but will not receive benefits until reaching age 52. The plan also provides for death and disability benefits.

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

CITY OF WESTFIELD
NOTES TO FINANCIAL STATEMENT
(Continued)

Public Employees' Retirement Fund
Harrison Building, Room 800
143 West Market Street
Indianapolis, IN 46204
Ph. (317) 233-4162

Funding Policy

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

The City also contributes to additional pension plans unique to the City. Information regarding these plans may be obtained from the City.

SUPPLEMENTARY INFORMATION – UNAUDITED

For additional financial information, the City's Annual Report can be found on the Indiana Transparency Portal website: www.in.gov/itp/annual_reports/.

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 are referenced above. These differences, if any, are due to adjustments made to the financial information during the course of the examination. This is a common occurrence in any financial statement examination. The financial information presented in this report is examined information, and the accuracy of such information can be determined by reading the opinion given in the Independent Accountant's Report.

The supplementary information presented was prepared and/or 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, 2010

	General	Fire Operation	Motor Vehicle Highway	Local Road And Street	Park Nonreverting Operating	Emergency Medical Services/Ambulance
Cash and investments - beginning	\$ 3,454,199	\$ 617,254	\$ 329,926	\$ 184,545	\$ 2,525	\$ 149,161
Receipts:						
Taxes	5,719,115	3,129,244	226,001	-	-	-
Licenses and permits	348,591	-	-	-	-	-
Intergovernmental	4,231,470	2,132,638	550,926	310,553	-	-
Charges for services	55,529	799,753	28,811	-	-	89,888
Fines and forfeits	3,150	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	465,614	14,059	18,216	1,049	-	-
Total receipts	<u>10,823,469</u>	<u>6,075,694</u>	<u>823,954</u>	<u>311,602</u>	<u>-</u>	<u>89,888</u>
Disbursements:						
Personal services	5,836,474	5,282,382	197,141	-	-	-
Supplies	274,560	117,890	325,256	27,905	819	51,110
Other services and charges	1,578,027	214,523	112,922	21,316	-	46,829
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	276,343	13,671	323,111	25,407	-	64,681
Utility operating expenses	-	-	-	-	-	-
Other disbursements	1,117,297	129,058	26,342	251,131	-	28,983
Total disbursements	<u>9,082,701</u>	<u>5,757,524</u>	<u>984,772</u>	<u>325,759</u>	<u>819</u>	<u>191,603</u>
Excess (deficiency) of receipts over disbursements	<u>1,740,768</u>	<u>318,170</u>	<u>(160,818)</u>	<u>(14,157)</u>	<u>(819)</u>	<u>(101,715)</u>
Cash and investments - ending	<u>\$ 5,194,967</u>	<u>\$ 935,424</u>	<u>\$ 169,108</u>	<u>\$ 170,388</u>	<u>\$ 1,706</u>	<u>\$ 47,446</u>

CITY OF WESTFIELD
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

	Economic Development Operating	Community Development	Grant, Misc	Rainy Day	Law Enforcement	Levy Excess
Cash and investments - beginning	\$ 26,551	\$ -	\$ 115,000	\$ 106,324	\$ 149,522	\$ -
Receipts:						
Taxes	-	-	-	-	-	17,001
Licenses and permits	-	-	-	-	9,908	-
Intergovernmental	-	-	4,000	485,258	-	-
Charges for services	-	-	-	-	3,486	-
Fines and forfeits	-	-	-	-	176,588	-
Utility fees	-	-	-	-	-	-
Other receipts	-	5,500	4,000	494,046	14,590	-
Total receipts	-	5,500	8,000	979,304	204,572	17,001
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	18,051	-
Other services and charges	23,790	-	68,503	-	-	-
Debt service - principal and interest	-	-	-	-	4,800	-
Capital outlay	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	5,390	-	35,500	126,788	-
Total disbursements	23,790	5,390	68,503	35,500	149,639	-
Excess (deficiency) of receipts over disbursements	(23,790)	110	(60,503)	943,804	54,933	17,001
Cash and investments - ending	\$ 2,761	\$ 110	\$ 54,497	\$ 1,050,128	\$ 204,455	\$ 17,001

