

115 764 1

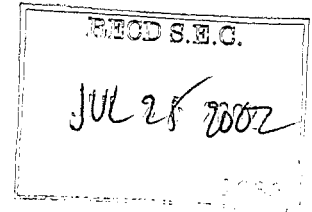
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549



02048802

FORM 11-K

ANNUAL REPORT
PURSUANT TO SECTION 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934



(Mark One):

- ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2001

OR

- TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____.

Commission file number 1-16767

PROCESSED
JUL 26 2002
THOMSON
FINANCIAL

A. Full title of the plan and the address of the plan, if different from that of the issuer named below:

SBERA 401(k) Plan as adopted by Westfield Bank

B. Name of issuer of the securities held pursuant to the plan and the address of its principal executive office:

Westfield Financial, Inc.
141 Elm Street
Westfield, MA 01085

Handwritten initials

**SAVINGS BANKS EMPLOYEES RETIREMENT ASSOCIATION 401(K) PLAN
AS ADOPTED BY WESTFIELD SAVINGS BANK**

**FINANCIAL STATEMENTS TO ACCOMPANY THE 2000 FORM 5500
ANNUAL REPORT OF EMPLOYEE BENEFIT PLAN UNDER ERISA OF 1974**

FOR THE YEARS ENDED DECEMBER 31, 2001 AND DECEMBER 31, 2000

**SAVINGS BANKS EMPLOYEES RETIREMENT ASSOCIATION 401(K) PLAN
AS ADOPTED BY WESTFIELD SAVINGS BANK**

INDEX TO FINANCIAL STATEMENTS AND SUPPLEMENTAL SCHEDULES

For the Years Ended December 31, 2001 and December 31, 2000

	<u>Page(s)</u>
Independent Auditor's Report	1
Statement of Net Assets Available for Plan Benefits	2
Statements of Changes in Net Assets Available for Plan Benefits	3
Notes to Financial Statements	4-9
Supplemental Schedules:	
Schedule of Assets Held for Investment Purposes	10
Schedule of Reportable Transactions	10

Anderson & French, P.C., Certified Public Accountants

138 Dodge Street
Beverly, MA 01915
E-mail: cuaudit@aol.com

Telephone 800-257-1520
978-232-9300
FAX 978-232-9625

The Board of Directors
Savings Banks Employees Retirement Association:

We have audited the accompanying Statement of Net Assets Available for Plan Benefits of the Savings Banks Employees Retirement Association ("SBERA") 401(k) as adopted by Westfield Savings Bank (the "Plan") as of December 31, 2001 and 2000 and the related Statement of Changes in Net Assets Available for Plan Benefits for the years then ended. These Financial Statements are the responsibility of the Plan's Trustees. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial status of the Plan as of December 31, 2001 and 2000, and the changes in its financial status for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedules of assets held for investment purposes and reportable transactions are presented for the purpose of additional analysis and are not a required part of the basic financial statements but are supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. The supplemental schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Anderson & French, P.C.
Beverly, Massachusetts
June 18, 2002

**SBERA 401(K) PLAN
AS ADOPTED BY WESTFIELD SAVINGS BANK**

Statement of Net Assets Available for Plan Benefits

As of December 31,

	<u>2001</u>	<u>2000</u>
Loan to participants	\$ 17,186	\$ 39,154
Investments, at fair market value:		
Interest in SBERA common /collective trust	<u>2,654,286</u>	<u>2,173,574</u>
Net assets available for plan benefits	<u>\$ 2,671,472</u>	<u>\$ 2,212,728</u>

The accompanying notes are an integral part of these financial statements

**SBERA 401(K) PLAN
AS ADOPTED BY WESTFIELD SAVINGS BANK**

Statement of Changes in Net Assets Available for Plan Benefits

For The Years Ended December 31,

	2001	2000
Contributions:		
Employee	\$ 361,862	\$ 298,525
Employer	220,304	-
Employee rollovers	7,184	58,539
Total contributions	589,350	357,064
Investment Income:		
Net investment gain/(loss) from investment in SBERA common/collective trust	(55,500)	(218,066)
Interest income, participant loans	1,166	553
Total investment income	(54,334)	(217,513)
Total additions	535,016	139,551
401(k) disbursements:		
Benefits paid	40,661	74,078
Corrective payments	2,970	-
Deemed distributions	32,641	-
Total subtractions	76,272	74,078
Net increase/(decrease) before transfer	458,744	65,473
Transfer of assets to this plan	-	756,779
Net increase/(decrease) in net assets	458,744	822,252
Net assets available for plan benefits:		
Beginning of period	2,212,728	1,390,476
End of period	\$ 2,671,472	\$ 2,212,728

The accompanying notes are an integral part of these financial statements

**SBERA 401(K) PLAN
AS ADOPTED BY WESTFIELD SAVINGS BANK**

Notes to Financial Statements

(1) Description of Plan

The following brief description of the Savings Banks Employees Retirement Association (“SBERA”) 401(K) Plan as adopted by Westfield Savings Bank (the “Bank”) is provided for general information purposes only. Participants should refer to the Summary Plan Description for more complete information.

