

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, 2015 to December 31, 2015



FILED
08/16/2017

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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	Chuck Lehman Jim Ake	01-01-15 to 12-31-16 01-01-17 to 12-31-17
Director of Public Works	Kenneth Alexander Jeremy Lollar	01-01-14 to 01-31-15 02-01-15 to 12-31-17



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, 2015, 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 (Indiana Code 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 from 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 to 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, 2015.

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, 2015, 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 Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, 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 June 27, 2017, 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

June 27, 2017



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, 2015, and the related notes to the financial statement, and have issued our report thereon dated June 27, 2017, wherein we noted the City followed accounting practices the Indiana State Board of Accounts prescribes rather than accounting principles generally accepted in the United States of America.

Internal Control over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City's financial statement will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs as item 2015-001, that we consider to be material weaknesses.

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

Compliance and Other Matters


As part of obtaining reasonable assurance about whether the City's financial statement is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Questioned Costs as item 2015-001.

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

June 27, 2017

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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, 2015

Fund	Cash and Investments 01-01-15	Receipts	Disbursements	Cash and Investments 12-31-15
General	\$ 6,287,420	\$ 15,359,825	\$ 16,115,092	\$ 5,532,153
Motor Vehicle Highway	488,383	2,003,115	1,455,124	1,036,374
Local Road And Street	374,887	468,493	270,392	572,988
Parks Programming/Events	58,424	84,923	62,965	80,382
Emergency Medical Services/Ambulance	-	244,456	106,095	138,361
Rainy Day	1,000,000	-	-	1,000,000
Cumulative Capital Development	343,214	704,659	666,188	381,685
Cumulative Capital Improvement	218,120	75,523	-	293,643
City Facade Improv Grant	19,108	-	17,900	1,208
Fire Donation Fund	5,000	-	-	5,000
Golf Cart Fund	5,418	3,700	276	8,842
Training Facility Center	45,813	74,465	25,395	94,883
IT Surplus City Equipment	13,824	421	-	14,245
Grand Junction TIF	5,279	997,151	374,626	627,804
2012 COIT Ban Construction	4,917,885	150,549	4,486,660	581,774
2012 COIT Ban Interest	1,169,980	-	856,230	313,750
Parks and Rec Donation	393	-	-	393
Invest MS Westfield 2012B Bond Fund	4	80,115	80,118	1
Main St TIF 2011B Debt Sv	97,946	182,656	80,114	200,488
Inv Grand Park Turf Fund	123,441	14	123,455	-
Meyers Const Escrow/Retainage	220,692	25	220,717	-
Supplemental Reserve	9,104,073	97,428	1,052,488	8,149,013
Sports Campus Operating	34,543	1,755,352	1,863,566	(73,671)
Infrastructure Improvements	25,895,338	949,654	12,213,590	14,631,402
PERF Payroll	83,688	2,136,816	2,220,167	337
EMS	34,458	639,169	626,969	46,658
GO Bond 2015 Proceeds	-	2,020,000	1,995,000	25,000
Monon Trail 32-191 Grant	-	584	-	584
Fire Haz Mat Grant 2014	-	2,736	2,737	(1)
Park Bicentennial Grant	-	5,250	-	5,250
MPO Town Rd 156-166 Grant	-	77,080	-	77,080
Round 156-Springmill Grant	-	83,364	-	83,364
Round 161-Oakridge Grant	-	436,235	-	436,235
US 31 Project Grant	-	18,625	-	18,625
Monon Trail Grant 191-206th	-	138,641	-	138,641
Park DNR Grant - Urban Forestry	-	4,800	-	4,800
County Tourism Grant Service	-	-	2,250	(2,250)
Fire Operation	4,400,254	8,162,253	7,772,479	4,790,028
Sports Park Grant Fund	946,785	-	875	945,910
Law Enforcement	325,409	209,210	177,800	356,819
Police Donation	3,630	1,700	2,546	2,784
Park Impact	479,235	743,235	619,723	602,747
Greenspace Beautification	3,303	102	975	2,430
Performance/Maint	379,787	37,723	7,412	410,098
Leaf	6,807	-	4,558	2,249
Parks Rental Fees	31,860	13,060	521	44,399
Road & Street Improvement	485,943	2,014,737	535,951	1,964,729
Eastside Tif	578,011	1,558,081	1,475,135	660,957
Aurora Tif	17,782	6,527	-	24,309
Westfield Connects Non-Reverting	45,216	-	45,216	-
Eagletown Tif	103,868	150,642	12,379	242,131
Bond #2 Debt Service	-	101,476	-	101,476
Go Bond 2005 Debt Service	190,420	418,096	430,260	178,256
Psb Lease Rental Pmt	311,302	343,748	542,501	112,549
Eastside Tif 2009 Dsr	615,000	-	-	615,000
Payroll	(37,372)	15,530,154	15,467,739	25,043
Stormwater	644,705	1,011,134	330,132	1,325,707
Trash	375,318	1,603,517	1,663,241	315,594
Totals	\$ 60,454,594	\$ 60,701,219	\$ 74,007,557	\$ 47,148,256

