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

ANNUAL FINANCIAL REPORT

2009

TOWN OF LONG BEACH

LAPORTE COUNTY, INDIANA



**FILED**  
08/23/2010



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Anne Heywood	01-01-08 to 12-31-11
President of the Town Council	Dr. Robert Angelo	01-01-09 to 12-31-10
Superintendent of Water Utility	Ronald Griffin	01-01-09 to 12-31-10
President of the Water Utility Board	Thomas Rutkowski Vacant Richard Blank	01-01-09 to 06-26-10 06-27-10 to 07-26-10 07-27-10 to 12-31-10



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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

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

INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF THE TOWN OF LONG BEACH, LAPORTE COUNTY, INDIANA

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Long Beach (Town), as of and for the year ended December 31, 2009, which collectively comprise the Town's basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of the Town's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and 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 opinions.

As discussed in Note I, the Town prepares its financial statements on the prescribed basis of accounting that demonstrates compliance with the cash and investment basis and budget laws of the State of Indiana, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash and investment balances of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town as of December 31, 2009, and the respective cash receipts and cash disbursements during the year then ended on the basis of accounting described in Note I.

INDEPENDENT AUDITOR'S REPORT  
(Continued)

The Town has not presented Management's Discussion and Analysis, Schedule of Funding Progress, Schedule of Contributions From the Employer and Other Contributing Entities, or Budgetary Comparison Schedules that accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the basic financial statements.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The Combining Schedules, as listed in the Table of Contents, and Schedule of Long-Term Debt are presented for additional analysis and are not required parts of the basic financial statements. The Combining Schedules, as listed in the Table of Contents, 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. The Schedule of Long-Term Debt has not been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, accordingly, we express no opinion on it.

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

STATE BOARD OF ACCOUNTS

July 21, 2010

TOWN OF LONG BEACH  
STATEMENT OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS  
For The Year Ended December 31, 2009

Functions/Programs	Program Receipts				Net (Disbursement) Receipt and Changes in Net Assets		
	Disbursements	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Totals
					Governmental Activities	Business-Type Activities	
<b>Primary government:</b>							
<b>Governmental activities:</b>							
General government	\$ 339,152	\$ 107,307	\$ -	\$ -	\$ (231,845)	\$ -	\$ (231,845)
Public safety	590,343	-	-	-	(590,343)	-	(590,343)
Highways and streets	257,768	-	43,364	17,931	(196,473)	-	(196,473)
Economic development	19,592	-	-	-	(19,592)	-	(19,592)
Culture and recreation	96,522	-	-	-	(96,522)	-	(96,522)
Principal and interest on indebtedness	130,000	-	-	-	(130,000)	-	(130,000)
<b>Total governmental activities</b>	<b>1,433,377</b>	<b>107,307</b>	<b>43,364</b>	<b>17,931</b>	<b>(1,264,775)</b>	<b>-</b>	<b>(1,264,775)</b>
<b>Business-type activities:</b>							
Water Utility	688,526	793,539	-	-	-	105,013	105,013
Trash Utility	273,305	211,941	-	-	-	(61,364)	(61,364)
<b>Total business-type activities</b>	<b>961,831</b>	<b>1,005,480</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>43,649</b>	<b>43,649</b>
<b>Total primary government</b>	<b>\$ 2,395,208</b>	<b>\$ 1,112,787</b>	<b>\$ 43,364</b>	<b>\$ 17,931</b>	<b>(1,264,775)</b>	<b>43,649</b>	<b>(1,221,126)</b>
<b>General receipts:</b>							
Property taxes					200,423	-	200,423
Income taxes					136,554	-	136,554
Intergovernmental					41,137	-	41,137
Other local sources					360,316	-	360,316
Investment earnings					11,422	2,572	13,994
<b>Total general receipts</b>					<b>749,852</b>	<b>2,572</b>	<b>752,424</b>
<b>Change in net assets</b>					<b>(514,923)</b>	<b>46,221</b>	<b>(468,702)</b>
<b>Net assets - beginning</b>					<b>1,427,241</b>	<b>949,217</b>	<b>2,376,458</b>
<b>Net assets - ending</b>					<b>\$ 912,318</b>	<b>\$ 995,438</b>	<b>\$ 1,907,756</b>
<b>Assets</b>							
Cash and investments					\$ (249,392)	\$ 439,674	\$ 190,282
<b>Restricted assets:</b>							
Cash and investments					1,161,710	555,764	1,717,474
<b>Total assets</b>					<b>\$ 912,318</b>	<b>\$ 995,438</b>	<b>\$ 1,907,756</b>
<b>Net Assets</b>							
<b>Restricted for:</b>							
General government					\$ 45,735	\$ -	\$ 45,735
Public safety					6,030	-	6,030
Highways and streets					372,818	-	372,818
Debt service					-	555,764	555,764
Capital outlay					737,127	-	737,127
<b>Unrestricted</b>					<b>(249,392)</b>	<b>439,674</b>	<b>190,282</b>
<b>Total net assets</b>					<b>\$ 912,318</b>	<b>\$ 995,438</b>	<b>\$ 1,907,756</b>

The notes to the financial statements are an integral part of this statement.

