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

AUDIT REPORT

OF

TOWN OF LONG BEACH

LAPORTE COUNTY, INDIANA

January 1, 2007 to December 31, 2008



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



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INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS
AND SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

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 years ended December 31, 2007 and 2008, 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 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 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, 2007 and 2008, and the respective cash receipts and cash disbursements during the years then ended on the basis of accounting described in Note I.

In accordance with Government Auditing Standards, we have also issued a report dated July 6, 2010, on our consideration of the Town'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 and should be considered in assessing the results of our audit.

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS
AND SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
(Continued)

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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.

STATE BOARD OF ACCOUNTS

July 21, 2010



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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

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

We have audited the 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 years ended December 31, 2007 and 2008, which collectively comprise the Town's basic financial statements and have issued our report thereon dated July 6, 2010. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Town's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be significant deficiencies or material weaknesses, as defined above.

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS
(Continued)

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town's financial statements are 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 no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

We noted certain matters that we reported to management in a separate letter dated July 21, 2009.

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

STATE BOARD OF ACCOUNTS

July 21, 2010

TOWN OF LONG BEACH
STATEMENT OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS
For The Year Ended December 31, 2007

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	
Primary government:							
Governmental activities:							
General government	\$ 276,008	\$ 166,235	\$ -	\$ -	\$ (109,773)	\$ -	\$ (109,773)
Public safety	582,422	-	-	-	(582,422)	-	(582,422)
Highways and streets	328,988	-	58,337	21,083	(249,568)	-	(249,568)
Culture and recreation	254,474	61,238	-	-	(193,236)	-	(193,236)
Principal and interest on indebtedness	197,034	-	-	-	(197,034)	-	(197,034)
Total governmental activities	<u>1,638,926</u>	<u>227,473</u>	<u>58,337</u>	<u>21,083</u>	<u>(1,332,033)</u>	<u>-</u>	<u>(1,332,033)</u>
Business-type activities:							
Water	3,149,957	544,989	-	2,652,741	-	47,773	47,773
Trash	350,143	210,293	-	-	-	(139,850)	(139,850)
Total business-type activities	<u>3,500,100</u>	<u>755,282</u>	<u>-</u>	<u>2,652,741</u>	<u>-</u>	<u>(92,077)</u>	<u>(92,077)</u>
Total primary government	<u>\$ 5,139,026</u>	<u>\$ 982,755</u>	<u>\$ 58,337</u>	<u>\$ 2,673,824</u>	<u>(1,332,033)</u>	<u>(92,077)</u>	<u>(1,424,110)</u>
General receipts:							
Property taxes					225,335	-	225,335
Income taxes					118,403	-	118,403
Intergovernmental					124,913	-	124,913
Other local sources					136,821	-	136,821
Investment earnings					62,293	18,004	80,297
Interfund loans					165,000	-	165,000
Total general receipts and interfund loans					<u>832,765</u>	<u>18,004</u>	<u>850,769</u>
Change in net assets					(499,268)	(74,073)	(573,341)
Net assets - beginning					<u>2,014,471</u>	<u>978,470</u>	<u>2,992,941</u>
Net assets - ending					<u>\$ 1,515,203</u>	<u>\$ 904,397</u>	<u>\$ 2,419,600</u>
Assets							
Cash and investments					\$ 418,180	\$ 540,145	\$ 958,325
Restricted assets:							
Cash and investments					<u>1,097,023</u>	<u>364,252</u>	<u>1,461,275</u>
Total assets					<u>\$ 1,515,203</u>	<u>\$ 904,397</u>	<u>\$ 2,419,600</u>
Net Assets							
Restricted for:							
General government					\$ 45,735	\$ -	\$ 45,735
Public safety					4,131	-	4,131
Highways and streets					522,118	-	522,118
Debt service					20,404	364,252	384,656
Capital outlay					504,635	-	504,635
Unrestricted					<u>418,180</u>	<u>540,145</u>	<u>958,325</u>
Total net assets					<u>\$ 1,515,203</u>	<u>\$ 904,397</u>	<u>\$ 2,419,600</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
GOVERNMENTAL FUNDS
For The Year Ended December 31, 2007