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. Amounts received from one or more of the following: property tax, certified shares (local option tax), property tax replacement credit (local option tax), county option income tax, wheel tax, innkeeper's 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. Amounts received from businesses, occupations, or non-businesses 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 the following: peddler licenses, animal 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. Amounts received from other governments in the form of operating grants, entitlements, or payments in lieu of taxes. Examples of intergovernmental receipts include, but are not limited to, the following: federal grants, state grants, cigarette tax distributions received from the state, motor vehicle highway distributions received from the state, local road and street distributions 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. Amounts received for services including, but not limited to, the following: planning commission charges, building department charges, copies of public records, copy machines 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. Amounts received 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. Amounts received from charges for current services.

Penalties. Amounts received from late payment fees.

Other receipts. Amounts received from various sources, including, but 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. Amounts disbursed 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. Amounts disbursed for 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, but are not limited to, the following: office supplies, operating supplies, and repair and maintenance supplies.

Other services and charges. Amounts disbursed for services including, but not limited to, the following: 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. Amounts disbursed for 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. Amounts disbursed for land, infrastructure, buildings, improvements, and machinery and equipment having an appreciable and calculable period of usefulness.

Utility operating expenses. Amounts disbursed for operating the utilities.

Other disbursements. Amounts disbursed for various other purposes including, but 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, make transfers 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 amounts 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 amounts 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

CITY OF WESTFIELD
NOTES TO FINANCIAL STATEMENT
(Continued)

Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's March 1 (lien date) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100 percent of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which normally become delinquent if not paid by May 10 and November 10, respectively.

Note 4. Deposits and Investments

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

State statutes authorize the City to invest in securities including, but not limited to, the following: 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 with a deficit in cash. The Sports Campus Operating fund had a cash balance deficit due to more disbursements being made than were received.

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 2015 totaled \$541,000.

Note 9. *Subsequent Events*

On September 29, 2016, the City Council issued \$31,040,000 in County Option Income Tax Bonds to purchase land at the Grand Park Sports Complex and refinance the 2011 and 2012 Bond Anticipation Notes. On November 11, 2016, the City Council issued \$2,000,000 in General Obligation Bonds to purchase vehicles and equipment. On December 15, 2016, the City Council issued \$4,515,000 in Tax Increment Finance Revenue Bonds to fund road improvements.

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 City's Annual Financial Report 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, 2015

	General	Motor Vehicle Highway	Local Road And Street	Parks Programming/Events	Emergency Medical Services/Ambulance	Rainy Day	Cumulative Capital Development
Cash and investments - beginning	\$ 6,287,420	\$ 488,383	\$ 374,887	\$ 58,424	\$ -	\$ 1,000,000	\$ 343,214
Receipts:							
Taxes	6,573,937	606,447	-	-	-	-	647,442
Licenses and permits	1,442,466	183,052	-	-	-	-	-
Intergovernmental receipts	6,339,926	1,178,092	463,436	-	-	-	57,217
Charges for services	-	-	-	83,990	244,456	-	-
Fines and forfeits	1,148	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	1,002,348	35,524	5,057	933	-	-	-
Total receipts	15,359,825	2,003,115	468,493	84,923	244,456	-	704,659
Disbursements:							
Personal services	10,928,594	-	-	-	-	-	-
Supplies	234,394	416,916	36,085	-	43,555	-	-
Other services and charges	3,988,710	989,160	94,335	28,822	36,614	-	-
Debt service - principal and interest	589,026	46,589	-	-	18,916	-	666,188
Capital outlay	300,113	-	116,262	-	7,010	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	74,255	2,459	23,710	34,143	-	-	-
Total disbursements	16,115,092	1,455,124	270,392	62,965	106,095	-	666,188
Excess (deficiency) of receipts over disbursements	(755,267)	547,991	198,101	21,958	138,361	-	38,471
Cash and investments - ending	\$ 5,532,153	\$ 1,036,374	\$ 572,988	\$ 80,382	\$ 138,361	\$ 1,000,000	\$ 381,685

CITY OF WESTFIELD
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2015
 (Continued)