TOWN OF LONG BEACH  
STATEMENT OF ASSETS AND FUND BALANCES AND RECEIPTS,  
DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
GOVERNMENTAL FUNDS  
For The Year Ended December 31, 2009

	General	Motor Vehicle Highway	Riverboat	CEDIT	Major Moves Construction	Cumulative Capital Development	Other Governmental Funds	Totals
<b>Receipts:</b>								
Taxes	\$ 225,973	\$ 78,262	\$ -	\$ 136,554	\$ -	\$ 10,861	\$ -	\$ 451,650
Licenses and permits	71,615	-	-	-	-	-	300	71,915
Intergovernmental	18,340	43,364	122,329	-	-	1,093	22,712	207,838
Charges for services	102,037	-	-	-	-	-	39,843	141,880
Other	35,054	2,847	-	-	5,270	-	2,000	45,171
<b>Total receipts</b>	<b>453,019</b>	<b>124,473</b>	<b>122,329</b>	<b>136,554</b>	<b>5,270</b>	<b>11,954</b>	<b>64,855</b>	<b>918,454</b>
<b>Disbursements:</b>								
General government	275,459	-	-	-	-	-	-	275,459
Public safety	500,856	-	-	-	-	-	-	500,856
Highways and streets	-	256,588	-	-	-	-	-	256,588
Culture and recreation	-	-	-	-	-	-	87,736	87,736
Debt service:								
Principal	-	-	-	-	-	-	82,670	82,670
Interest	-	-	-	-	-	-	47,330	47,330
Capital outlay:								
General government	37,010	-	26,683	-	-	-	-	63,693
Public safety	66,942	-	-	22,545	-	-	-	89,487
Highways and streets	-	1,180	-	-	-	-	-	1,180
Economic Development	-	-	-	19,592	-	-	-	19,592
Culture and recreation	-	-	-	-	-	-	8,786	8,786
<b>Total disbursements</b>	<b>880,267</b>	<b>257,768</b>	<b>26,683</b>	<b>42,137</b>	<b>-</b>	<b>-</b>	<b>226,522</b>	<b>1,433,377</b>
Excess (deficiency) of receipts over disbursements	(427,248)	(133,295)	95,646	94,417	5,270	11,954	(161,667)	(514,923)
Cash and investment fund balance - beginning	(57,487)	63,223	274,745	331,273	250,425	277,772	287,290	1,427,241
Cash and investment fund balance - ending	<u>\$ (484,735)</u>	<u>\$ (70,072)</u>	<u>\$ 370,391</u>	<u>\$ 425,690</u>	<u>\$ 255,695</u>	<u>\$ 289,726</u>	<u>\$ 125,623</u>	<u>\$ 912,318</u>
<b>Cash and Investment Assets - Ending</b>								
Cash and investments	\$ (484,735)	\$ (70,072)	\$ 370,391	\$ -	\$ -	\$ -	\$ (64,976)	\$ (249,392)
Restricted assets:								
Cash and investments	-	-	-	425,690	255,695	289,726	190,599	1,161,710
Total cash and investment assets - ending	<u>\$ (484,735)</u>	<u>\$ (70,072)</u>	<u>\$ 370,391</u>	<u>\$ 425,690</u>	<u>\$ 255,695</u>	<u>\$ 289,726</u>	<u>\$ 125,623</u>	<u>\$ 912,318</u>
<b>Cash and Investment Fund Balance - Ending</b>								
Restricted for:								
General government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 45,735	\$ 45,735
Public safety	-	-	-	-	-	-	6,030	6,030
Highways and streets	-	-	-	-	255,695	-	117,123	372,818
Capital outlay	-	-	-	425,690	-	289,726	21,711	737,127
Unrestricted	(484,735)	(70,072)	370,391	-	-	-	(64,976)	(249,392)
Total cash and investment fund balance - ending	<u>\$ (484,735)</u>	<u>\$ (70,072)</u>	<u>\$ 370,391</u>	<u>\$ 425,690</u>	<u>\$ 255,695</u>	<u>\$ 289,726</u>	<u>\$ 125,623</u>	<u>\$ 912,318</u>

The notes to the financial statements are an integral part of this statement.

TOWN OF LONG BEACH  
STATEMENT OF ASSETS AND FUND BALANCES AND  
RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
PROPRIETARY FUNDS  
As Of And For The Year Ended December 31, 2009

	Water Utility	Trash Utility	Totals
Operating receipts:			
Metered/measured	\$ 751,299	\$ -	\$ 751,299
Fire protection receipts	24,000	-	24,000
Charges for services	-	211,741	211,741
Miscellaneous	18,240	200	18,440
	<u>793,539</u>	<u>211,941</u>	<u>1,005,480</u>
Total operating receipts			
Operating disbursements:			
Salaries and wages	136,526	2,987	139,513
Employee pensions and benefits	48,269	229	48,498
Purchased water	123,242	-	123,242
Purchased power	940	-	940
Material and supplies	8,520	5,989	14,509
Contractual services	47,398	264,100	311,498
Transportation	1,546	-	1,546
Insurance claims and expense	6,981	-	6,981
Miscellaneous	3,596	-	3,596
	<u>377,018</u>	<u>273,305</u>	<u>650,323</u>
Total operating disbursements			
Excess (deficiency) of operating receipts over operating disbursements	<u>416,521</u>	<u>(61,364)</u>	<u>355,157</u>
Nonoperating receipts (disbursements):			
Investment income	2,572	-	2,572
Debt service of principal	(180,000)	-	(180,000)
Interest disbursements	(131,508)	-	(131,508)
	<u>(308,936)</u>	<u>-</u>	<u>(308,936)</u>
Total nonoperating receipts (disbursements)			
Excess (deficiency) of receipts over disbursements and nonoperating receipts (disbursements)	107,585	(61,364)	46,221
Cash and investment fund balance - beginning	<u>833,932</u>	<u>115,285</u>	<u>949,217</u>
Cash and investment fund balance - ending	<u>\$ 941,517</u>	<u>\$ 53,921</u>	<u>\$ 995,438</u>
<u>Cash and Investment Assets - December 31</u>			
Cash and investments	\$ 385,753	\$ 53,921	\$ 439,674
Restricted assets:			
Cash and investments	555,764	-	555,764
Total cash and investment assets - December 31	<u>\$ 941,517</u>	<u>\$ 53,921</u>	<u>\$ 995,438</u>
<u>Cash and Investment Fund Balance - December 31</u>			
Restricted for:			
Debt service	\$ 555,764	\$ -	\$ 555,764
Other purposes	-	-	-
Unrestricted	385,753	53,921	439,674
Total cash and investment fund balance - December 31	<u>\$ 941,517</u>	<u>\$ 53,921</u>	<u>\$ 995,438</u>

The notes to the financial statements are an integral part of this statement.