	General	Motor Vehicle Highway	Riverboat	County Economic Development Income Tax	Lease For Town	Major Moves Construction	Cumulative Capital Development	Other Governmental Funds	Totals
Receipts:									
Taxes	\$ 246,873	\$ 38,775	\$ 98,454	\$ 118,403	\$ 19,434	\$ -	\$ 5,923	\$ 7,403	\$ 535,265
Licenses and permits	63,035	-	-	-	-	-	-	-	63,035
Intergovernmental	13,437	58,337	-	-	-	-	-	26,558	98,332
Charges for services	103,200	-	-	-	-	-	-	61,988	165,188
Interfund loans	100,000	-	-	-	65,000	-	-	-	165,000
Other	64,160	191	-	-	-	12,511	-	1,009	77,871
Total receipts	590,705	97,303	98,454	118,403	84,434	12,511	5,923	96,958	1,104,691
Disbursements:									
General government	276,008	-	-	-	-	-	-	-	276,008
Public safety	539,828	-	-	-	-	-	-	1,498	541,326
Highways and streets	-	286,282	-	-	-	-	-	-	286,282
Culture and recreation	-	-	-	-	-	-	-	108,669	108,669
Debt service:									
Principal	-	-	-	50,163	74,241	-	-	-	124,404
Interest	-	-	-	13,871	58,759	-	-	-	72,630
Capital outlay:									
Public safety	10,911	-	-	30,185	-	-	-	-	41,096
Highways and streets	-	38,770	-	-	-	3,936	-	-	42,706
Culture and recreation	-	-	85,394	9,650	-	-	-	50,761	145,805
Total disbursements	826,747	325,052	85,394	103,869	133,000	3,936	-	160,928	1,638,926
Excess (deficiency) of receipts over disbursements	(236,042)	(227,749)	13,060	14,534	(48,566)	8,575	5,923	(63,970)	(534,235)
Other financing sources (uses):									
Transfers in	-	-	-	-	-	-	-	57,277	57,277
Transfers out	(29,838)	(17,414)	-	-	(1,707)	-	(2,722)	(5,596)	(57,277)
Other receipts	33,767	-	1,200	-	-	-	-	-	34,967
Total other financing sources (uses)	3,929	(17,414)	1,200	-	(1,707)	-	(2,722)	51,681	34,967
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(232,113)	(245,163)	14,260	14,534	(50,273)	8,575	3,201	(12,289)	(499,268)
Cash and investment fund balance - beginning	237,545	302,026	243,676	242,328	70,677	331,168	232,712	354,339	2,014,471
Cash and investment fund balance - ending	\$ 5,432	\$ 56,863	\$ 257,936	\$ 256,862	\$ 20,404	\$ 339,743	\$ 235,913	\$ 342,050	\$ 1,515,203
Cash and Investment Assets - Ending									
Cash and investments	\$ 5,432	\$ -	\$ 257,936	\$ -	\$ -	\$ -	\$ -	\$ 154,812	\$ 418,180
Restricted assets:									
Cash and investments	-	56,863	-	256,862	20,404	339,743	235,913	187,238	1,097,023
Total cash and investment assets - ending	\$ 5,432	\$ 56,863	\$ 257,936	\$ 256,862	\$ 20,404	\$ 339,743	\$ 235,913	\$ 342,050	\$ 1,515,203
Cash and Investment Fund Balance - Ending									
Restricted for:									
General government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 45,735	\$ 45,735
Public safety	-	-	-	-	-	-	-	4,131	4,131
Highways and streets	-	56,863	-	-	-	339,743	-	125,512	522,118
Debt service	-	-	-	-	20,404	-	-	-	20,404
Capital outlay	-	-	-	256,862	-	-	235,913	11,860	504,635
Unrestricted	5,432	-	257,936	-	-	-	-	154,812	418,180
Total cash and investment fund balance - ending	\$ 5,432	\$ 56,863	\$ 257,936	\$ 256,862	\$ 20,404	\$ 339,743	\$ 235,913	\$ 342,050	\$ 1,515,203