	Cumulative Capital Improvement	City Facade Improv Grant	Fire Donation Fund	Golf Cart Fund	Training Facility Center	IT Surplus City Equipment	Grand Junction TIF
Cash and investments - beginning	\$ 218,120	\$ 19,108	\$ 5,000	\$ 5,418	\$ 45,813	\$ 13,824	\$ 5,279
Receipts:							
Taxes	-	-	-	-	-	-	997,151
Licenses and permits	-	-	-	3,700	-	-	-
Intergovernmental receipts	75,523	-	-	-	-	-	-
Charges for services	-	-	-	-	74,465	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	421	-
Total receipts	75,523	-	-	3,700	74,465	421	997,151
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	299	-	-
Other services and charges	-	17,900	-	276	23,907	-	4,346
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	370,280
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	1,189	-	-
Total disbursements	-	17,900	-	276	25,395	-	374,626
Excess (deficiency) of receipts over disbursements	75,523	(17,900)	-	3,424	49,070	421	622,525
Cash and investments - ending	\$ 293,643	\$ 1,208	\$ 5,000	\$ 8,842	\$ 94,883	\$ 14,245	\$ 627,804

CITY OF WESTFIELD
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2015
 (Continued)

	2012 COIT Ban Construction	2012 COIT Ban Interest	Parks and Rec Donation	Invest MS Westfield 2012B Bond Fund	Main St TIF 2011B Debt Sv	Inv Grand Park Turf Fund	Meyers Const Escrow/Retainage
Cash and investments - beginning	\$ 4,917,885	\$ 1,169,980	\$ 393	\$ 4	\$ 97,946	\$ 123,441	\$ 220,692
Receipts:							
Taxes	-	-	-	-	182,656	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	150,549	-	-	80,115	-	14	25
Total receipts	150,549	-	-	80,115	182,656	14	25
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	298,468	-	-	-	-	-	-
Debt service - principal and interest	-	856,230	-	80,118	80,114	-	-
Capital outlay	4,038,192	-	-	-	-	123,455	220,717
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	150,000	-	-	-	-	-	-
Total disbursements	4,486,660	856,230	-	80,118	80,114	123,455	220,717
Excess (deficiency) of receipts over disbursements	(4,336,111)	(856,230)	-	(3)	102,542	(123,441)	(220,692)
Cash and investments - ending	\$ 581,774	\$ 313,750	\$ 393	\$ 1	\$ 200,488	\$ -	\$ -

CITY OF WESTFIELD
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2015
 (Continued)

	Supplemental Reserve	Sports Campus Operating	Infrastructure Improvements	PERF Payroll	EMS	GO Bond 2015 Proceeds	Monon Trail 32-191 Grant
Cash and investments - beginning	\$ 9,104,073	\$ 34,543	\$ 25,895,338	\$ 83,688	\$ 34,458	\$ -	\$ -
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-	584
Charges for services	-	1,581,036	-	-	639,169	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	97,428	174,316	949,654	2,136,816	-	2,020,000	-
Total receipts	97,428	1,755,352	949,654	2,136,816	639,169	2,020,000	584
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	1,218	27,576	-	-	-	-	-
Other services and charges	848,931	1,684,579	1,742,703	-	-	30,000	-
Debt service - principal and interest	-	-	-	-	-	1,629,427	-
Capital outlay	-	-	9,469,459	-	-	285,041	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	202,339	151,411	1,001,428	2,220,167	626,969	50,532	-
Total disbursements	1,052,488	1,863,566	12,213,590	2,220,167	626,969	1,995,000	-
Excess (deficiency) of receipts over disbursements	(955,060)	(108,214)	(11,263,936)	(83,351)	12,200	25,000	584
Cash and investments - ending	\$ 8,149,013	\$ (73,671)	\$ 14,631,402	\$ 337	\$ 46,658	\$ 25,000	\$ 584

CITY OF WESTFIELD
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2015
 (Continued)

	Fire Haz Mat Grant 2014	Park Bicentennial Grant	MPO Town Rd 156-166 Grant	Round 156-Springmill Grant	Round 161-Oakridge Grant	US 31 Project Grant	Monon Trail Grant 191-206th
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts:							
Taxes	2,736	-	77,080	-	-	18,625	138,641
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	5,250	-	83,364	436,235	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	2,736	5,250	77,080	83,364	436,235	18,625	138,641
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	1,308	-	-	-	-	-	-
Other services and charges	1,429	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	2,737	-	-	-	-	-	-
Excess (deficiency) of receipts over disbursements	(1)	5,250	77,080	83,364	436,235	18,625	138,641
Cash and investments - ending	\$ (1)	\$ 5,250	\$ 77,080	\$ 83,364	\$ 436,235	\$ 18,625	\$ 138,641

CITY OF WESTFIELD
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2015
 (Continued)