TOWN OF LONG BEACH  
NOTES TO FINANCIAL STATEMENTS

I. Summary of Significant Accounting Policies

A. Reporting Entity

The Town was established under the laws of the State of Indiana. The Town operates under a Town Council form of government and provides 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, and trash pickup.

The Town's financial reporting entity is composed of the following:

Primary Government: Town of Long Beach

In determining the financial reporting entity, the Town complies with the provisions of GASB Statement No. 14, *The Financial Reporting Entity*.

Joint Venture

The Town is a participant with Lake, Porter, and LaPorte Counties, and all municipalities in the three counties, to operate the Northwest Indiana Regional Planning Commission (NIRPC) which was created as a multi-purpose area-wide planning agency for such fields as economic development, transportation, environmental protection, and comprehensive planning. NIRPC's enabling legislation (Indiana Code 36-7) provides that participating counties must provide an annual appropriation at a minimum level of thirty cents per capita. Complete financial statements for NIRPC can be obtained from their administrative office at 6100 Southport Road, Portage, IN 46368.

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

The Statement of Activities and Net Assets – Cash and Investment Basis displays information about the reporting government as a whole. It includes all funds of the reporting entity. The statement distinguishes between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

Fund Financial Statements

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitutes its assets, fund equity, receipts, and disbursements. Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

The Town reports the following major governmental funds:

The general fund is the primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

TOWN OF LONG BEACH  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

The motor vehicle highway fund (MVH) accounts for state and local monies collected for highway and street construction and improvements.

The riverboat fund is used to account for riverboat tax revenue and may be used for any legal or corporate purpose of the Town.

The major moves construction fund is used to account for the state distribution of toll road lease proceeds for the construction of highways, roads, and bridges and other allowable disbursements in accordance with Indiana Code 8-14-16.

The CEDIT fund (capital projects) accounts for the Town's use of economic development income tax revenues.

The cumulative capital development fund is used to account for receipts and disbursements of taxes levied under Indiana Code IC 36-9-15.5 for capital project uses.

The Town reports the following major enterprise funds:

The water utility fund accounts for the operation of the water distribution system.

The trash utility fund accounts for the operation of the trash collection system.

C. Measurement Focus and Basis of Accounting

The government-wide, governmental fund and proprietary fund financial statements are reported using the basis of accounting that demonstrates compliance with the cash and investment basis and budget laws of the State of Indiana, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Receipts are recorded when received and disbursements are recorded when paid.

The cash and investment 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. Investment transactions are not presented on the financial statements.

If the Town utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting, while the fund financial statements for proprietary fund types would use the accrual basis of accounting. All government-wide financials would be presented on the accrual basis of accounting.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the enterprise fund statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their enterprise funds, subject to this same limitation. The Town has elected not to follow subsequent private-sector guidance.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the Town and its enterprise funds. Elimination of these charges would distort the direct costs and program receipts reported for the various functions concerned.

TOWN OF LONG BEACH  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

Enterprise funds distinguish operating receipts and disbursements from nonoperating items. Operating receipts and disbursements generally result from providing services and producing and delivering goods in connection with an enterprise fund's principal ongoing operations. The principal operating receipts of the enterprise funds are charges to customers for sales and services. Operating disbursements for enterprise funds include the cost of sales and services and administrative costs. All receipts and disbursements not meeting this definition are reported as nonoperating receipts and disbursements. Internal service funds are used to account for activities provided to other departments or agencies primarily with the government. The Town does not have any internal service funds.

When both restricted and unrestricted resources are available for use, the Town's policy is to use restricted resources first, then unrestricted resources as they are needed.

D. Assets and Cash and Investment Balances

1. Restricted Assets

All restricted assets, as presented in the accompanying financial statements, are restricted due to enabling legislation.

2. Cash and Investments

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

3. Property Taxes

Normally, property taxes levied are collected by the County Treasurer and are distributed to the Town in June and in December. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. Taxable property is assessed at 100% 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 may become delinquent if not paid by May 10 and November 10, respectively. All property taxes collected by the County Treasurer and available for distribution were distributed to the Town on or prior to December 31 of the year collected.

4. Capital Assets

Capital assets arising from cash transactions acquired for use in governmental or proprietary fund operations are accounted for as capital outlay disbursements of the fund upon acquisition.

5. Long-Term Debt

Long-term debt arising from cash basis transactions of governmental and proprietary funds is not reported as a liability in the basic financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as disbursements.

TOWN OF LONG BEACH  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

6. Equity Classification

Government-Wide Statements

Equity is classified as net assets and displayed in two components:

- a. Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments, or (2) law through constitutional provisions or enabling legislation.
- b. Unrestricted net assets – All other net assets that do not meet the definition of "restricted."

Fund Financial Statements

Governmental fund equity is classified as fund balance. Proprietary fund equity is classified the same as in the government-wide statements.

E. Receipts and Disbursements

1. Program Receipts

Amounts reported as program receipts include (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general receipts rather than as program receipts. Likewise, general receipts include all taxes.

