

TOWN OF LOGANSPORT, LOUISIANA
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

Marsha O. Millican
A Professional Accounting Corporation
Shreveport, Louisiana

TOWN OF LOGANSPORT, LOUISIANA

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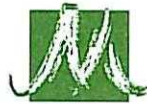
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Marsha O. Millican

A PROFESSIONAL ACCOUNTING CORPORATION

Independent Auditor's Report

The Honorable Katherine Freeman, Mayor
And Members of the Town Council
Town of Logansport, Louisiana

Report on the Financial Statements

I have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of Town of Logansport, Louisiana, as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my 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 and require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the Financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

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SHREVEPORT, LA 71104-3036
(318) 221-3881
FAX: (318) 221-4641

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Town of Logansport, as of December 31, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4-8 and the budgetary information on page 26 be presented to supplement the basic financial statements. Such information is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Other Information

My audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental information on pages 27, 28, and 29 presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of compensation paid to the mayor and town council and the comparative statement of revenues, expenditures, and changes in net position – proprietary fund type are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other

additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the information is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, I have also issued my report dated June 24, 2015 on my consideration of Town of Logansport' s internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contract and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Town of Logansport's internal control over financial reporting and compliance.



Certified Public Accountant

June 24, 2015

TOWN OF LOGANSPORT, LOUISIANA
P O BOX 400
LOGANSPORT, LOUISIANA 71049

MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2014

The Management's Discussion and Analysis of the Town of Logansport's financial performance presents a narrative overview of the Town of Logansport's financial activities for the year ended December 31, 2014. The document focuses on the current year's activities, resulting changes, and currently known facts. Please read this document in conjunction with the Town's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

Governmental Activities

- 1) Town of Logansport had cash of \$207,646 at December 31, 2014, which represents a decrease of \$67,035 from prior year end.
- 2) Town of Logansport had receivables of \$31,798 at December 31, 2014, which represents an increase of \$2,577 from prior year end.
- 3) Town of Logansport had accounts payable and accruals of \$58,104 at December 31, 2014, which represents a decrease of \$46,022 from the prior year end.
- 4) Town of Logansport had total revenues of \$602,564 for the year ended December 31, 2014, which represents a decrease of \$43,137 from prior year.
- 5) Town of Logansport had total expenses of \$550,704 for the year ended December 31, 2014, which represents an increase of \$6,881 from prior year.
- 6) Town of Logansport had capital improvements of \$107,655 for the year ended December 31, 2014.

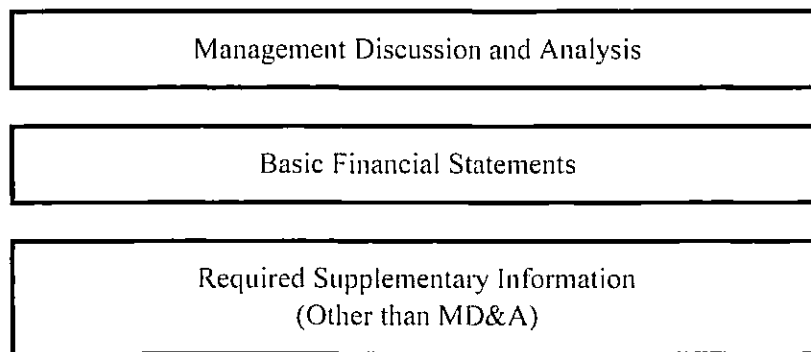
Business-Type Activities

- 1) Town of Logansport had cash of \$427,104 for the year ended December 31, 2014, which represents a decrease of \$158,707 from prior year.
- 2) Town of Logansport had accounts receivable of \$160,812 for the year ended December 31, 2014, which represents an increase of \$45,989 from prior year.
- 3) Town of Logansport had accounts payable and accruals of \$31,528 for the year ended December 2014, which represents a decrease of \$5,753 from prior year.
- 4) Town of Logansport had total revenues of \$1,103,367 for the year ended December 31, 2014, which represents a decrease of \$197,899 from prior year.
- 5) Town of Logansport had total expenses of \$1,439,873 for the year ended December 31, 2014, which represents a decrease of \$118,501 from prior year.
- 6) Town of Logansport had capital asset improvements of \$33,913 for the year ended December 31, 2014.

TOWN OF LOGANSPORT, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
DECEMBER 31, 2014

OVERVIEW OF THE FINANCIAL STATEMENTS

The following graphic illustrates the minimum requirements for the Town of Logansport as established by Governmental Accounting Standards Board Statement 34, *Basic Financial Statements and Management's Discussion and Analysis - for State and Local Governments*.



These financial statements consist of three sections - Management's Discussion and Analysis (this section), the basic financial statements (including the notes to the financial statements), and required supplementary information.