	Park DNR Grant -	County Tourism Grant Service	Fire Operation	Sports Park Grant Fund	Law Enforcement	Police Donation
	Urban Forestry					
Cash and investments - beginning	\$ -	\$ -	\$ 4,400,254	\$ 946,785	\$ 325,409	\$ 3,630
Receipts:						
Taxes	4,800	-	3,135,431	-	20,185	-
Licenses and permits	-	-	-	-	27,973	-
Intergovernmental receipts	-	-	3,982,353	-	-	-
Charges for services	-	-	1,034,249	-	-	-
Fines and forfeits	-	-	-	-	160,255	-
Utility fees	-	-	-	-	-	-
Penalties	-	-	-	-	-	-
Other receipts	-	-	10,220	-	797	1,700
Total receipts	4,800	-	8,162,253	-	209,210	1,700
Disbursements:						
Personal services	-	-	6,849,179	-	-	-
Supplies	-	-	187,964	-	-	-
Other services and charges	-	2,250	612,115	-	-	-
Debt service - principal and interest	-	-	89,300	-	148,714	-
Capital outlay	-	-	33,921	875	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	-	-	29,086	2,546
Total disbursements	-	2,250	7,772,479	875	177,800	2,546
Excess (deficiency) of receipts over disbursements	4,800	(2,250)	389,774	(875)	31,410	(846)
Cash and investments - ending	\$ 4,800	\$ (2,250)	\$ 4,790,028	\$ 945,910	\$ 356,819	\$ 2,784

CITY OF WESTFIELD
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2015
 (Continued)

	Park Impact	Greenspace Beautification	Performance/Maint	Leaf	Parks Rental Fees	Road & Street Improvement
Cash and investments - beginning	\$ 479,235	\$ 3,303	\$ 379,787	\$ 6,807	\$ 31,860	\$ 485,943
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-
Charges for services	743,235	-	37,723	-	13,060	2,014,737
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Penalties	-	-	-	-	-	-
Other receipts	-	102	-	-	-	-
Total receipts	<u>743,235</u>	<u>102</u>	<u>37,723</u>	<u>-</u>	<u>13,060</u>	<u>2,014,737</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	905	-	-	-	-	-
Other services and charges	34,370	-	1,850	-	521	535,951
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	584,448	-	5,562	4,558	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	975	-	-	-	-
Total disbursements	<u>619,723</u>	<u>975</u>	<u>7,412</u>	<u>4,558</u>	<u>521</u>	<u>535,951</u>
Excess (deficiency) of receipts over disbursements	<u>123,512</u>	<u>(873)</u>	<u>30,311</u>	<u>(4,558)</u>	<u>12,539</u>	<u>1,478,786</u>
Cash and investments - ending	<u>\$ 602,747</u>	<u>\$ 2,430</u>	<u>\$ 410,098</u>	<u>\$ 2,249</u>	<u>\$ 44,399</u>	<u>\$ 1,964,729</u>

CITY OF WESTFIELD
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2015
 (Continued)

	Eastside Tif	Aurora Tif	Westfield Connects Non-Reverting	Eagletown Tif	Bond #2 Debt Service	Go Bond 2005 Debt Service
Cash and investments - beginning	\$ 578,011	\$ 17,782	\$ 45,216	\$ 103,868	\$ -	\$ 190,420
Receipts:						
Taxes	1,558,081	6,527	-	150,642	92,962	391,575
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	8,514	26,521
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Penalties	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-
Total receipts	<u>1,558,081</u>	<u>6,527</u>	<u>-</u>	<u>150,642</u>	<u>101,476</u>	<u>418,096</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	38,256	-	45,216	12,379	-	-
Debt service - principal and interest	1,436,129	-	-	-	-	429,760
Capital outlay	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	750	-	-	-	-	500
Total disbursements	<u>1,475,135</u>	<u>-</u>	<u>45,216</u>	<u>12,379</u>	<u>-</u>	<u>430,260</u>
Excess (deficiency) of receipts over disbursements	<u>82,946</u>	<u>6,527</u>	<u>(45,216)</u>	<u>138,263</u>	<u>101,476</u>	<u>(12,164)</u>
Cash and investments - ending	<u>\$ 660,957</u>	<u>\$ 24,309</u>	<u>\$ -</u>	<u>\$ 242,131</u>	<u>\$ 101,476</u>	<u>\$ 178,256</u>

CITY OF WESTFIELD
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2015
 (Continued)