2. Operating Receipts and Disbursements

Operating receipts and disbursements for proprietary funds result from providing services and producing and delivering goods and/or services. They also include all receipts and disbursements not related to capital and related financing, noncapital financing, or investing activities.

F. Internal and Interfund Activities

In the process of aggregating the financial information for the government-wide Statement of Activities and Net Assets – Cash and Investment Basis, some amounts reported as interfund activity in the fund financial statements have been eliminated or reclassified.

Fund Financial Statements

1. Interfund services – Sales or purchases of goods and services between funds are reported as receipts and disbursements.
2. Interfund reimbursements – Repayments from funds responsible for certain disbursements to the funds that initially paid for them are not reported as reimbursements but as adjustments to disbursements in the respective funds.

TOWN OF LONG BEACH  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

3. Interfund transfers – Flow of assets from one fund to another where repayment is not expected is reported as transfers in and out.
4. Interfund loans – Flow of assets from one fund to another where repayment is expected is reported as interfund loans.

Government-Wide Financial Statements

Interfund activity, if any, is eliminated or reclassified in the government-wide financial statements as follows:

Internal activities – Amounts reported as interfund transfers in the fund financial statements are eliminated in the government-wide Statement of Activities and Net Assets – Cash and Investment Basis. The effects of interfund loans between funds are not eliminated in the government-wide Statement of Activities and Net Assets – Cash and Investment Basis.

II. Stewardship, Compliance and Accountability

A. Budgetary Information

Annual budgets are adopted on the cash basis, which is not consistent with accounting principles generally accepted in the United States of America. All annual appropriations lapse at calendar year end.

Prior to the first required publication, the fiscal officer of the Town submits to the governing board a proposed operating budget for the year commencing the following January 1. Prior to adoption, the budget is advertised and public hearings are conducted by the governing board to obtain taxpayer comments. Prior to November 1, the governing board, through the passage of a resolution/ordinance, approves the budget for the next year. Copies of the budget resolution/ordinance and the advertisement for funds for which property taxes are levied or highway use taxes are received are sent to the Indiana Department of Local Government Finance. The budget becomes legally enacted after the fiscal officer of the Town receives approval of the Indiana Department of Local Government Finance.

The Town's management cannot transfer budgeted appropriations between object classifications of a budget without approval of the governing board. The Indiana Department of Local Government Finance must approve any revisions to the appropriations for any fund or any department of the General Fund. The legal level of budgetary control is by object and department within the fund for the General Fund and by object within the fund for all other budgeted funds.

TOWN OF LONG BEACH  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

B. Cash and Investment Balance Deficits

At December 31, 2009, the following funds reported deficits in cash and investments, which are violations of the Uniform Compliance Guidelines as authorized by state statute:

Fund	2009
General	\$ 484,735
Motor Vehicle Highway	70,072
Old School Community Center	34,668
Lease for Town	170,446

Cash and investment deficits arose primarily from disbursements exceeding receipts due to the continued delay in the receipt of property taxes. These deficits are to be repaid from future receipts.

III. Detailed Notes on All Funds

A. Deposits and Investments

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. IC 5-13-8-1 allows a political subdivision of the State of Indiana to deposit public funds in a financial institution only if the financial institution is a depository eligible to receive state funds and has a principal office or branch that qualifies to receive public funds of the political subdivision. The Town does not have a deposit policy for custodial credit risk. At December 31, 2009, the Town had deposit balances in the amount of \$1,907,756.

The bank balances were insured by the Federal Deposit Insurance Corporation or the Public Deposit Insurance Fund, which covers all public funds held in approved depositories.

B. Temporary Interfund Loans

The Trash Utility transferred \$195,000 to the General fund as temporary interfund loans in 2008. As of July 21, 2010, the loans have not been repaid. The Town typically uses interfund loans for cash flow purposes to fund ongoing operations in anticipation of current revenues.

IV. Other Information

A. Risk Management

The Town is 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.

TOWN OF LONG BEACH  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

The risks of torts; theft of, damage to, and destruction of assets; errors and omissions; medical benefits to employees and dependents; and natural disasters are covered by commercial insurance from independent third parties. Settled claims from risks covered by commercial insurance have not exceeded commercial insurance coverage for the past three years. There were no significant reductions in insurance by major category of risk.

During 1996, the Town joined with other governmental entities in the Indiana Public Employee's Plan, a public entity risk pool currently operating as a common risk management and insurance program for 679 member governmental entities. This risk pool was formed in 1990. The purpose of the risk pool is to provide a medium for the funding and administration of job related illness or injuries to employees. The Town pays an annual premium to the risk pool for its job related illness or injuries to employees coverage. The risk pool is considered a self-sustaining risk pool that will provide coverage for its members for up to \$1,000,000 per insured event. The risk pool obtains independent coverage for insured events in excess of the \$1,000,000 limit.

B. Holding Corporation

The Town has entered into a capital lease with Long Beach Town Hall 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 Town. The lessor has been determined to be a related party of the Town. Lease payments during the year 2009 totaled \$129,500.

C. Subsequent Events

LaPorte County has not completed and settled an approved property tax cycle since the 2005 payable 2006 property tax year. Each subsequent year the County has sent out various forms of provisional bills with the notice that a reconciliation bill will be provided to taxpayers once assessments are approved and certified and final tax rates are established. These delays and uncertainties have resulted in a lower than budgeted property tax collection rate for the Town. It is undeterminable how much property tax collections the Town will receive once all the reconciliation bills have been distributed and the collections received. Provisional bills for taxes payable in 2009 were due January 29, 2010. The Town received their distribution on February 11, 2010. Provisional bills for taxes payable in 2010, based upon the 2006 pay 2007 tax rates, were mailed in June 2010 and are due in two installments, July 9, 2010 and November 10, 2010.