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (on pages 9 and 10) provide information about the activities of the Town of Logansport as a whole and present a longer-term view of the Town's finances. Fund financial statements start on page 11. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the Town's operations in more detail than the government-wide statements by providing information about the Town's most significant funds.

Reporting the Town as a Whole

The Statement of Net Position and the Statement of Activities

One of the most important questions asked about the Town's finances is, "Is the Town as a whole, better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the Town as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

TOWN OF LOGANSPORT, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
DECEMBER 31, 2014

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

These two statements report the Town's net position and changes in them. You can think of the Town's net position, the difference between assets and liabilities, as one way to measure the Town's financial health, or financial position. Over time, increases or decreases in the Town's net position are one indicator of whether its financial health is improving or deteriorating.

In the Statement of Net Position and the Statement of Activities, we divide the Town into two kinds of activities:

Governmental Activities

Most of the Town's basic services are reported here including the police and general administration. Taxes, license and permits, fines, interest income and state and federal grants finance most of these activities.

Business-Type Activities

The Town charges a fee to customers to help it cover all or most of the cost of certain services it provides. The Town's water and sewer systems are reported here.

Reporting the Town's Most Significant Funds

Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds, not the Town as a whole. Some funds are required to be established by State law and by bond covenants. However, the Town Council may establish other funds to help it control the money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants and other money. The Town's two kinds of funds, governmental and proprietary, use different accounting approaches.

Governmental Funds

Most of the Town's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short term view of the Town's general governmental operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Town's activities as well as what remains for future spending.

Proprietary Funds

When the Town charges customers for the services it provides, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and Statement of Activities. In fact, the Town's enterprise funds are the same as the business-type activities we reported in the government-wide statements but provide more detail and additional information, such as cash flows.

TOWN OF LOGANSPORT, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
DECEMBER 31, 2014

FINANCIAL ANALYSIS OF THE ENTITY

	Statement of Net Position at Year End			
	Governmental Activities	Business Activities	Governmental Activities	Business Activities
	<u>2014</u>	<u>2014</u>	<u>2013</u>	<u>2013</u>
Current and other assets	\$ 264,624	611,316	\$ 348,902	\$ 745,855
Capital assets, net	1,758,390	5,721,917	1,731,537	5,943,231
Total Assets	<u>2,023,014</u>	<u>6,333,233</u>	<u>2,080,439</u>	<u>6,689,086</u>
Accounts Payable and Accruals	58,104	31,528	104,126	37,281
Long-Term Debt	-	3,523,589	-	3,581,301
Due to Other Funds	-	-	3,200	-
Customer Deposits	-	81,855	-	80,695
Total Liabilities	<u>58,104</u>	<u>3,636,972</u>	<u>107,326</u>	<u>3,699,277</u>
Net Position				
Investments in capital assets, Net of related debt	1,758,390	2,198,328	1,731,537	2,361,930
Restricted Net Position	19,368	277,652	19,368	240,447
Unrestricted	187,152	220,281	222,208	387,432
Total Net Position	<u>\$ 1,964,910</u>	<u>\$ 2,696,261</u>	<u>\$ 1,973,113</u>	<u>\$ 2,989,809</u>

Net position of the Town of Logansport increased or decreased from the previous fiscal year in Governmental Activities and Business-Type Activities, as shown in the following table. These changes are the result of operating and other expenses being less than/exceeding operating and nonoperating revenues during the fiscal year ended 2014 (See table below).

	Statement of Activities As of Year End			
	Government	Business	Government	Business
	<u>2014</u>	<u>2014</u>	<u>2013</u>	<u>2013</u>
General Government Expenses	\$ (550,704)	\$ (1,439,873)	\$ (543,823)	\$ (1,558,374)
Program revenues				
Charges for services	-	1,051,286	-	945,312
Operating and capital grants and Contributions	60,000	29,900	-	335,246
Subtotal	<u>(490,704)</u>	<u>(358,687)</u>	<u>(543,823)</u>	<u>(277,816)</u>
General revenues and transfers	<u>455,764</u>	<u>108,951</u>	<u>645,701</u>	<u>20,708</u>
Change in net position	<u>\$ (34,940)</u>	<u>\$ (249,736)</u>	<u>\$ 101,878</u>	<u>\$ (257,108)</u>

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2014, Town of Logansport had \$1,758,390 and \$5,721,917 net of depreciation in Governmental Activities and Business-Type Activities, respectively, invested in a broad range of capital assets (See table below). This account represents a net increase (including additions and deductions) of \$26,853 and a decrease of \$221,314 in Governmental Activities and Business-Type Activities, respectively, from the previous year.