	Psb Lease Rental Pmt	Eastside Tif 2009 Dsr	Payroll	Stormwater	Trash	Totals
Cash and investments - beginning	\$ 311,302	\$ 615,000	\$ (37,372)	\$ 644,705	\$ 375,318	\$ 60,454,594
Receipts:						
Taxes	322,645	-	-	-	-	14,927,563
Licenses and permits	-	-	-	-	-	1,657,191
Intergovernmental receipts	19,603	-	-	-	-	12,676,618
Charges for services	-	-	-	-	-	6,466,120
Fines and forfeits	-	-	-	-	-	161,403
Utility fees	-	-	-	965,970	1,570,734	2,536,704
Penalties	-	-	-	36,389	30,417	66,806
Other receipts	1,500	-	15,530,154	8,775	2,366	22,208,814
Total receipts	<u>343,748</u>	<u>-</u>	<u>15,530,154</u>	<u>1,011,134</u>	<u>1,603,517</u>	<u>60,701,219</u>
Disbursements:						
Personal services	-	-	-	44,558	-	17,822,331
Supplies	-	-	-	-	-	950,220
Other services and charges	-	-	-	-	-	11,073,088
Debt service - principal and interest	535,700	-	-	-	-	6,606,211
Capital outlay	-	-	-	53,404	-	15,613,297
Utility operating expenses	-	-	-	173,596	1,631,965	1,805,561
Other disbursements	6,801	-	15,467,739	58,574	31,276	20,136,849
Total disbursements	<u>542,501</u>	<u>-</u>	<u>15,467,739</u>	<u>330,132</u>	<u>1,663,241</u>	<u>74,007,557</u>
Excess (deficiency) of receipts over disbursements	<u>(198,753)</u>	<u>-</u>	<u>62,415</u>	<u>681,002</u>	<u>(59,724)</u>	<u>(13,306,338)</u>
Cash and investments - ending	<u>\$ 112,549</u>	<u>\$ 615,000</u>	<u>\$ 25,043</u>	<u>\$ 1,325,707</u>	<u>\$ 315,594</u>	<u>\$ 47,148,256</u>

CITY OF WESTFIELD
SCHEDULE OF PAYABLES AND RECEIVABLES
December 31, 2015

<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Stormwater	<u>\$ 282</u>	<u>\$ 337,148</u>

CITY OF WESTFIELD
SCHEDULE OF LEASES AND DEBT
December 31, 2015

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
Chase Equipment Finance	Police Equipment Lease	\$ 135,603	2/27/2015	11/1/2017
Chase Equipment Finance	Fire Equipment Lease	22,707	2/27/2015	11/1/2017
Chase Equipment Finance	Public Works Equipment Lease	114,192	2/27/2015	11/1/2017
Fifth Third	Pumper Truck	59,827	11/1/2012	5/1/2022
Huntington Bank	2 Kenworth Dump Trucks	46,589	6/21/2010	6/21/2017
First Security Finance	Turf for Grand Sports Park Campus Project	844,425	7/3/2013	7/10/2023
Westfield Washington Township Public Safety Building Corporation	Public Safety Building	541,000	4/23/2014	1/5/2021
Total governmental activities		<u>1,764,343</u>		
Total of annual lease payments		<u>\$ 1,764,343</u>		

Type	Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:			
General obligation bonds	2005 Bonds - Park Improvements and IT Upgrades	\$ 1,075,000	\$ 446,098
General obligation bonds	General Obligation Bonds Series 2015 - Equipment purchases	2,000,000	677,441
Revenue bonds	2009 Tax Increment Bonds - East Side Economic Development	5,770,000	612,280
Revenue bonds	Economic Development Tax Increment Revenue Bonds Series 2012B - Road Project	1,510,000	96,780
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	3,276,186	472,582
Notes and loans payable	2011 COIT Tax Anticipation Notes - Grand Sports Park Campus Project	<u>10,000,000</u>	<u>10,350,000</u>
Total governmental activities		<u>57,531,186</u>	<u>13,511,411</u>
Totals		<u>\$ 57,531,186</u>	<u>\$ 13,511,411</u>

CITY OF WESTFIELD
 SCHEDULE OF CAPITAL ASSETS
 December 31, 2015

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	\$ 2,993,520
Infrastructure	1,114,872
Buildings	11,337,730
Improvements other than buildings	14,849,389
Machinery, equipment, and vehicles	18,008,407
Construction in progress	44,837,325
Total governmental activities	93,141,243
Stormwater:	
Improvements other than buildings	3,010,467
Machinery, equipment, and vehicles	2,672
Construction in progress	472,773
Total Stormwater	3,485,912
Total capital assets	\$ 96,627,155

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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 *OMB Compliance Supplement* that could have a direct and material effect on its major federal program for the year ended December 31, 2015. 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 federal statutes, regulations, and the terms and conditions of its federal awards 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 the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance 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.

Basis for Qualified Opinion on Highway Planning and Construction Cluster

As described in item 2015-003 in the accompanying Schedule of Findings and Questioned Costs, the City did not comply with requirements regarding Equipment and Real Property Management that are applicable to its Highway Planning and Construction Cluster. Compliance with such requirements is necessary, in our opinion, for the City to comply with requirements applicable to that program.

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

Qualified Opinion on Highway Planning and Construction Cluster

In our opinion, except for the noncompliance described in the *Basis for Qualified Opinion on Highway Planning and Construction Cluster* paragraph, 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 the Highway Planning and Construction Cluster for the year ended December 31, 2015.

Other 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 the Uniform Guidance, 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.

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 a 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. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section 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. We identified certain deficiencies in internal control over compliance, as described in the accompanying Schedule of Findings and Questioned Costs as items 2015-002 and 2015-003, that we consider 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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.