General

The Plan is part of the SBERA 401(k) Savings Plan Common/Collective Trust (the “Trust”). Under the trust agreement, the Plan owns a portion of the net assets of the Trust. Within the Trust, each Plan’s assets are jointly invested and the return on the assets is allocated monthly to each Plan based on the percentage of ownership each Plan had in the Trust’s net assets at the end of the prior month. Contributions made to and benefits paid from the Trust for the Plan result in increases or decreases in the Plan’s ownership percentage in the net assets of the Trust.

The Plan is a defined contribution Plan covering substantially all employees of the Bank. It is subject to the provisions of the Employee Retirement Income Security Act of 1974 (“ERISA”).

Participation

To become eligible for participation, an employee must be at least age 21 and must have completed one year of service. Upon reaching retirement age, a participant can direct distribution of balances under several options described by the 401(k) Plan document.

Participants may contribute between one and fifteen percent of their annual earnings on a pretax basis, subject to maximum annual limits. Participants may change their investment options quarterly. The bank may also match a portion of the employee’s contribution as outlined in the Plan’s adoption agreement.

Withdrawals

Participants may withdraw contributions only after termination of service or, subject to the consent of the Plan Administrator, in the case of financial hardship. Upon termination of employment, retirement or death, all salary deferrals and the vested portion of employer contributions are payable to the participant or his/her beneficiary.

Vesting

Participants are at all times 100% vested in their own contributions to the Plan. Employer contributions, if any, will be 100% vested or vested according to a schedule elected by the employer in the Plan’s adoption agreement.

Plan Termination

Although it has not expressed any intent to do so, the Bank has the right to terminate the Plan subject to the provisions of ERISA. In the event of Plan termination, participants will become 100 % vested in their accounts.

**SBERA 401(K) PLAN
AS ADOPTED BY WESTFIELD SAVINGS BANK**

Notes to Financial Statements

(1) Description of Plan (continued)

Participant Loans

Loans may be made to participants when directed by the Plan Administrator upon request by the participant. Each loan shall bear interest at the prime rate, as published in the *Wall Street Journal* on the last day of the previous month prior to the origination of the loan, plus one percentage point. The rate is fixed for the duration of the loan. Interest and principal are repaid and credited to the participant's account based on his/her current investment choices.

The maximum loan amount is one half of the participant's vested 401(k) account balance, not to exceed fifty thousand dollars. The minimum loan amount is one thousand dollars. Loans are repayable over a period of up to five years.

Benefit Payments

Benefits are recorded when paid.

Investment Options

Participants may direct the investment of their deferrals and any employer matching contributions to any of eight investment accounts, in accordance with the participant's election. Earnings in these funds and/or market gains or losses are reflected in their changing unit values or returns.

Money Market Account

A portfolio of U.S. Treasury or agency obligations with maturities of six months or less.

Equity Account

A diversified portfolio of domestic and international stocks.

Bond Account

A portfolio of U.S. Treasury obligations and other obligations guaranteed by the U.S. Government or its agencies.

Asset Allocation Account

A portfolio of domestic and international common stocks, bonds and money market investments.

Index 500 Account

A portfolio of domestic stocks based upon the *Standard & Poor's 500 Composite Price Index*.

Small Cap Equity Account

A portfolio of common stocks of small to medium sized companies.

International Equity Account

A portfolio of international equity securities.

**SBERA 401(K) PLAN
AS ADOPTED BY WESTFIELD SAVINGS BANK**

Notes to financial statements

(1) Description of Plan (continued)

Fidelity Enhanced Index Account

A portfolio of domestic stocks based upon the *Standard & Poor's 500 Composite Price Index*, invested only in stocks held by Fidelity Investment's mutual funds.

(2) Summary of Significant Accounting Policies

(a) Basis of Presentation

The financial statements of the Plan have been prepared on an accrual basis and are in conformity with accounting principles generally accepted in the United States of America.

(b) Valuation of Investments

Investments consist of assets held in The Savings Banks Employees Retirement Association Common/Collective Trust and are valued at their fair market value as of December 31, 2001 and 2000. Participant loans are valued at cost, which approximates market value. The Trust reports bonds and other obligations, short term investments and equity securities at fair values based on published quotations. Interest earned is recorded on the accrual basis. Dividends are recorded when received. Purchases and sales of investments are recorded on a trade date basis. Gains and losses on the sale of investments are calculated using the average cost method.

(c) Use of Estimates

In addition, the preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make significant estimates and assumptions that affect the reported amounts of assets at the date of the financial statements and the reported amounts of changes in net assets available for Plan benefits during the reporting period. These significant estimates include the accumulated plan benefits and market values of investments. Actual results could differ from those estimates.