D. Rate Structure – Enterprise Funds

Water Utility

On June 10, 1991, the Town Council adopted Ordinance 9102 to withdraw from the jurisdiction of the Indiana Utility Regulatory Commission. The current rate structure was approved by the Town Council on December 12, 2005.

Trash Utility

The current rate structure was approved by the Town Council on December 31, 2005.

TOWN OF LONG BEACH  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

E. Pension Plan

Public Employees' Retirement Fund

Plan Description

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

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

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

Funding Policy

The contribution requirements of plan members for PERF are established by the Board of Trustees of PERF. The total contributions made to PERF by the Town during the period were \$34,235.

TOWN OF LONG BEACH  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND  
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For The Year Ended December 31, 2009

	Local Road And Street	Accident Report	Firearms Training	Law Enforcement Continuing Education	Law Enforcement County Drug Free	Rainy Day	Old School Community Center
<b>Receipts:</b>							
Licenses and permits	\$ -	\$ -	\$ -	\$ 300	\$ -	\$ -	\$ -
Intergovernmental	17,931	-	-	-	-	-	-
Charges for services	-	-	-	821	-	-	38,672
Other	-	-	-	-	-	-	-
<b>Total receipts</b>	<b>17,931</b>	<b>-</b>	<b>-</b>	<b>1,121</b>	<b>-</b>	<b>-</b>	<b>38,672</b>
<b>Disbursements:</b>							
Culture and recreation	-	-	-	-	-	-	71,129
<b>Debt service:</b>							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
<b>Capital outlay:</b>							
Culture and recreation	-	-	-	-	-	-	2,211
<b>Total disbursements</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>73,340</b>
Excess (deficiency) of receipts over disbursements	17,931	-	-	1,121	-	-	(34,668)
Cash and investment fund balance - beginning	99,192	176	93	4,129	511	45,735	-
Cash and investment fund balance - ending	<u>\$ 117,123</u>	<u>\$ 176</u>	<u>\$ 93</u>	<u>\$ 5,250</u>	<u>\$ 511</u>	<u>\$ 45,735</u>	<u>\$ (34,668)</u>
<b>Cash and Investment Assets - Ending</b>							
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (34,668)
<b>Restricted assets:</b>							
Cash and investments	117,123	176	93	5,250	511	45,735	-
<b>Total cash and investment assets - ending</b>	<b>\$ 117,123</b>	<b>\$ 176</b>	<b>\$ 93</b>	<b>\$ 5,250</b>	<b>\$ 511</b>	<b>\$ 45,735</b>	<b>\$ (34,668)</b>
<b>Cash and Investment Fund Balance - Ending</b>							
<b>Restricted for:</b>							
General government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 45,735	\$ -
Public safety	-	176	93	5,250	511	-	-
Highways and streets	117,123	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Unrestricted	-	-	-	-	-	-	(34,668)
<b>Total cash and investment fund balance - ending</b>	<b>\$ 117,123</b>	<b>\$ 176</b>	<b>\$ 93</b>	<b>\$ 5,250</b>	<b>\$ 511</b>	<b>\$ 45,735</b>	<b>\$ (34,668)</b>

TOWN OF LONG BEACH  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND  
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For The Year Ended December 31, 2009  
 (Continued)

	Park	Insurance Fire	Levy Excess	Lease For Town	Cumulative Capital Improvement	Totals
<b>Receipts:</b>						
Licenses and permits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 300
Intergovernmental	-	-	-	-	4,781	22,712
Charges for services	350	-	-	-	-	39,843
Other	2,000	-	-	-	-	2,000
<b>Total receipts</b>	<b>2,350</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,781</b>	<b>64,855</b>
<b>Disbursements:</b>						
Culture and recreation	16,607	-	-	-	-	87,736
<b>Debt service:</b>						
Principal	-	-	-	82,670	-	82,670
Interest	-	-	-	47,330	-	47,330
<b>Capital outlay:</b>						
Culture and recreation	6,575	-	-	-	-	8,786
<b>Total disbursements</b>	<b>23,182</b>	<b>-</b>	<b>-</b>	<b>130,000</b>	<b>-</b>	<b>226,522</b>
<b>Excess (deficiency) of receipts over disbursements</b>	<b>(20,832)</b>	<b>-</b>	<b>-</b>	<b>(130,000)</b>	<b>4,781</b>	<b>(161,667)</b>
<b>Cash and investment fund balance - beginning</b>	<b>77,429</b>	<b>2,419</b>	<b>81,122</b>	<b>(40,446)</b>	<b>16,930</b>	<b>287,290</b>
<b>Cash and investment fund balance - ending</b>	<b>\$ 56,597</b>	<b>\$ 2,419</b>	<b>\$ 81,122</b>	<b>\$ (170,446)</b>	<b>\$ 21,711</b>	<b>\$ 125,623</b>
<b><u>Cash and Investment Assets - Ending</u></b>						
Cash and investments	\$ 56,597	\$ 2,419	\$ 81,122	\$ (170,446)	\$ -	\$ (64,976)
<b>Restricted assets:</b>						
Cash and investments	-	-	-	-	21,711	190,599
<b>Total cash and investment assets - ending</b>	<b>\$ 56,597</b>	<b>\$ 2,419</b>	<b>\$ 81,122</b>	<b>\$ (170,446)</b>	<b>\$ 21,711</b>	<b>\$ 125,623</b>
<b><u>Cash and Investment Fund Balance - Ending</u></b>						
<b>Restricted for:</b>						
General government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 45,735
Public safety	-	-	-	-	-	6,030
Highways and streets	-	-	-	-	-	117,123
Capital outlay	-	-	-	-	21,711	21,711
Unrestricted	56,597	2,419	81,122	(170,446)	-	(64,976)
<b>Total cash and investment fund balance - ending</b>	<b>\$ 56,597</b>	<b>\$ 2,419</b>	<b>\$ 81,122</b>	<b>\$ (170,446)</b>	<b>\$ 21,711</b>	<b>\$ 125,623</b>