Paul D. Joyce, CPA
State Examiner

June 27, 2017

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND ACCOMPANYING NOTES

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

CITY OF WESTFIELD
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2015

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	Per Unit Total Federal Awards Expended
<u>Department of Agriculture</u>				
Cooperative Forestry Assistance	Indiana Department of Natural Resources	10.664	FY 2014	\$ 4,800
Total - Department of Agriculture				<u>4,800</u>
<u>Department of Transportation</u>				
Highway Planning and Construction Cluster				
Highway Planning and Construction				
Fed/State TE				
Monon Trail 6/7 PE	Indiana Department of Transportation	20.205	DES 0900029	120,301
Other				
US 31 Project		20.205	DES 0900273	18,625
Federal TE				
Monon Trail 6 CE		20.205	DES 1173079	584
STP Group I (Urban)				
Monon Trail 7 RW		20.205	DES 1173193	18,340
STP Group III (Urban)				
Towne Road Improvements		20.205	DES 1400864	77,080
Federal QMAQ				
156th and Spring Mill RAB		20.205	DES 1173468	83,364
161st and Oak Ridge RAB		20.205	DES 1173100	<u>436,235</u>
Total - Highway Planning and Construction Cluster				<u>754,529</u>
Highway Safety Cluster				
Alcohol Impaired Driving Countermeasures Incentive Grants I Operation Pullover	Hamilton County	20.601	FY 2014 - FY 2016	<u>20,185</u>
Total - Highway Safety Cluster				<u>20,185</u>
Total - Department of Transportation				<u>774,714</u>
<u>Department of Homeland Security</u>				
Homeland Security Grant Program	Indiana Department of Homeland Security	97.067	38513SHSP00000	<u>2,736</u>
Total - Department of Homeland Security				<u>2,736</u>
Total federal awards expended				<u><u>\$ 782,250</u></u>

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

CITY OF WESTFIELD
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note 1. *Basis of Presentation*

The accompanying Schedule of Expenditures of Federal Awards (SEFA) includes the federal grant activity of the City under programs of the federal government for the year ended December 31, 2015. The information in the SEFA is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the SEFA presents only a select portion of the operations of the City, it is not intended to and does not present the financial position of the City.

Note 2. *Summary of Significant Accounting Policies*

Expenditures reported on the SEFA are reported on the cash basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, or the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowed or are limited as to reimbursement. When federal grants are received on a reimbursement basis, the federal awards are considered expended when the reimbursement is received. The City has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

CITY OF WESTFIELD
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I - Summary of Auditor's Results

Financial Statement:

Type of auditor's report issued:	Adverse as to GAAP; Unmodified as to Regulatory Basis
Internal control over financial reporting:	
Material weaknesses identified?	yes
Significant deficiencies identified?	none reported
Noncompliance material to financial statement noted?	yes

Federal Awards:

Internal control over major program:	
Material weaknesses identified?	yes
Significant deficiencies identified?	none reported
Any audit findings disclosed that are required to be reported in accordance with section 2 CFR 200.516(a)?	yes

Identification of Major Program and type of auditor's report issued on compliance for it:

<u>Name of Federal Program or Cluster</u>	<u>Opinion Issued</u>
Highway Planning and Construction Cluster	Qualified

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee?	no
--	----

Section II - Financial Statement Findings

FINDING 2015-001

Subject: Preparation of the Schedule of Expenditures of Federal Awards
Audit Findings: Material weakness, material noncompliance

Condition

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

Due to the lack of controls, the following errors occurred on the SEFA:

1. The Cooperative Forestry Assistance expenditures of \$4,800 were omitted.

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

2. The program name and CFDA number for the Alcohol Impaired Driving Countermeasures Incentive Grants I were incorrect.
3. The Homeland Security Grant Program expenditures of \$2,736 were omitted.

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

Criteria

The Indiana State Board of Accounts (SBOA) is required under Indiana Code 5-11-1-27(e) to define the acceptable minimum level of internal control standards. To provide clarifying guidance, the State Examiner compiled the standards contained in the manual, *Uniform Internal Control Standards for Indiana Political Subdivisions*. All political subdivisions subject to audit by SBOA are expected to adhere to these standards. The standards include adequate control activities. According to this manual:

"Control activities are the actions and tools established through policies and procedures that help to detect, prevent, or reduce the identified risks that interfere with the achievement of objectives. Detection activities are designed to identify unfavorable events in a timely manner whereas prevention activities are designed to deter the occurrence of an unfavorable event. Examples of these activities include reconciliations, authorizations, approval processes, performance reviews, and verification processes.

An integral part of the control activity component is segregation of duties. . . .

There is an expectation of segregation of duties. If compensating controls are necessary, documentation should exist to identify both the areas where segregation of duties are not feasible or practical and the compensating controls implemented to mitigate the risk. . . ."