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, 2007

	<u>Water</u>	<u>Trash</u>	<u>Totals</u>
Operating receipts:			
Metered/measured	\$ 511,708	\$ -	\$ 511,708
Fire protection receipts	24,000	-	24,000
Charges for services	-	208,731	208,731
Miscellaneous	<u>9,281</u>	<u>1,562</u>	<u>10,843</u>
 Total operating receipts	 <u>544,989</u>	 <u>210,293</u>	 <u>755,282</u>
Operating disbursements:			
Salaries and wages	116,157	3,667	119,824
Employee pensions and benefits	35,959	250	36,209
Purchased water	174,365	-	174,365
Purchased power	2,504	-	2,504
Material and supplies	7,492	11,911	19,403
Contractual services	11,199	169,267	180,466
Transportation	3,542	-	3,542
Insurance claims and expense	8,646	-	8,646
Refunds	-	48	48
Equipment and capital improvements	2,652,741	-	2,652,741
Interfund loans made/repaid	-	165,000	165,000
Miscellaneous	<u>513</u>	<u>-</u>	<u>513</u>
 Total operating disbursements	 <u>3,013,118</u>	 <u>350,143</u>	 <u>3,363,261</u>
 Excess (deficiency) of operating receipts over operating disbursements	 <u>(2,468,129)</u>	 <u>(139,850)</u>	 <u>(2,607,979)</u>
Nonoperating receipts (disbursements):			
Investment income	18,004	-	18,004
Grants	2,652,741	-	2,652,741
Interest disbursements	<u>(136,839)</u>	<u>-</u>	<u>(136,839)</u>
 Total nonoperating receipts (disbursements)	 <u>2,533,906</u>	 <u>-</u>	 <u>2,533,906</u>
 Excess (deficiency) of receipts over disbursements and nonoperating receipts (disbursements)	 65,777	 (139,850)	 (74,073)
Cash and investment fund balance - beginning	<u>638,054</u>	<u>340,416</u>	<u>978,470</u>
Cash and investment fund balance - ending	<u>\$ 703,831</u>	<u>\$ 200,566</u>	<u>\$ 904,397</u>
 <u>Cash and Investment Assets - December 31</u>			
Cash and investments	\$ 339,579	\$ 200,566	\$ 540,145
Restricted assets:			
Cash and investments	<u>364,252</u>	<u>-</u>	<u>364,252</u>
 Total cash and investment assets - December 31	 <u>\$ 703,831</u>	 <u>\$ 200,566</u>	 <u>\$ 904,397</u>
 <u>Cash and Investment Fund Balance - December 31</u>			
Restricted for:			
Debt service	\$ 364,252	\$ -	\$ 364,252
Unrestricted	<u>339,579</u>	<u>200,566</u>	<u>540,145</u>
 Total cash and investment fund balance - December 31	 <u>\$ 703,831</u>	 <u>\$ 200,566</u>	 <u>\$ 904,397</u>

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

TOWN OF LONG BEACH
STATEMENT OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
FIDUCIARY FUND
As Of And For The Year Ended December 31, 2007

	<u>Agency Fund</u>
Cash and investment fund balance - ending	<u>\$ -</u>

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

TOWN OF LONG BEACH
STATEMENT OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS
For The Year Ended December 31, 2008

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	
Primary government:							
Governmental activities:							
General government	\$ 292,940	\$ 191,550	\$ -	\$ -	\$ (101,390)	\$ -	\$ (101,390)
Public safety	646,275	-	-	-	(646,275)	-	(646,275)
Highways and streets	469,719	-	318,161	19,180	(132,378)	-	(132,378)
Culture and recreation	168,534	56,502	-	-	(112,032)	-	(112,032)
Principal and interest on indebtedness	131,500	-	-	-	(131,500)	-	(131,500)
Total governmental activities	<u>1,708,968</u>	<u>248,052</u>	<u>318,161</u>	<u>19,180</u>	<u>(1,123,575)</u>	<u>-</u>	<u>(1,123,575)</u>
Business-type activities:							
Water	1,150,990	798,298	476,037	-	-	123,345	123,345
Trash	471,532	221,251	-	-	-	(250,281)	(250,281)
Total business-type activities	<u>1,622,522</u>	<u>1,019,549</u>	<u>476,037</u>	<u>-</u>	<u>-</u>	<u>(126,936)</u>	<u>(126,936)</u>
Total primary government	<u>\$ 3,331,490</u>	<u>\$ 1,267,601</u>	<u>\$ 794,198</u>	<u>\$ 19,180</u>	<u>(1,123,575)</u>	<u>(126,936)</u>	<u>(1,250,511)</u>
General receipts:							
Property taxes					583,667	-	583,667
Income taxes					129,313	-	129,313
Intergovernmental					51,430	-	51,430
Other local sources					212,906	-	212,906
Investment earnings					28,297	6,756	35,053
Interfund loans					30,000	165,000	195,000
Total general receipts and interfund loans					<u>1,035,613</u>	<u>171,756</u>	<u>1,207,369</u>
Change in net assets					(87,962)	44,820	(43,142)
Net assets - beginning					<u>1,515,203</u>	<u>904,397</u>	<u>2,419,600</u>
Net assets - ending					<u>\$ 1,427,241</u>	<u>\$ 949,217</u>	<u>\$ 2,376,458</u>
Assets							
Cash and investments					\$ 337,782	\$ 394,359	\$ 732,141
Restricted assets:							
Cash and investments					<u>1,089,459</u>	<u>554,858</u>	<u>1,644,317</u>
Total assets					<u>\$ 1,427,241</u>	<u>\$ 949,217</u>	<u>\$ 2,376,458</u>
Net Assets							
Restricted for:							
General government					\$ 45,735	\$ -	\$ 45,735
Public safety					4,909	-	4,909
Highways and streets					412,840	-	412,840
Debt service					-	554,858	554,858
Capital outlay					625,975	-	625,975
Unrestricted					<u>337,782</u>	<u>394,359</u>	<u>732,141</u>
Total net assets					<u>\$ 1,427,241</u>	<u>\$ 949,217</u>	<u>\$ 2,376,458</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
GOVERNMENTAL FUNDS
For The Year Ended December 31, 2008