TOWN OF LONG BEACH  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF LONG-TERM DEBT  
 December 31, 2009

The Town has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:		
Capital lease:		
Town Hall Renovations	\$ 645,122	\$ 87,237
Loan payable:		
Fire Truck	<u>117,350</u>	<u>15,669</u>
Total governmental activities debt	<u>\$ 762,472</u>	<u>\$ 102,906</u>
Business-type activities:		
Water Utility:		
Loan payable:		
State Revolving Fund	<u>\$ 4,360,000</u>	<u>\$ 316,440</u>

TOWN OF LONG BEACH  
AUDIT RESULTS AND COMMENTS

CONDITION OF RECORDS

The amounts of receipts and disbursements reported on the 2007, 2008, and 2009 Annual Reports did not agree with the receipts and disbursements recorded in the ledgers. Improper posting of temporary loans between funds, transfers to other funds, purchases and sales of investments, voided checks, and expense reimbursements accounted for most of the differences. Posting errors included negative receipts and disbursements and recording of the net amount of receipts and disbursements for temporary loans and transfers. These errors resulted in negative receipts and disbursements reported in the Annual Report and the understatement of actual receipts and disbursements reported in the Annual Report.

At all times, the manual and/or computerized records, subsidiary ledgers, control ledger, and reconciled bank balance should agree. If the reconciled bank balance is less than the subsidiary or control ledgers, then the responsible official or employee may be held personally responsible for the amount needed to balance the fund. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

DISBURSEMENTS AUDIT TRAIL

Because the computer system is an accrual based accounting application, when disbursements are entered on the system the amounts are posted as an expense and an account payable. Check numbers are only indicated for the accounts payable posting and not the expense portion of the entry, because the checks are not yet written. When the checks are written, the accounts payable is eliminated and the cash account is decreased by the total of all disbursements. Check numbers for individual disbursements are not recorded to the expense accounts. Therefore, individual checks cannot be easily traced to the ledger nor can individual expenses be easily traced to the checks. The check register must be reviewed to determine the vendor, amount, fund and account to which the payment was posted to trace individual checks to the ledger.

The computerized accounting system must maintain electronic audit trails sufficient to trace all transactions from original source of entry into the system, through all system processing, and to the results produced by the system. The audit trails must also maintain sufficient information to trace all transactions from the final results produced by the system, through all system processing, and to the original source of entry into the system. These audit trails must be protected from modification and deletion. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

TOWN OF LONG BEACH  
AUDIT RESULTS AND COMMENTS  
(Continued)

OVERDRAWN FUND BALANCES

The following funds were overdrawn as of December 31, 2008 and 2009:

Fund	2008	2009
General	\$ 57,487	\$ 484,735
Motor Vehicle Highway	-	70,072
Old School Community Center	-	34,668
Lease For Town	40,446	170,446

The fund balance of any fund may not be reduced below zero. Routinely overdrawn funds could be an indicator of serious financial problems which should be investigated by the governmental unit. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

RECEIPT ISSUANCE

As stated in the prior audit report, the Town does not issue official receipts for monthly interest earned on the depository account. Interest is recorded by preparing a journal entry.

Receipts shall be issued and recorded at the time of the transaction; for example, when cash or a check is received, a receipt is to be immediately prepared and given to the person making payment. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

EMPLOYEE SERVICE RECORDS

Employee service records were not always maintained or maintained properly for all full-time employees. The Town pays employees at year-end for unused sick and vacation days. However, the Police Department service records did not record sick time earned and used. In addition, the Street and Water Departments did not maintain service records for their employees for 2009; and service records were not maintained for the Director of the Community Center.

Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

CAPITAL ASSET RECORDS

The Town does not maintain adequate capital asset records. They maintain current equipment inventories but do not have records of values, additions or disposals of land, buildings, or improvements. When the Town acquires a capital asset, the acquisition cost of the asset should be recorded in the records as additions. When the Town disposes of a capital asset, the cost of the asset should be recorded in the records as deletions. In addition, the Town is not using the Capital Asset Ledger, prescribed City and Town Form No. 211. A similar comment appeared in the prior report.

TOWN OF LONG BEACH  
AUDIT RESULTS AND COMMENTS  
(Continued)

Every governmental unit should have a complete inventory of all capital assets owned which reflect their acquisition value. Such inventory should be recorded in the Capital Assets Ledger form. A complete inventory should be taken every year for good internal control and for verifying account balances carried in the accounting records. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

POLICE DEPARTMENT DEPOSITS

As stated in the prior audit report, police department collections for accident reports and handgun permits were remitted to the Clerk-Treasurer only four or five times per year. Collections were remitted to the Clerk-Treasurer as much as 89 days, and an average of 37 days, after collection.

Receipts and fees collected by a police department should be remitted to the clerk-treasurer or city controller at least once each week. (Cities and Towns Bulletin and Uniform Compliance Guidelines, September 2003)

ERRORS ON CLAIMS - TOWN AND WATER UTILITY

The following deficiencies were noted on claims during the audit period:

1. Not all invoices for personal services and employee travel expenses were adequately itemized.
2. Not all claims or invoices had evidence to support receipt of goods or services.
3. Five credit card payments did not have receipts to support all purchases reflected on the monthly statements.

A similar comment appeared in the prior audit.

IC 5-11-10-1.6 states in part:

"(b) As used in this section, 'claim' means a bill or an invoice submitted to a governmental entity for goods or services."