2 CFR section 200.508 states in part: "The auditee must: . . . (b) Prepare appropriate financial statements, including the schedule of expenditures of Federal awards in accordance with § 200.510 financial statements. . . ."

2 CFR 200.510(b) states:

"*Schedule of expenditures of Federal awards*. The auditee must also prepare a schedule of expenditures of Federal awards for the period covered by the auditee's financial statements which must include the total Federal awards expended as determined in accordance with § 200.502 Basis for determining Federal awards expended. 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 Federal award years, the auditee may list the amount of Federal awards expended for each Federal award year separately. At a minimum, the schedule must:

- (1) List individual Federal programs by Federal agency. For a cluster of programs, provide the cluster name, list individual Federal programs within the cluster of programs, and provide the applicable Federal agency name. For R&D, total Federal awards expended must be shown either by individual Federal 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.

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

- (2) For Federal awards received as a subrecipient, the name of the pass-through entity and identifying number assigned by the pass-through entity must 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. For a cluster of programs also provide the total for the cluster.
- (4) Include the total amount provided to subrecipients from each Federal program.
- (5) For loan or loan guarantee programs described in § 200.502 Basis for determining Federal awards expended, paragraph (b), identify in the notes to the schedule the balances outstanding at the end of the audit period. This is in addition to including the total Federal awards expended for loan or loan guarantee programs in the schedule.
- (6) Include notes that describe the significant accounting policies used in preparing the schedule, and note whether or not the auditee elected to use the 10% de minimis cost rate as covered in § 200.414 Indirect (F&A) costs."

Cause

Management had not established a system of internal control that would have ensured proper reporting of the SEFA.

Effect

Because a proper system of internal control was not in place, material misstatements of the SEFA remained undetected.

Views of Responsible Officials

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.

Section III - Federal Award Findings and Questioned Costs

FINDING 2015-002

Subject: Internal Control over Highway Planning and Construction

Federal Agency: Department of Transportation

Federal Program: Highway Planning and Construction

CFDA Number: 20.205

Federal Award Numbers and Years (or Other Identifying Numbers): DES 0900029, DES 0900273,
DES 1173079, DES 1173100,
DES 1173193, DES 1173468,
DES 1400864

Pass-Through Entity: Indiana Department of Transportation

Compliance Requirements: Cash Management; Period of Performance;
Matching, Level of Effort, Earmarking

Audit finding: Material weakness

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

Condition

An effective internal control system was not in place at the City in order to ensure compliance with requirements related to the grant agreement and the following compliance requirements: Cash Management; Period of Performance; and Matching, Level of Effort, Earmarking.

Monitoring procedures were not in place at the City to ensure compliance with requirements related to the grant agreement. The City did not have proper segregation of duties for all compliance requirements listed above, as the LPA reimbursement requests were being prepared and approved by the same individual.

Context

The lack of controls was a systemic problem during the period audited and affected all of the compliance requirements listed above.

Criteria

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. . . ."

2 CFR 200.303 states in part:

"The non-Federal entity must:

(a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in 'Standards for Internal Control in the Federal Government' issued by the Comptroller General of the United States or the 'Internal Control Integrated Framework', issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). . . ."

Cause

Management had not developed a system of internal controls to ensure compliance with the compliance requirements listed above.

Effect

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

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

Questioned Costs

There were no questioned costs identified.

Recommendation

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

Views of Responsible Officials

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.

FINDING 2015-003

Subject: Highway Planning and Construction - Equipment and Real Property Management

Federal Agency: Department of Transportation

Federal Program: Highway Planning and Construction

CFDA Number: 20.205

Federal Award Numbers and Years (or Other Identifying Numbers): DES 0900029, DES 0900273,
DES 1173079, DES 1173100,
DES 1173193, DES 1173468,
DES 1400864

Pass-Through Entity: Indiana Department of Transportation

Compliance Requirement: Equipment and Real Property Management

Audit findings: Material weakness, qualified opinion

Condition

An effective internal control system was not in place at the City in order to ensure compliance with requirements related to the grant agreement and the following compliance requirement: Equipment and Real Property Management.

The City's Department of Public Works did not track property purchased with the grant award. A capital asset record was presented for audit by the Clerk-Treasurer. However, there were no in-progress projects or completed projects related to the grant award included on the presented capital asset record. No other property records with the required information were provided.

Context

The lack of controls and noncompliance was a systemic problem during the period audited.

Criteria

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

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

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

2 CFR 200.303 states in part:

"The non-Federal entity must:

- (a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in 'Standards for Internal Control in the Federal Government' issued by the Comptroller General of the United States or the 'Internal Control Integrated Framework', issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). . . ."