	General	Motor Vehicle Highway	Riverboat	County Economic Development Income Tax	Lease For Town	Major Moves Construction	Cumulative Capital Development	Other Governmental Funds	Totals
Receipts:									
Taxes	\$ 490,033	\$ 274,049	\$ -	\$ 129,313	\$ 135,650	\$ -	\$ -	\$ 51,676	\$ 1,080,721
Licenses and permits	64,734	-	-	-	-	-	-	-	64,734
Intergovernmental	4,445	44,112	95,033	-	-	-	41,859	24,250	209,699
Charges for services	110,884	-	-	-	-	-	-	56,558	167,442
Interfund loans	195,000	-	-	-	-	-	-	-	195,000
Other	49,012	2,411	-	-	-	15,932	-	1,055	68,410
Total receipts	914,108	320,572	95,033	129,313	135,650	15,932	41,859	133,539	1,786,006
Disbursements:									
General government	240,551	-	-	-	-	-	-	-	240,551
Public safety	603,804	-	-	-	-	-	-	333	604,137
Highways and streets	571	278,466	-	-	-	-	-	-	279,037
Culture and recreation	-	-	-	-	-	-	-	106,187	106,187
Interfund loans	100,000	-	-	-	65,000	-	-	-	165,000
Debt service:									
Principal	-	-	-	-	78,343	-	-	-	78,343
Interest	-	-	-	-	53,157	-	-	-	53,157
Capital outlay:									
General government	5,682	-	46,707	-	-	-	-	-	52,389
Public safety	26,419	-	-	15,719	-	-	-	-	42,138
Highways and streets	-	35,746	-	-	-	105,250	-	49,686	190,682
Culture and recreation	-	-	-	39,183	-	-	-	23,164	62,347
Total disbursements	977,027	314,212	46,707	54,902	196,500	105,250	-	179,370	1,873,968
Excess (deficiency) of receipts over disbursements	(62,919)	6,360	48,326	74,411	(60,850)	(89,318)	41,859	(45,831)	(87,962)
Other financing sources (uses):									
Transfers in	-	-	-	-	-	-	-	31,517	31,517
Transfers out	-	-	(31,517)	-	-	-	-	-	(31,517)
Total other financing sources (uses)	-	-	(31,517)	-	-	-	-	31,517	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(62,919)	6,360	16,809	74,411	(60,850)	(89,318)	41,859	(14,314)	(87,962)
Cash and investment fund balance - beginning	5,432	56,863	257,936	256,862	20,404	339,743	235,913	342,050	1,515,203
Cash and investment fund balance - ending	<u>\$ (57,487)</u>	<u>\$ 63,223</u>	<u>\$ 274,745</u>	<u>\$ 331,273</u>	<u>\$ (40,446)</u>	<u>\$ 250,425</u>	<u>\$ 277,772</u>	<u>\$ 327,736</u>	<u>\$ 1,427,241</u>
Cash and Investment Assets - Ending									
Cash and investments	\$ (57,487)	\$ -	\$ 274,745	\$ -	\$ (40,446)	\$ -	\$ -	\$ 160,970	\$ 337,782
Restricted assets:									
Cash and investments	-	63,223	-	331,273	-	250,425	277,772	166,766	1,089,459
Total cash and investment assets - ending	\$ (57,487)	\$ 63,223	\$ 274,745	\$ 331,273	\$ (40,446)	\$ 250,425	\$ 277,772	\$ 327,736	\$ 1,427,241
Cash and Investment Fund Balance - Ending									
Restricted for:									
General government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 45,735	\$ 45,735
Public safety	-	-	-	-	-	-	-	4,909	4,909
Highways and streets	-	63,223	-	-	-	250,425	-	99,192	412,840
Debt service	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	331,273	-	-	277,772	16,930	625,975
Other purposes	-	-	-	-	-	-	-	-	-
Unrestricted	(57,487)	-	274,745	-	(40,446)	-	-	160,970	337,782
Total cash and investment fund balance - ending	\$ (57,487)	\$ 63,223	\$ 274,745	\$ 331,273	\$ (40,446)	\$ 250,425	\$ 277,772	\$ 327,736	\$ 1,427,241