"(c) The fiscal officer of a governmental entity may not draw a warrant or check for payment of a claim unless:

- (1) there is a fully itemized invoice or bill for the claim;
- (2) the invoice or bill is approved by the officer or person receiving the goods and services; . . ."

TOWN OF LONG BEACH  
AUDIT RESULTS AND COMMENTS  
(Continued)

The State Board of Accounts will not take exception to the use of credit cards by a governmental unit provided the following criteria are observed:

7. Payment should not be made on the basis of a statement or a credit card slip only. Procedures for payments should be no different than for any other claim. Supporting documents such as paid bills and receipts must be available. Additionally, any interest or penalty incurred due to late filing or furnishing of documentation by an officer or employee should be the responsibility of that officer or employee.

ACCOUNTS RECEIVABLE – WATER UTILITY

For the years 2007, 2008, and 2009, the detail of the water customers' accounts receivable does not agree with the accounts receivable balance reported in the general ledger. The variances range from the ledger exceeding the detail by \$3,487.54 to the detail exceeding the general ledger balance by \$26,860.85.

A comparison of the general ledger to the accounts receivable aging reports also revealed similar variances. The variance between the ledger and the aging reports at December 31, 2007, was immaterial. The aging reports exceeded the ledger balances at 2008 and 2009 \$23,439.48 and \$5,994.60, respectively. A similar comment appeared in the prior report.

At all times, the manual and/or computerized records, subsidiary ledgers, control ledger, and reconciled bank balance should agree. If the reconciled bank balance is less than the subsidiary or control ledgers, then the responsible official or employee may be held personally responsible for the amount needed to balance the fund. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

BILLING ADJUSTMENTS – WATER UTILITY

Adjustments made to water billings are not properly approved or adequately documented. The "Billing Register by Customer Number" was compared to the amounts posted to the water accounts receivable account and to the related revenue accounts. For each of the periods tested, differences existed which were then posted as adjustments to the general ledger. The "Transaction Register Daily by Reference Number" lists the adjustments and the reason for the adjustment; however, adjustments are not reviewed or approved. Adequate supporting documentation was also not available for all adjustments. A similar comment appeared in the prior audit.

Officials or employees authorizing, directing or executing write-offs or adjustments to records which are not documented or warranted may be held personally responsible. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

TOWN OF LONG BEACH  
AUDIT RESULTS AND COMMENTS  
(Continued)

CAPITAL ASSET RECORDS – WATER UTILITY

Amounts recorded for capital assets in the general ledger by category (land, structures and improvements, transportation equipment, etc.) are not supported by detailed capital asset records. Officials do not maintain detailed records on several large categories of assets, including land and structures and improvements. Detail records maintained for other categories of assets, such as district reservoirs and standpipes and meters and meter installation, do not agree with the balances reflected in the general ledger.

Every governmental unit should have a complete inventory of all capital assets owned which reflect their acquisition value. Such inventory should be recorded in the Capital Assets Ledger form. A complete inventory should be taken every year for good internal control and for verifying account balances carried in the accounting records. (Accounting and Uniform Compliance Guidelines for Cities and Towns, Chapter 7)

VOLUNTEER FIRE DEPARTMENT CONTRACTS

Payments totaling \$29,480.33 and \$46,753.61 were made on behalf of and to the Long Beach Volunteer Fire Department, Inc., (Department) for fire protection services in 2007 and 2008, respectively, without a properly executed contract.

The contract in force for 2007 and 2008 was approved in 1982. It provided that the "Town shall furnish and the Department shall maintain equipment and material required by the Department to perform its duties." However, the Town paid equipment maintenance costs of \$5,940.26 in 2008.

The contract did not state the amount of compensation to be paid by the Town to the Department. It did state that the annual clothing allowance would be paid by the Town, but did not state who would be responsible for state mandated insurance coverage. The Town paid \$13,987.68 and \$8,507.38 in insurance coverage for 2007 and 2008, respectively. According to the contract, "the amount of consideration paid by the Town of Long Beach and payment dates shall be subject to negotiation between the parties on a calendar year basis." However, no evidence of annual negotiations was presented for audit.

A new contract was approved and effective on September 14, 2009. This contract details the amount to be paid by the Town to the Department for 2009 including \$10,000 for state mandated insurance costs. However, the amount is subject to approval of the Town's 2009 budget and the receipt of adequate funding. The Town is obligated to continue, in good faith, to provide adequate remuneration until the 2009 budget is approved. The 2009 budget has not been approved by the Department of Local Government Finance as of July 21, 2010. The Town paid \$44,045.87 to or on behalf of the Department for 2009. Final payment of any amount remaining due to the Department will be made upon the approval of the 2009 budget.

The 2009 contract requires the Department to maintain and repair vehicles and equipment owned by the Town up to ordinary and reasonable costs of \$10,000. However, the contract does not provide for an accounting of maintenance and repair costs from the Department. In 2009, \$11,523.15 was paid by the Town for equipment maintenance. We could not determine how much, if any, of this was over and above the \$10,000 that the Department is obligated to pay.

TOWN OF LONG BEACH  
AUDIT RESULTS AND COMMENTS  
(Continued)

The contract also requires that the Town establish a Fire Commission. The Department's annual funding for 2010 and thereafter will be based on an annual budget request prepared for review by the Fire Commission and ultimately submitted to the Town Council for consideration and approval. However, the Town Council has not established the Fire Commission as required.

The contract also does not discuss the Department's requirement to file an Entity Annual Report (E-1) with the Indiana State Board of Accounts. The Long Beach Volunteer Department, Inc., did not file an Entity Annual Report for the years 2007, 2008, or 2009.