TOWN OF LOGANSPORT, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
DECEMBER 31, 2014

Capital Assets (Net) at Year End

	Governmental Activities	Business-Type Activities
	2014	2014
Land	\$ 55,200	\$ 16,873
Buildings and other improvements	1,703,190	-
Distribution system	-	5,654,501
Equipment and other assets	-	50,543
Total	<u>\$ 1,758,390</u>	<u>\$ 5,721,917</u>

Additions for the year ended December 31, 2014 are as follows:

This years major additions included:

	Governmental Activities	Business-Type Activities
	2014	2014
Distribution system	\$ -	\$ 33,913
Land	-	-
Buildings and other improvements	107,655	-
Equipment and other assets	-	-
Total	<u>\$ 107,655</u>	<u>\$ 33,913</u>

Debt

Town of Logansport had \$3,523,589 in long-term liabilities payable for the Business-Type Activities at year end.

	Governmental Activities	Business-Type Activities
Long-term debt	\$ -	\$ 3,523,589

VARIATIONS BETWEEN ORIGINAL AND FINAL BUDGETS

Actual revenues were \$91,664 more than budgeted amounts.

Actual expenditures were \$11,002 less than budgeted amounts.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The Town of Logansport's elected officials considered the following factors and indicators when setting next year's budget, rates and fees. These factors and indicators include:

- 1) Taxes
- 2) Intergovernmental revenues (state and local grants)
- 3) License and permits
- 4) Fines

Town of Logansport does not expect any significant changes in next year's results as compared to the current year.

CONTACTING TOWN OF LOGANSPORT'S MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the Town of Logansport's finances and to show the Town of Logansport's accountability for the money it receives. If you have questions about this report or need additional information, contact Kathryn Freeman, Mayor of the Town of Logansport, Post Office Box 400, Logansport, Louisiana 71049.

TOWN OF LOGANSPORT, LOUISIANA
STATEMENT OF NET POSITION
DECEMBER 31, 2014

ASSETS	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Current Assets			
Cash	\$ 207,646	\$ 67,598	\$ 275,244
Taxes and accounts receivable	31,978	160,812	192,790
Grants receivable	25,000	-	25,000
Inventory	-	23,400	23,400
Total Current Assets	<u>264,624</u>	<u>251,810</u>	<u>516,434</u>
Noncurrent Assets			
Restricted cash	-	359,506	359,506
Due from other funds	-	-	-
Capital assets, net	1,758,390	5,721,917	7,480,307
Total Noncurrent Assets	<u>1,758,390</u>	<u>6,081,423</u>	<u>7,839,813</u>
Total Assets	<u>2,023,014</u>	<u>6,333,233</u>	<u>8,356,247</u>
Deferred Outflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>
LIABILITIES			
LIABILITIES			
Current Liabilities			
Accounts payable and accruals	58,104	31,528	89,632
Current portion of long term debt	-	103,802	103,802
Due to other funds	-	-	-
Total current liabilities	<u>58,104</u>	<u>135,330</u>	<u>193,434</u>
Noncurrent Liabilities			
Long-term debt, net of current portion	-	3,419,787	3,419,787
Customer deposits	-	81,855	81,855
Total Noncurrent liabilities	<u>-</u>	<u>3,501,642</u>	<u>3,501,642</u>
Total liabilities	<u>58,104</u>	<u>3,636,972</u>	<u>3,695,076</u>
Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>
NET POSITION			
Investment in capital assets, Net of related debt	1,758,390	2,198,328	3,956,718
Restricted for debt service	-	277,652	277,652
Restricted for protested taxes	19,368	-	19,368
Unrestricted	187,152	220,281	407,433
Total Net Position	<u>\$ 1,964,910</u>	<u>\$ 2,696,261</u>	<u>\$ 4,661,171</u>

See accompanying notes to financial statements.

TOWN OF LOGANSPORT, LOUISIANA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Primary Government							
Governmental Activities							
General Government	\$ 469,902	\$ -	\$ -	\$ 60,000	\$ (409,902)	\$ -	\$ (409,902)
Depreciation	80,802	-	-	-	(80,802)	-	(80,802)
Total Governmental Activities	550,704	-	-	60,000	(490,704)	-	(490,704)
Business-Type Activities							
Utility Fund	1,439,873	1,051,286	-	29,900	-	(358,687)	(358,687)
Total Business-Type Activities	1,439,873	1,051,286	-	29,900	-	(358,687)	(358,687)
Total Primary Government	<u>\$ 1,990,577</u>	<u>\$ 1,051,286</u>	<u>\$ -</u>	<u>\$ 89,900</u>	(490,704)	(358,687)	(849,391)
General Revenues							
Taxes							
Ad Valorem					60,120	-	60,120
Licenses and Permits					121,653	-	121,653
Sales					215,661	-	215,661
Intergovernmental					105,833	-	105,833
Interest					-	22,151	22,151
Transfers					(86,800)	86,800	-
Fines					30,102	-	30,102
Miscellaneous					9,195	-	9,195
Total General Revenues and Transfers					<u>455,764</u>	<u>108,951</u>	<u>564,715</u>
Change in Net Position					(34,940)	(249,736)	(284,676)
Net Position, Beginning of Year (Restated) (Note 12)					<u>1,999,850</u>	<u>2,945,997</u>	<u>4,945,847</u>
Net Position, End of Year					<u>\$ 1,964,910</u>	<u>\$ 2,696,261</u>	<u>\$ 4,661,171</u>

See accompanying notes to financial statements.