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, 2008

	Water	Trash	Totals
Operating receipts:			
Metered/measured	\$ 660,812	\$ -	\$ 660,812
Fire protection receipts	24,000	-	24,000
Charges for services	-	221,251	221,251
Interfund loan proceeds	-	165,000	165,000
Miscellaneous	<u>113,486</u>	<u>-</u>	<u>113,486</u>
 Total operating receipts	 <u>798,298</u>	 <u>386,251</u>	 <u>1,184,549</u>
Operating disbursements:			
Salaries and wages	128,608	3,188	131,796
Employee pensions and benefits	38,482	244	38,726
Purchased water	138,342	-	138,342
Purchased power	4,172	-	4,172
Material and supplies	7,894	14,001	21,895
Contractual services	9,926	257,660	267,586
Transportation	2,330	-	2,330
Administration and general	-	1,439	1,439
Equipment and capital improvements	476,037	-	476,037
Interfund loans made/repaid	-	195,000	195,000
Miscellaneous	<u>120,625</u>	<u>-</u>	<u>120,625</u>
 Total operating disbursements	 <u>926,416</u>	 <u>471,532</u>	 <u>1,397,948</u>
 Excess (deficiency) of operating receipts over operating disbursements	 <u>(128,118)</u>	 <u>(85,281)</u>	 <u>(213,399)</u>
Nonoperating receipts (disbursements):			
Investment income	6,756	-	6,756
Grants	476,037	-	476,037
Debt service of principal	(105,000)	-	(105,000)
Interest disbursements	<u>(119,574)</u>	<u>-</u>	<u>(119,574)</u>
 Total nonoperating receipts (disbursements)	 <u>258,219</u>	 <u>-</u>	 <u>258,219</u>
 Excess (deficiency) of receipts over disbursements and nonoperating receipts (disbursements)	 130,101	 (85,281)	 44,820
Cash and investment fund balance - beginning	<u>703,831</u>	<u>200,566</u>	<u>904,397</u>
Cash and investment fund balance - ending	<u>\$ 833,932</u>	<u>\$ 115,285</u>	<u>\$ 949,217</u>
<u>Cash and Investment Assets - December 31</u>			
Cash and investments	\$ 279,074	\$ 115,285	\$ 394,359
Restricted assets:			
Cash and investments	<u>554,858</u>	<u>-</u>	<u>554,858</u>
Total cash and investment assets - December 31	<u>\$ 833,932</u>	<u>\$ 115,285</u>	<u>\$ 949,217</u>
<u>Cash and Investment Fund Balance - December 31</u>			
Restricted for:			
Debt service	\$ 554,858	\$ -	\$ 554,858
Unrestricted	<u>279,074</u>	<u>115,285</u>	<u>394,359</u>
Total cash and investment fund balance - December 31	<u>\$ 833,932</u>	<u>\$ 115,285</u>	<u>\$ 949,217</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 except for fiduciary funds. 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, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. 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 county economic development income tax (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 lease for town fund is used to account for the accumulation of resources for, and the payment of, long-term debt principal and interest.

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.

Additionally, the Town reports the following fund type:

Agency funds account for assets held by the Town as an agent for federal and state revenue agencies and serve as control of accounts for cash transactions during the time they are a liability to the Town.

C. Measurement Focus and Basis of Accounting

The government-wide, governmental fund, proprietary fund, and fiduciary 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.

TOWN OF LONG BEACH
NOTES TO FINANCIAL STATEMENTS
(Continued)

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.

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.

TOWN OF LONG BEACH
NOTES TO FINANCIAL STATEMENTS
(Continued)

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.

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.

TOWN OF LONG BEACH
NOTES TO FINANCIAL STATEMENTS
(Continued)

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.
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.

TOWN OF LONG BEACH
 NOTES TO FINANCIAL STATEMENTS
 (Continued)

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.

B. Cash and Investment Balance Deficits

At December 31, 2008, the following funds reported deficits in cash and investments, which are violations of the Uniform Compliance Guidelines as authorized by state statute:

Fund	2008
General	\$ 57,487
Lease For Town	40,446

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

1. Deposits

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, 2008, the Town had deposit balances in the amount of \$2,376,458.