49 CFR 18.32(d) states in part:

"Management requirements. Procedures for managing equipment (including replacement equipment), whether acquired in whole or in part with grant funds, until disposition takes place will, as a minimum, meet the following requirements:

- (1) Property records must be maintained that include a description of the property, a serial number or other identification number, the source of property, who holds title, the acquisition date, and cost of the property, percentage of Federal participation in the cost of the property, the location, use and condition of the property, and any ultimate disposition data including the date of disposal and sale price of the property. . . ."

2 CFR 200.313(d) states in part:

"Management requirements. Procedures for managing equipment (including replacement equipment), whether acquired in whole or in part under a Federal award, until disposition takes place will, as a minimum, meet the following requirements:

- (1) Property records must be maintained that include a description of the property, a serial number or other identification number, the source of funding for the property (including the FAIN), who holds title, the acquisition date, and cost of the property, percentage of Federal participation in the project costs for the Federal award under which the property was acquired, the location, use and condition of the property, and any ultimate disposition data including the date of disposal and sale price of the property. . . ."

Cause

Management had not developed a system of internal controls to ensure compliance with the Equipment and Real Property Management compliance requirement.

Effect

The failure to establish an effective internal control system allowed noncompliance with the grant agreement and the Equipment and Real Property Management compliance requirement to occur.

Questioned Costs

There were no questioned costs identified.

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

Recommendation

We recommended that the City's management establish controls, including segregation of duties, related to the grant agreement and the compliance requirement listed above. We also recommended that the City maintain proper records of equipment and real property obtained with grant funds.

Views of Responsible Officials

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.

AUDITEE-PREPARED DOCUMENTS

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



February 28, 2017

Mayor
Andy Cook

Summary Schedule of Prior Audit Findings

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

Finding No. 2014-001: Schedule of Expenditures of Federal Awards

Auditee Contact Person: Cindy Gossard

Contact Person Title: Clerk Treasurer

Contact Person Phone Number: 317-804-3026

Clerk Treasurer
Cindy J. Gossard

Status of Audit Finding

Software implementation was completed by December 2016

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

Cindy Gossard

Clerk Treasurer

Clerk Treasurer's Office

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

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



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Chuck Lehman
Robert J. Smith
Cindy L. Spoljaric
Robert W. Stokes

Clerk Treasurer
Cindy J. Gossard

February 28, 2017

Summary Schedule of Prior Audit Findings

Finding No. 2014-002: Period of availability: Procurement Suspension
and Department: and Reporting

Auditee Contact Person: Cindy Gossard

Contact Person Title: Clerk Treasurer

Contact Person Phone Number: 317-804-3026

Status of Audit Finding

Software implementation was completed by December 2016

Cindy Gossard

Clerk Treasurer

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February 28, 2017

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Robert W. Stokes

Clerk Treasurer
Cindy J. Gossard

Summary Schedule of Prior Audit Findings

Finding No. 2014-003: Real Property Acquisition

Auditee Contact Person: Cindy Gossard

Contact Person Title: Clerk Treasurer

Contact Person Phone Number: 317-804-3026

Status of Audit Finding

Software implementation was completed by December 2016

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

Cindy Gossard

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March 29, 2017

Mayor
Andy Cook

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Jim Ake
Steven Hoover
Chuck Lehman
Robert L. Horkay
Chuck Lehman
Joe Edwards
Cindy L. Spoljaric
Mark Keen

Clerk Treasurer
Cindy J. Gossard

CORRECTIVE ACTION PLAN

Finding 2015-001

Contact Person: Cindy Gossard, Clerk Treasurer

Contact Phone Number: 317-804-3026

View of Responsible Official: We concur with the finding

Description of Corrective Action Plan: Implementing our Internal Controls should eliminate errors with the handling of City Grants.

Anticipated Completion Date: December 31, 2016

Clerk Treasurer's Office

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March 29, 2017

Mayor
Andy Cook

City Council
Jim Ake
Steven Hoover
Chuck Lehman
Robert L. Horkay
Chuck Lehman
Joe Edwards
Cindy L. Spoljaric
Mark Keen

Clerk Treasurer
Cindy J. Gossard

CORRECTIVE ACTION PLAN

Finding 2015-002

Contact Person: Cindy Gossard, Clerk Treasurer

Contact Phone Number: 317-804-3026

View of Responsible Official: We concur with the finding

Description of Corrective Action Plan: Implementing our Internal Controls should eliminate errors with the handling of City Grants.

Anticipated Completion Date: December 31, 2016

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March 29, 2017

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CORRECTIVE ACTION PLAN

Finding 2015-003

Contact Person: Cindy Gossard, Clerk Treasurer

Contact Phone Number: 317-804-3026

View of Responsible Official: We concur with the finding

Description of Corrective Action Plan: Implementing our Internal Controls should eliminate errors with the handling of City Grants.

Anticipated Completion Date: December 31, 2016

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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/>.