CITY OF WESTFIELD
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

	Police Donation	Parks & Recreation	Greenspace Beautification	Performance/Maint	Westside Tif	Leaf
Cash and investments - beginning	\$ 193	\$ 777,426	\$ 6,120	\$ 26,220	\$ -	\$ 5,713
Receipts:						
Taxes	-	-	-	-	5,119	-
Licenses and permits	-	211,303	-	-	-	-
Intergovernmental	-	733	5,000	-	-	-
Charges for services	-	4,440	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	5,547	1,431	19,142	64,942	-	-
Total receipts	<u>5,547</u>	<u>217,907</u>	<u>24,142</u>	<u>64,942</u>	<u>5,119</u>	<u>-</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	21,285	906	-	-	-
Other services and charges	1,058	2,816	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	281,815	-	-	-	4,230
Utility operating expenses	-	-	-	-	-	-
Other disbursements	4,001	319,880	5,196	-	-	-
Total disbursements	<u>5,059</u>	<u>625,796</u>	<u>6,102</u>	<u>-</u>	<u>-</u>	<u>4,230</u>
Excess (deficiency) of receipts over disbursements	<u>488</u>	<u>(407,889)</u>	<u>18,040</u>	<u>64,942</u>	<u>5,119</u>	<u>(4,230)</u>
Cash and investments - ending	<u>\$ 681</u>	<u>\$ 369,537</u>	<u>\$ 24,160</u>	<u>\$ 91,162</u>	<u>\$ 5,119</u>	<u>\$ 1,483</u>

CITY OF WESTFIELD
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

	Trail Donation	Road & Street Improvement	Eastside Tif	Aurora Tif	Bryne Memorial Grant	Westfield Connects Non-Reverting
Cash and investments - beginning	\$ 14,796	\$ -	\$ 299,306	\$ 394	\$ 3,912	\$ 32,272
Receipts:						
Taxes	-	-	569,599	515	-	-
Licenses and permits	-	420,179	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	90,108
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	-	122,555	-	-	-	5,167
Total receipts	-	542,734	569,599	515	-	95,275
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	3,668	73	-	163	-
Other services and charges	-	-	13,992	-	3,548	100,000
Debt service - principal and interest	-	-	307,072	-	-	-
Capital outlay	-	-	272,692	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	488,657	1,600	-	-	5,167
Total disbursements	-	492,325	595,429	-	3,711	105,167
Excess (deficiency) of receipts over disbursements	-	50,409	(25,830)	515	(3,711)	(9,892)
Cash and investments - ending	\$ 14,796	\$ 50,409	\$ 273,476	\$ 909	\$ 201	\$ 22,380

CITY OF WESTFIELD
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

	Eagletown Tif	Fire Liberty Mutual Grant	Dnr State Trail Grant	Youth Assistance Program	Bond #2 Debt Service	Go Bond 2005 Debt Service
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ 22,144	\$ 36,154
Receipts:						
Taxes	4,157	-	-	-	137,540	263,848
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	20,001	-	1,820	16,315	31,257
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	-	-	155,614	6,976	-	-
Total receipts	<u>4,157</u>	<u>20,001</u>	<u>155,614</u>	<u>8,796</u>	<u>153,855</u>	<u>295,105</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	1,054	-	171	-	-
Other services and charges	-	1,000	-	3,594	-	-
Debt service - principal and interest	-	-	-	-	153,930	324,798
Capital outlay	-	4,578	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	500
Total disbursements	<u>-</u>	<u>6,632</u>	<u>-</u>	<u>3,765</u>	<u>153,930</u>	<u>325,298</u>
Excess (deficiency) of receipts over disbursements	<u>4,157</u>	<u>13,369</u>	<u>155,614</u>	<u>5,031</u>	<u>(75)</u>	<u>(30,193)</u>
Cash and investments - ending	<u>\$ 4,157</u>	<u>\$ 13,369</u>	<u>\$ 155,614</u>	<u>\$ 5,031</u>	<u>\$ 22,069</u>	<u>\$ 5,961</u>