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. Interfund Transfers

Interfund transfers for the years ended December 31, 2007 and 2008, were as follows:

TOWN OF LONG BEACH
NOTES TO FINANCIAL STATEMENTS
(Continued)

Transfer From	Transfer To	2007	2008
General Fund	Other governmental funds	\$ 29,838	\$ -
Mothor Vehicle Highway	Other governmental funds	17,414	-
Riverboat	Other governmental funds	-	31,517
Lease For Town	Other governmental funds	1,707	-
Cumulative Capital Development	Other governmental funds	2,722	-
Other governmental funds	Other governmental funds	5,596	-
Totals		<u>\$ 57,277</u>	<u>\$ 31,517</u>

The Town typically uses transfers for cash flow purposes as provided by various statutory provisions.

C. Temporary Interfund Loans

Temporary interfund loans for the years ended December 31, 2007 and 2008 were as follows:

Loan To	Loan From	Loans Outstanding 01-01-07	2007 Loans	2007 Repayments	Loans Outstanding 12-31-07	2008 Loans	2008 Repayments	Loans Outstanding 12-31-08
General Fund	Trash Utility	\$ -	\$ 100,000	\$ -	\$ 100,000	\$ 195,000	\$ 100,000	\$ 195,000
Lease For Town	Trash Utility	-	65,000	-	65,000	-	65,000	-
Totals		<u>\$ -</u>	<u>\$ 165,000</u>	<u>\$ -</u>	<u>\$ 165,000</u>	<u>\$ 195,000</u>	<u>\$ 165,000</u>	<u>\$ 195,000</u>

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.

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.

TOWN OF LONG BEACH
NOTES TO FINANCIAL STATEMENTS
(Continued)

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 years 2007 and 2008 totaled \$132,500, and \$131,000, respectively.

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.

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.

TOWN OF LONG BEACH
NOTES TO FINANCIAL STATEMENTS
(Continued)

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 \$71,611.

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, 2007

	Local Road And Street	Grant Money - Police	Police Grant	Accident Report	Firearms Training	Law Enforcement Continuing Education	Law Enforcement County Drug Free
Receipts:							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	21,083	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Other	-	-	-	-	-	1,009	-
Total receipts	21,083	-	-	-	-	1,009	-
Disbursements:							
Public safety	-	743	755	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Capital outlay:							
Culture and recreation	-	-	-	-	-	-	-
Total disbursements	-	743	755	-	-	-	-
Excess (deficiency) of receipts over disbursements	21,083	(743)	(755)	-	-	1,009	-
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	21,083	(743)	(755)	-	-	1,009	-
Cash and investment fund balance - beginning	104,429	743	755	453	93	2,065	511
Cash and investment fund balance - ending	\$ 125,512	\$ -	\$ -	\$ 453	\$ 93	\$ 3,074	\$ 511
Cash and Investment Assets - Ending							
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted assets:							
Cash and investments	125,512	-	-	453	93	3,074	511
Total cash and investment assets - ending	\$ 125,512	\$ -	\$ -	\$ 453	\$ 93	\$ 3,074	\$ 511
Cash and Investment Fund Balance - Ending							
Restricted for:							
General government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Public safety	-	-	-	453	93	3,074	511
Highways and streets	125,512	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Unrestricted	-	-	-	-	-	-	-
Total cash and investment fund balance - ending	\$ 125,512	\$ -	\$ -	\$ 453	\$ 93	\$ 3,074	\$ 511

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, 2007
 (Continued)

	Rainy Day	Old School Community Center	Park	Insurance Fire	Levy Excess	Cumulative Capital Improvement	Totals
Receipts:							
Taxes	\$ -	\$ -	\$ 7,403	\$ -	\$ -	\$ -	\$ 7,403
Intergovernmental	-	-	-	-	-	5,475	26,558
Charges for services	-	61,238	750	-	-	-	61,988
Other	-	-	-	-	-	-	1,009
Total receipts	-	61,238	8,153	-	-	5,475	96,958
Disbursements:							
Public safety	-	-	-	-	-	-	1,498
Culture and recreation	-	78,236	30,433	-	-	-	108,669
Capital outlay:							
Culture and recreation	-	7,970	42,791	-	-	-	50,761
Total disbursements	-	86,206	73,224	-	-	-	160,928
Excess (deficiency) of receipts over disbursements	-	(24,968)	(65,071)	-	-	5,475	(63,970)
Other financing sources (uses):							
Transfers in	-	-	-	-	57,277	-	57,277
Transfers out	-	-	(5,596)	-	-	-	(5,596)
Total other financing sources (uses)	-	-	(5,596)	-	57,277	-	51,681
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(24,968)	(70,667)	-	57,277	5,475	(12,289)
Cash and investment fund balance - beginning	45,735	25,624	137,096	6,605	23,845	6,385	354,339
Cash and investment fund balance - ending	<u>\$ 45,735</u>	<u>\$ 656</u>	<u>\$ 66,429</u>	<u>\$ 6,605</u>	<u>\$ 81,122</u>	<u>\$ 11,860</u>	<u>\$ 342,050</u>
<u>Cash and Investment Assets - Ending</u>							
Cash and investments	\$ -	\$ 656	\$ 66,429	\$ 6,605	\$ 81,122	\$ -	\$ 154,812
Restricted assets:							
Cash and investments	45,735	-	-	-	-	11,860	187,238
Total cash and investment assets - ending	\$ 45,735	\$ 656	\$ 66,429	\$ 6,605	\$ 81,122	\$ 11,860	\$ 342,050
<u>Cash and Investment Fund Balance - Ending</u>							
Restricted for:							
General government	\$ 45,735	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 45,735
Public safety	-	-	-	-	-	-	4,131
Highways and streets	-	-	-	-	-	-	125,512
Capital outlay	-	-	-	-	-	11,860	11,860
Unrestricted	-	656	66,429	6,605	81,122	-	154,812
Total cash and investment fund balance - ending	\$ 45,735	\$ 656	\$ 66,429	\$ 6,605	\$ 81,122	\$ 11,860	\$ 342,050