IC 36-8-12-4 states the contract must provide an amount determined by negotiation between the municipality and volunteer fire company. The consideration must include the amounts the unit is required to pay under this chapter for insurance premiums and clothing, automobile, and other allowances.

Payments made or received for contractual services should be supported by a written contract. Each governmental unit is responsible for complying with the provisions of its contracts. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

IC 5-11-1-4 states:

"The state examiner shall require from every municipality and every state or local governmental unit, entity, or instrumentality financial reports covering the full period of each fiscal year. These reports shall be prepared, verified, and filed with the state examiner not later than sixty (60) days after the close of each fiscal year. The reports must be filed electronically, in a manner prescribed by the state examiner that is compatible with the technology employed by the political subdivision."

TOWN OF LONG BEACH  
EXIT CONFERENCE

The contents of this report were discussed on July 21, 2010, with Anne Heywood, Clerk-Treasurer; Dr. Robert Angelo, President of the Town Council; and Robert Schaefer, Town Council member. The official response has been made a part of this report and may be found on pages 26 and 27.



**ANNE HEYWOOD**  
Clerk-Treasurer

**TOWN HALL - STOP 24**  
**Long Beach, IN 46360-1614**  
**TELEPHONE 874-6616**

AUGUST 4, 2010

MR. BRUCE HARTMAN  
STATE BOARD OF ACCOUNTS  
302 W. WASHINGTON ST. ROOM E418  
INDIANAPOLIS, IN 46204-2765

RE: TOWN OF LONG BEACH CLERK-TREASURER'S OFFICE RECENT AUDIT OF 2007-2009

**CONDITION OF RECORDS**

.ALL RECEIPTS AND DISBURSEMENTS WERE BEING POSTED CORRECTLY BUT NOT FLOWING CORRECTLY WHEN UPDATING TO THE GENERAL LEDGER. WE HAVE WORKED WITH OUR SOFTWARE SUPPORT TEAM AND EVERYTHING HAS BEEN CORRECTED

**DISBURSEMENTS AUDIT TRAIL**

WE HAVE ALWAYS HAD AN AUDIT DETAIL REPORT WHICH WAS CUSTOMIZED WITH RECEIPT NUMBERS FOR THE PREVIOUS AUDITORS. WE HAVE WORKED WITH OUR SUPPORT TEAM AND HAVE NOW ADDED CHECK NUMBERS TO THE AUDIT DETAIL REPORT TO COMPLY WITH THE CURRENT AUDITORS THAT WERE HERE.

**ACCOUNTS RECEIVABLE-WATER UTILITY**

THE WATER DEPARTMENT RUNS TO MONTHS END FOR BALANCING THE BANK STATEMENTS. THE UTILITY BILLING CYCLE RUNS FROM TH 13<sup>TH</sup> OF THE MONTH TO THE 12<sup>TH</sup> OF THE FOLLOWING MONTH. WHEN THE GENERAL LEDGER IS UPDATED WE UPDATE FOR THE MONTH WE ARE CLOSING WHICH IS THE PRIOR MONTH. WE UPDATE FOR THE 13<sup>TH</sup> - END OF THE MONTH ( ie 9/13 - 9/30 ) INTO SEPTEMBER. WE UPDATE FROM THE 1<sup>ST</sup>- 12<sup>TH</sup> INTO THE PRIOR MONTH (ie.10/01-10/12) INTO SEPTEMBER. THIS IS EVERYTHING EXCEPT PAYMENTS. WE THEN UPDATE FROM THE 1<sup>ST</sup>- 12<sup>TH</sup> INTO THE CURRENT MONTH (ie. 10/01-10/12) INTO OCTOBER. THIS IS ONLY PAYMENTS. ALL BILLING REPORTS RUN ON THE 12<sup>TH</sup> OF EACH MONTH HAVE TO BALANCE. THESE REPORTS INCLUDE, TRANSACTION SUMMARY, AGING REPORT, ACCOUNTS



**TOWN COUNCIL**

ROBERT S. ANGELO  
HENRY BAUSBACK  
MARY LOU MCFADDEN  
ROBERT SCHAEFER  
KEVIN FLEMINGTON

RECEIVABLE BY SERVICE, BILLING AND USAGE REPORT, CHECK OUT REPORT AND THE RATE TABLE REPORT. ALL THESE REPORTS MUST BALANCE. I CAN ONLY ASSUME THAT THE VARIANCES ARE BECAUSE BILLING IS RUN FROM THE MIDDLE OF THE MONTH TO THE MIDDLE OR THE FOLLOWING MONTH.

**BILLING ADJUSTMENTS-WATER UTILITIES**

THE MINUTES REFLECTED THAT THE WATER BOARD APPOINTED ONE MEMBER TO BE OUR CUSTOMER RELATIONS TO DEAL WITH CUSTOMER ADJUSTMENTS. ANY WRITE OFFS ARE ALWAYS BROUGHT BEFORE THE WATER BOARD TO DISCUSS AND APPROVE. BOTH ARE IN THE MINUTES BUT AT THE TIME COULD NOT BE LOCATED. A POLICY HAS SINCE BEEN WRITTEN AND IS WAITING TO BE APPROVED. ADJUSTMENTS ARE MADE WITH A SHORT DISCRPTION AND THEY ALSO PRINT ON THE DAILY TRANSACTION REGISTER. ANY ADJUSTMENTS WILL BE PRINTED FROM THE CUSTOMER ACCOUNT SCREEN AND KEPT IN A FOLDER IN THE FILE CABINET. RESIDENTS WHO ARE ASKING FOR ADJUSTMENTS DO NOT SUBMIT ANY WRITTEN DOCUMENTATION.

*Anne Heywood*  
*Clerk-Treasurer*