CITY OF WESTFIELD
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

	Psb Lease Rental Pmt	Eastside Tif 2009 Dsr	Cumulative Capital Development	Cumulative Capital Improvement	Go Bond 2005 Tech	South Union Streetscape
Cash and investments - beginning	\$ 194,301	\$ 615,000	\$ 459,023	\$ 46,177	\$ 727	\$ 2,300,000
Receipts:						
Taxes	373,951	-	236,052	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	44,310	-	27,994	53,782	-	-
Charges for services	23,000	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-
Total receipts	<u>441,261</u>	<u>-</u>	<u>264,046</u>	<u>53,782</u>	<u>-</u>	<u>-</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	603	-	314
Other services and charges	-	-	-	49,890	-	4,251
Debt service - principal and interest	568,519	-	-	-	-	-
Capital outlay	-	-	295,812	-	-	1,185,540
Utility operating expenses	-	-	-	-	-	-
Other disbursements	6,000	-	372,444	-	-	-
Total disbursements	<u>574,519</u>	<u>-</u>	<u>668,256</u>	<u>50,493</u>	<u>-</u>	<u>1,190,105</u>
Excess (deficiency) of receipts over disbursements	<u>(133,258)</u>	<u>-</u>	<u>(404,210)</u>	<u>3,289</u>	<u>-</u>	<u>(1,190,105)</u>
Cash and investments - ending	<u>\$ 61,043</u>	<u>\$ 615,000</u>	<u>\$ 54,813</u>	<u>\$ 49,466</u>	<u>\$ 727</u>	<u>\$ 1,109,895</u>

CITY OF WESTFIELD
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

	Fire Station 83 Proceeds	Regional Storm Detention	Psb/Adm Cap Improvement	Midland Trail Phase 1	EMS Clearing	Payroll
Cash and investments - beginning	\$ 2,000,000	\$ 309,096	\$ 128,587	\$ 1,500,000	\$ 56,643	\$ 29,369
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	345,901	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	-	-	-	-	-	12,720,264
Total receipts	-	-	-	-	345,901	12,720,264
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	480	-	-
Other services and charges	-	-	387	23,613	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	514,653	31,545	63,500	920,432	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	3,038	-	-	26,700	223,894	12,726,862
Total disbursements	517,691	31,545	63,887	971,225	223,894	12,726,862
Excess (deficiency) of receipts over disbursements	(517,691)	(31,545)	(63,887)	(971,225)	122,007	(6,598)
Cash and investments - ending	<u>\$ 1,482,309</u>	<u>\$ 277,551</u>	<u>\$ 64,700</u>	<u>\$ 528,775</u>	<u>\$ 178,650</u>	<u>\$ 22,771</u>

CITY OF WESTFIELD
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

	Wastewater Utility Operating	Wastewater Utility Bond And Interest	Wastewater Utility Construction	Wastewater Utility Debt Reserve	Wastewater Utility Expansion	Wastewater Utility Revenue
Cash and investments - beginning	\$ -	\$ 1,051,624	\$ 800,887	\$ 721,500	\$ 11,970	\$ -
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	70,324	-	-	-	-	5,509,330
Other receipts	2,502,616	3,154,873	-	677	-	75,824
Total receipts	2,572,940	3,154,873	-	677	-	5,585,154
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	3,154,873	-	-	-	326,331
Capital outlay	26,815	-	186,559	-	-	1,562
Utility operating expenses	2,470,780	-	-	-	-	502,863
Other disbursements	75,345	-	-	564	11,970	4,750,276
Total disbursements	2,572,940	3,154,873	186,559	564	11,970	5,581,032
Excess (deficiency) of receipts over disbursements	-	-	(186,559)	113	(11,970)	4,122
Cash and investments - ending	\$ -	\$ 1,051,624	\$ 614,328	\$ 721,613	\$ -	\$ 4,122