**SBERA 401(K) PLAN
AS ADOPTED BY WESTFIELD SAVINGS BANK**

Notes to Financial Statements

(3) Investments

The plan owned approximately 0.42% of the fair market value of the Trust net assets at December 31, 2001. Financial statements of the Trust as a whole at December 31, 2001 were:

	December 31, 2001
Cash	\$ <u>24,657,006</u>
Investments:	
Bonds and other obligations:	
U.S. Government and agency obligations	78,597,515
Other bonds and obligations	-
Total bonds and other obligations	<u>78,597,515</u>
Short-term investments	105,318,094
Equity securities, primarily common stock	353,883,256
Guaranteed investment contract	37,683,741
Balanced fund	28,644,178
Loans to 401(k) plan participants	6,738,892
Total investments	<u>610,865,676</u>
Other assets and (liabilities), net	<u>1,442,837</u>
Total Trust net assets	\$ <u><u>636,965,519</u></u>

(4) Trust Income

Trust income or (loss) for the year ended December 31, 2001 was comprised of:

Investment income:	
Net realized gains on investments	\$ (6,115,333)
Interest and dividends	21,659,423
Unrealized appreciation/(depreciation) of investments	<u>(43,336,184)</u>
Total investment income	(27,792,094)
Administrative expenses	<u>(436,747)</u>
Total Trust net income or (loss)	\$ <u><u>(28,228,841)</u></u>
Portion allocated to this plan	\$ <u><u>(55,500)</u></u>

**SBERA 401(K) PLAN
AS ADOPTED BY WESTFIELD SAVINGS BANK**

Notes to financial statements

(5) Administration of the Plan

Investment expenses of the Trust's Funds, such as custodial and advisory fees, are borne by the Trust. Transaction fees are borne by the Trust and are recorded as part of the cost of the investments acquired. Miscellaneous fees, including audit fees, are allocated to the Plan's sponsor.

(6) Federal Income Taxes

The SBERA 401(K) Plan is a Volume Submitter Plan, which has been approved by the Internal Revenue Service (IRS). SBERA is presently has individual determination letters for each adopting employer. The Plan Administrator and the Plan's tax counsel believe that the Plan is designed and is being operated in compliance with the applicable requirements of the Internal Revenue Code.

SBERA 401(K) PLAN
AS ADOPTED BY WESTFIELD SAVINGS BANK
 Notes to financial statements

(5) Statement of Account Holdings

As of December 31, 2001 and 2000

	Money Market Account	Equity Account	Bond Account	Asset Allocation Account	Index 500 Account	Enhanced Index Account	Small Cap Equity Account	International Equity Account	Employer Stock Account	Participant Loans	Totals
Balances at December 31, 2000	252,655	396,158	113,661	172,434	669,558	203,798	311,241	54,069	-	39,154	2,212,728
Contributions	100,460	44,786	47,078	25,765	184,197	68,485	96,758	27,906	-	(6,085)	589,350
Withdrawals	(7,394)	(4,428)	(2,839)	(2,880)	(8,428)	(13,962)	(17,064)	(2,228)	-	(17,049)	(76,272)
Transfers	64	(159,754)	(3,568)	(33,514)	(100,325)	(36,052)	(65,748)	(15,513)	414,410	-	-
Interest Income	13,971	-	-	-	-	-	-	-	-	1,166	15,137
Appreciation	-	(48,803)	11,460	(17,881)	(90,081)	(31,209)	(39,181)	(13,324)	159,548	-	(69,471)
Balances at December 31, 2001	359,756	227,959	165,792	143,924	654,921	191,060	286,006	50,910	573,958	17,186	2,671,472

**SBERA 401(K) PLAN
AS ADOPTED BY WESTFIELD SAVINGS BANK**

Supplemental Schedules

As of December 31, 2001

Form 5500, Schedule H, Part IV, Line 4(i):
Total Assets Held For Investment Purposes

<u>Issue</u>	<u>Description</u>	<u>Cost</u>	<u>Current Value</u>
* The Savings Bank Employees Retirement Association	The Savings Bank Employees Retirement Association Common/Collective Trust	\$ 2,357,651	\$ 2,654,286
* Participant Loans	Interest of prime at loan origination plus 1%	\$ -	\$ 17,186

Form 5500, Schedule H, Part IV, Line 4(j):
Schedule of Reportable Transactions

Investments that represent 5% or more of total net assets available for the Plan under the Trust's pension benefits are as follows:

The Savings Bank Employees Retirement Association Common/Collective Trust	No reportable transactions
---	----------------------------

* - Party in interest to the Plan

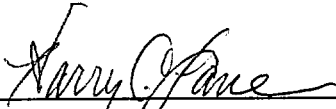
SIGNATURES

The Plan. Pursuant to the requirements of the Securities Exchange Act of 1934, the trustees (or other persons who administer the employee benefit plan) have duly caused this annual report to be signed on its behalf by the undersigned hereunto duly authorized.

**SBERA 401(K) PLAN AS ADOPTED
BY WESTFIELD BANK**

BY: COMPENSATION COMMITTEE

DATE 7/23/02




Harry C. Lane, Chairperson

DATE 7/23/02



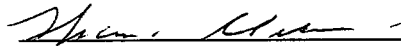
Donald A. Williams, Member

DATE 7/23/02



Paul R. Pohl, Member

DATE 7/23/02



Thomas C. Sullivan, Member