TOWN OF LONG BEACH
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 AGENCY FUND
 As Of And For The Year Ended December 31, 2007

	Payroll
Additions:	
Agency fund additions	\$ 48,882
Deductions:	
Agency fund deductions	-
Excess (deficiency) of total additions over total deductions	48,882
Cash and investment fund balance - beginning	(48,882)
Cash and investment fund balance - ending	\$ -

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, 2008

	Local Road And Street	Accident Report	Firearms Training	Law Enforcement Continuing Education	Law Enforcement County Drug Free	Rainy Day
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	19,180	-	-	-	-	-
Charges for services	-	56	-	-	-	-
Other	-	-	-	1,055	-	-
Total receipts	19,180	56	-	1,055	-	-
Disbursements:						
Public safety	-	333	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Debt service:						
Capital outlay:						
Highways and streets	45,500	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Total disbursements	45,500	333	-	-	-	-
Excess (deficiency) of receipts over disbursements	(26,320)	(277)	-	1,055	-	-
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(26,320)	(277)	-	1,055	-	-
Cash and investment fund balance - beginning	125,512	453	93	3,074	511	45,735
Cash and investment fund balance - ending	<u>\$ 99,192</u>	<u>\$ 176</u>	<u>\$ 93</u>	<u>\$ 4,129</u>	<u>\$ 511</u>	<u>\$ 45,735</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted assets:						
Cash and investments	99,192	176	93	4,129	511	45,735
Total cash and investment assets - ending	\$ 99,192	\$ 176	\$ 93	\$ 4,129	\$ 511	\$ 45,735
Cash and Investment Fund Balance - Ending						
Restricted for:						
General government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 45,735
Public safety	-	176	93	4,129	511	-
Highways and streets	99,192	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Unrestricted	-	-	-	-	-	-
Total cash and investment fund balance - ending	\$ 99,192	\$ 176	\$ 93	\$ 4,129	\$ 511	\$ 45,735

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, 2008
 (Continued)

	Old School Community Center	Park	Insurance Fire	Levy Excess	Cumulative Capital Improvement	Totals
Receipts:						
Taxes	\$ -	\$ 51,676	\$ -	\$ -	\$ -	\$ 51,676
Intergovernmental	-	-	-	-	5,070	24,250
Charges for services	55,662	840	-	-	-	56,558
Other	-	-	-	-	-	1,055
Total receipts	55,662	52,516	-	-	5,070	133,539
Disbursements:						
Public safety	-	-	-	-	-	333
Culture and recreation	87,835	18,352	-	-	-	106,187
Debt service:						
Capital outlay:						
Highways and streets	-	-	4,186	-	-	49,686
Culture and recreation	-	23,164	-	-	-	23,164
Total disbursements	87,835	41,516	4,186	-	-	179,370
Excess (deficiency) of receipts over disbursements	(32,173)	11,000	(4,186)	-	5,070	(45,831)
Other financing sources (uses):						
Transfers in	31,517	-	-	-	-	31,517
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(656)	11,000	(4,186)	-	5,070	(14,314)
Cash and investment fund balance - beginning	656	66,429	6,605	81,122	11,860	342,050
Cash and investment fund balance - ending	\$ -	\$ 77,429	\$ 2,419	\$ 81,122	\$ 16,930	\$ 327,736
Cash and Investment Assets - Ending						
Cash and investments	\$ -	\$ 77,429	\$ 2,419	\$ 81,122	\$ -	\$ 160,970
Restricted assets:						
Cash and investments	-	-	-	-	16,930	166,766
Total cash and investment assets - ending	\$ -	\$ 77,429	\$ 2,419	\$ 81,122	\$ 16,930	\$ 327,736
Cash and Investment Fund Balance - Ending						
Restricted for:						
General government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 45,735
Public safety	-	-	-	-	-	4,909
Highways and streets	-	-	-	-	-	99,192
Capital outlay	-	-	-	-	16,930	16,930
Unrestricted	-	77,429	2,419	81,122	-	160,970
Total cash and investment fund balance - ending	\$ -	\$ 77,429	\$ 2,419	\$ 81,122	\$ 16,930	\$ 327,736