CITY OF WESTFIELD
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

	Stormwater Utility Revenue	Wastewater Utility Tap Fee	Wastewater Utility Availability Fee	Wastewater Utility Availability Fee Reimburse	Wastewater Utility Escrow Dev. Fee	Wastewater Availability Fees Take Down
Cash and investments - beginning	\$ 268,912	\$ -	\$ 12,918	\$ -	\$ 110,004	\$ -
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	404,829	-	497,102	47,745	56,188	-
Other receipts	-	283,272	40,449	-	-	-
Total receipts	<u>404,829</u>	<u>283,272</u>	<u>537,551</u>	<u>47,745</u>	<u>56,188</u>	<u>-</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	484,873	-	-	-	-	-
Utility operating expenses	59,570	680	13,761	-	-	-
Other disbursements	98,366	282,592	536,708	44,528	22,945	-
Total disbursements	<u>642,809</u>	<u>283,272</u>	<u>550,469</u>	<u>44,528</u>	<u>22,945</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>(237,980)</u>	<u>-</u>	<u>(12,918)</u>	<u>3,217</u>	<u>33,243</u>	<u>-</u>
Cash and investments - ending	<u>\$ 30,932</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,217</u>	<u>\$ 143,247</u>	<u>\$ -</u>

CITY OF WESTFIELD
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

	Trash Revenue	Wastewater Utility Depreciation	Water Utility Operating	Water Utility Bond And Interest	Meter Deposits
Cash and investments - beginning	\$ 87,129	\$ 44,153	\$ -	\$ 490,444	\$ 8,775
Receipts:					
Taxes	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Charges for services	-	-	-	-	-
Fines and forfeits	-	-	-	-	-
Utility fees	1,207,228	-	44,195	-	-
Other receipts	-	-	3,177,177	1,019,451	2,400
Total receipts	<u>1,207,228</u>	<u>-</u>	<u>3,221,372</u>	<u>1,019,451</u>	<u>2,400</u>
Disbursements:					
Personal services	-	-	-	-	-
Supplies	-	-	-	-	-
Other services and charges	-	-	-	-	-
Debt service - principal and interest	-	-	-	1,078,388	-
Capital outlay	-	13,004	89,334	-	-
Utility operating expenses	1,058,653	-	2,706,998	-	-
Other disbursements	11,822	31,149	51,404	-	-
Total disbursements	<u>1,070,475</u>	<u>44,153</u>	<u>2,847,736</u>	<u>1,078,388</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>136,753</u>	<u>(44,153)</u>	<u>373,636</u>	<u>(58,937)</u>	<u>2,400</u>
Cash and investments - ending	<u>\$ 223,882</u>	<u>\$ -</u>	<u>\$ 373,636</u>	<u>\$ 431,507</u>	<u>\$ 11,175</u>

CITY OF WESTFIELD
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

	Water Utility Construction	Water Utility Debt Reserve	Water Utility Revenue	Water Utility Tap Fee	Water Utility Availability Fee
Cash and investments - beginning	\$ 341	\$ 204,463	\$ 4,668	\$ 143,735	\$ 84,698
Receipts:					
Taxes	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Charges for services	-	-	-	-	-
Fines and forfeits	-	-	-	-	-
Utility fees	-	-	4,736,986	-	-
Other receipts	-	-	52,882	131,894	386,163
Total receipts	-	-	4,789,868	131,894	386,163
Disbursements:					
Personal services	-	-	-	-	-
Supplies	-	-	-	-	-
Other services and charges	-	-	-	-	-
Debt service - principal and interest	-	-	113,087	-	-
Capital outlay	-	-	45,000	167,202	-
Utility operating expenses	-	-	-	500	13,761
Other disbursements	-	493	4,406,309	7,889	1,562
Total disbursements	-	493	4,564,396	175,591	15,323
Excess (deficiency) of receipts over disbursements	-	(493)	225,472	(43,697)	370,840
Cash and investments - ending	\$ 341	\$ 203,970	\$ 230,140	\$ 100,038	\$ 455,538

CITY OF WESTFIELD
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

	Water Utility Availability Fee Reimburse	Water Utility Bond Proceeds 2009	Water Depreciation & Plant Expansion	Water Utility Escrow Dev. Fees	Totals
Cash and investments - beginning	\$ 384,577	\$ -	\$ -	\$ -	\$ 18,429,378
Receipts:					
Taxes	-	-	-	-	10,682,142
Licenses and permits	-	-	-	-	989,981
Intergovernmental	-	-	-	-	7,916,057
Charges for services	-	-	-	-	1,440,916
Fines and forfeits	-	-	-	-	179,738
Utility fees	-	-	-	-	12,573,927
Other receipts	135,690	-	120,000	7,421	25,209,501
Total receipts	<u>135,690</u>	<u>-</u>	<u>120,000</u>	<u>7,421</u>	<u>58,992,262</u>
Disbursements:					
Personal services	-	-	-	-	11,315,997
Supplies	-	-	-	-	844,308
Other services and charges	-	-	-	-	2,270,059
Debt service - principal and interest	-	-	-	-	6,026,998
Capital outlay	-	-	-	-	5,297,159
Utility operating expenses	-	-	-	-	6,827,566
Other disbursements	-	-	89,209	-	26,327,559
Total disbursements	<u>-</u>	<u>-</u>	<u>89,209</u>	<u>-</u>	<u>58,909,646</u>
Excess (deficiency) of receipts over disbursements	<u>135,690</u>	<u>-</u>	<u>30,791</u>	<u>7,421</u>	<u>82,616</u>
Cash and investments - ending	<u>\$ 520,267</u>	<u>\$ -</u>	<u>\$ 30,791</u>	<u>\$ 7,421</u>	<u>\$ 18,511,994</u>

CITY OF WESTFIELD
SUPPLEMENTARY INFORMATION
SCHEDULE OF CAPITAL ASSETS
December 31, 2010

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

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

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 553,181
Buildings	7,311,773
Improvements other than buildings	702,670
Machinery and equipment	<u>8,653,342</u>
 Total governmental activities, capital assets not being depreciated	 <u>\$ 17,220,966</u>

<u>Primary Government</u>	<u>Ending Balance</u>
Business-type activities:	
Water Utility:	
Capital assets, not being depreciated:	
Land	\$ 2,605,074
Construction in progress	86,939
Buildings	9,467,270
Improvements other than buildings	24,660,194
Machinery and equipment	1,983,777
Transportation equipment	<u>486,749</u>
 Total Water Utility capital assets	 <u>39,290,003</u>
 Wastewater Utility:	
Capital assets, not being depreciated:	
Land	1,036,128
Construction in progress	16,058,287
Buildings	13,638,307
Improvements other than buildings	48,685,943
Machinery and equipment	9,801,340
Transportation equipment	<u>505,579</u>
 Total Wastewater Utility capital assets	 <u>89,725,584</u>
 Total business-type activities capital assets	 <u>\$ 129,015,587</u>

CITY OF WESTFIELD
SUPPLEMENTARY INFORMATION
SCHEDULE OF LONG-TERM DEBT
December 31, 2010

The City and Utilities have entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:		
Capital leases:		
2005 Public Safety Building	\$ 4,550,000	\$ 286,200
Various vehicles and equipment	2,026,712	740,383
Bonds payable:		
General obligation bonds:		
2001 Road and Trail Projects	493,000	153,874
2005 Park Improvement/IT Upgrades	2,765,000	386,485
Tax increment financing bonds:		
2009 Redevelopment TIF Bond	<u>6,955,000</u>	<u>610,698</u>
Total governmental activities debt	<u>\$ 16,789,712</u>	<u>\$ 2,177,640</u>
Business-type activities:		
Water Utility:		
Notes and loans payable (energy savings)	\$ 584,778	\$ 113,087
Revenue bonds:		
1998 Purchase of Hamilton Southeastern Utility	1,300,000	194,800
2002 Water Treatment Plant Improvements	6,845,000	742,214
2009 Waterworks Revenue Bond	<u>1,110,000</u>	<u>145,363</u>
Total Water Utility	<u>9,839,778</u>	<u>1,195,464</u>
Wastewater Utility		
Notes and loans payable (energy savings)	1,687,472	326,330
Revenue bonds:		
2002 Purchase of Hamilton Southeastern Utility	7,580,000	825,552
2004 Wastewater Treatment Plant Improvements	9,525,000	899,644
2006 Construction of Wastewater Treatment Plant	5,660,000	751,815
2007 Installation of Sewer Lines	<u>13,925,000</u>	<u>686,925</u>
Total Wastewater Utility	<u>38,377,472</u>	<u>3,490,266</u>
Total business-type activities debt	<u>\$ 48,217,250</u>	<u>\$ 4,685,730</u>