TOWN OF LONG BEACH
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 December 31, 2008

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	\$ 727,792	\$ 82,670
Loan payable:		
Fire Truck	<u>133,019</u>	<u>15,669</u>
Total governmental activities debt	<u>\$ 860,811</u>	<u>\$ 98,339</u>
Business-type activities:		
Water Utility:		
Loan payable:		
State Revolving Fund	<u>\$ 4,540,000</u>	<u>\$ 311,660</u>

TOWN OF LONG BEACH
AUDIT RESULTS AND COMMENTS

Audit Results and Comments are included in the Audit Report for the Town of Long Beach for the period January 1, 2009 to December 31, 2009, filed concurrently.

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SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

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

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

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

Compliance

We have audited the compliance of the Town of Long Beach (Town) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the years ended December 31, 2007 and 2008. The Town's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Town's management. Our responsibility is to express an opinion on the Town's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Town'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. Our audit does not provide a legal determination of the Town's compliance with those requirements.

In our opinion, the Town complied in all material respects with the requirements referred to above that are applicable to each of its major federal programs for the years ended December 31, 2007 and 2008.

Internal Control Over Compliance

The management of the Town is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Town's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, 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 Town's internal control over compliance.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

A control deficiency in a Town's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be significant deficiencies or material weaknesses, as defined above.

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

STATE BOARD OF ACCOUNTS

July 21, 2010

TOWN OF LONG BEACH
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For The Years Ended December 31, 2007 and 2008

Federal Grantor Agency/Pass-Through Entity Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 12-31-07	Total Federal Awards Expended 12-31-08
<u>U.S. DEPARTMENT OF JUSTICE</u>				
Pass-Through Indiana Criminal Justice Institute Local Law Enforcement Block Grant Program	16.592	05-DJ-125	\$ 1,498	\$ -
<u>U.S. ENVIRONMENTAL PROTECTION AGENCY</u>				
Pass-Through Indiana Department of Environmental Management Capitalization Grants for Drinking Water State Revolving Fund	66.468	DW05124601	<u>904,950</u>	<u>188,225</u>
Total federal awards expended			<u>\$ 906,448</u>	<u>\$ 188,225</u>

The accompanying note is an integral part of the Schedule of Expenditures of Federal Awards.

TOWN OF LONG BEACH
NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

I. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Town of Long Beach (Town) and is presented in accordance with the cash and investment basis of accounting used in the preparation of the financial statements. Accordingly, the amount of federal awards expended is based on when the disbursement related to the award occurs except when the federal award is received on a reimbursement basis. In these instances the federal awards are considered expended when the reimbursement is received.

Circular A-133 requires an annual audit of nonfederal entities expending a total amount of federal awards equal to or in excess of \$500,000 in any fiscal year unless by constitution or statute a less frequent audit is required. In accordance with the Indiana Code (IC 5-11-1 et seq.), audits of Towns with populations under 5,000 shall be conducted biennially. Such audits shall include both years within the biennial period.

TOWN OF LONG BEACH
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Auditor's Results

Financial Statements:

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

Material weaknesses identified?	no
Significant deficiencies identified that are not considered to be material weaknesses?	none reported
Noncompliance material to financial statements noted?	no

Federal Awards:

Internal control over major programs:

Material weaknesses identified?	no
Significant deficiencies identified that are not considered to be material weaknesses?	none reported

Type of auditor's report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?	no
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Identification of Major Programs:

CFDA Number	Name of Federal Program
66.468	Capitalization Grants for Drinking Water State Revolving Fund

Dollar threshold used to distinguish between Type A and Type B programs: \$300,000

Auditee qualified as low-risk auditee?	no
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Section II – Financial Statement Findings

No matters are reportable.

Section III – Federal Award Findings and Questioned Costs

No matters are reportable.

TOWN OF LONG BEACH
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters are reportable.

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.