CITY OF WESTFIELD
EXAMINATION RESULTS AND COMMENTS

OFFICIAL BOND

The bond for the Clerk-Treasurer was less than the statutory minimum for 2010. The annual bond coverage obtained was in the amount of \$30,000. As disclosed below, the amount of the bond coverage should have been a minimum of \$300,000 (based on receipts in the amount of \$52,978,523 for the year ended December 31, 2009).

Indiana Code 5-4-1-5.1(b) states in part: "Every elected or appointed officer, official, deputy, or employee of a political subdivision . . . shall file the bond in the office of the county recorder. . . ."

Prior to its amendment, effective July 1, 2011, Indiana Code 5-4-1-18(c) stated in part:

". . . the fiscal bodies of the respective units shall fix the amount of the bond of . . . city clerk-treasurers . . . as follows: (1) The amount of annual coverage must equal thirty thousand dollars (\$30,000) for each one million dollars (\$1,000,000) of receipts of the officer's office during the last complete fiscal year before the purchase of the bond, subject to subdivision (2). (2) The amount of annual coverage may not be less than thirty thousand dollars (\$30,000) nor more than three hundred thousand dollars (\$300,000) unless the fiscal body approves a greater amount of annual coverage for the officer or employee . . ."

PENALTIES, INTEREST, AND OTHER CHARGES

Penalties totaling \$1,707.28 were paid to the Internal Revenue Service on April 6, 2010, for the tax period ended December 31, 2009. This penalty was charged because the payment due October 15, 2009 for Federal Employment Tax (Form 941) was made one day late.

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

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

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

CITY OF WESTFIELD
EXIT CONFERENCE

The contents of this report were discussed on August 22, 2011, with Cindy Gossard, Clerk-Treasurer; Tom Smith, President of the City Council; and John Dippel, City Council member. The official response has been made a part of this report and may be found on page 30.

The contents of this report were discussed on September 15, 2011, with Andrew Cook, Mayor.



**2010 AUDIT EXAMINATION REPORT RESPONSE
CITY OF WESTFIELD**

Date: September 1, 2011

Mayor
Andy Cook

City Council
John Dippel
Steven Hoover
Robert L. Horkay
Kenneth Kingshill
Robert J. Smith
Thomas Smith
Robert W. Stokes

Clerk Treasurer
Cindy J. Gossard

Official Bond:

A bond for the Clerk-Treasurer was obtained in the amount of \$ 30,000.00 in 2010. According to State Statute IC 5-4-1-5.1 (b) the set amount for the bond is \$ 30,000 for every \$1,000,000.00 of receipts during the last complete fiscal year and not to exceed \$ 300,000.00. The \$ 30,000.00 bond was obtained in error based on a miscommunication between the bond company and the Clerk-Treasurer. When the actual bond was received the additional amount was applied for immediately remedying the error. This has been done in 2011.

Penalties, Interest and other Charges:

There was federal employment tax penalties paid to the Indiana Revenue Service on April 6, 2010 for the tax period ending December 31, 2009. These penalties accumulated due to a timing of moving the payroll bank account from PNC to Huntington Bank through payments made from ADP. The Clerk-Treasurer is working with all parties to recover the amount of penalties in 2011.

Cindy Gossard
Clerk Treasurer
City of Westfield
804-3026

Clerk Treasurer's Office

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

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