TOWN OF LOGANSPORT, LOUISIANA
BALANCE SHEET - GOVERNMENTAL FUNDS
DECEMBER 31, 2014

	General Fund	Capital Projects Fund	Total
ASSETS			
Cash	\$ 207,646	\$ -	\$ 207,646
Grants Receivable	25,000	-	25,000
Taxes and accounts receivable	31,978	-	31,978
Due from other funds	-	-	-
Prepaid expenses	-	-	-
Total Assets	\$ 264,624	\$ -	\$ 264,624
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable and accruals	\$ 58,104	\$ -	\$ 58,104
Due to other funds	-	-	-
Total Liabilities	58,104	-	58,104
Fund Balances			
Assigned	19,368	-	19,368
Unassigned	187,152	-	187,152
Total Fund Balances	206,520	-	206,520
Total Liabilities and Fund Balances	\$ 264,624	\$ -	\$ 264,624

See accompanying notes to financial statements.

TOWN OF LOGANSPORT, LOUISIANA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2014

Total Fund Balance for Governmental Funds \$ 206,520

Total Net Position for governmental activities in the
statement of net assets is different because:

Capital assets used in governmental activities
are not financial resources and therefore are
not reported in the funds.

1,758,390

Total Net Position of Governmental Activities

\$ 1,964,910

See accompanying notes to financial statements.

TOWN OF LOGANSFORT, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>General Fund</u>	<u>Capital Projects</u>	<u>Total</u>
Revenues			
Taxes			
Ad Valorem	\$ 60,120	\$ -	\$ 60,120
Licenses and Permits	121,653	-	121,653
Sales	215,661	-	215,661
Intergovernmental		-	
Video Poker	105,833		105,833
Grants	60,000		60,000
Fines	30,102	-	30,102
Miscellaneous	9,195	-	9,195
Total Revenues	<u>602,564</u>	<u>-</u>	<u>602,564</u>
Expenditures			
General Government	246,847	-	246,847
Public Safety	284,224	-	284,224
Streets	46,486		46,486
Capital Projects	-	-	-
Total Expenditures	<u>577,557</u>	<u>-</u>	<u>577,557</u>
Net Change in Fund Balances before transfers	25,007		25,007
Transfers to Other Funds	<u>(86,800)</u>	<u>-</u>	<u>(86,800)</u>
Net Change in Fund Balance	(61,793)		(61,793)
Fund Balances, Beginning of year (Restated) (Note 12)	<u>268,313</u>	<u>-</u>	<u>268,313</u>
Fund Balances, End of year	<u>\$ 206,520</u>	<u>-</u>	<u>\$ 206,520</u>

See accompanying notes to financial statements.

TOWN OF LOGANSPOUR, LOUISIANA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2014

Net Changes in Fund Balances - Total Governmental Funds \$ (61,793)

The change in Net Position reported for governmental activities
in the statement of activities is different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay (\$107,655) exceeds depreciation (\$80,802)

26,853

Change in Net Position of Governmental Activities

\$ (34,940)

See accompanying notes to financial statements.

TOWN OF LOGANSPORT, LOUISIANA
STATEMENT OF NET POSITION
PROPRIETARY FUND
DECEMBER 31, 2014

Assets	
Current Assets	
Cash	\$ 67,598
Accounts receivable	160,812
Grants receivable	-
Inventory	23,400
Total Current Assets	251,810
Noncurrent Assets	
Restricted cash	359,506
Due from other funds	-
Capital Assets, Net	5,721,917
Total Noncurrent Assets	6,081,423
Total Assets	6,333,233
Deferred Outflows of Resources	
	-
Liabilities	
Liabilities	
Accounts payable and accruals	31,528
Current portion of long term debt	103,802
Total Current Liabilities	135,330
Noncurrent Liabilities	
Long term debt, net of current portion	3,419,787
Customer deposits	81,855
Total Noncurrent Liabilities	3,501,642
Total Liabilities	3,636,972
Deferred Inflows of Resources	
	-
Net Position	
Investments in capital assets, Net of related debt	2,198,328
Reserved for debt service	277,652
Unrestricted	220,281
Total Net Position	\$ 2,696,261

See accompanying notes to financial statements.

TOWN OF LOGANSPORT, LOUISIANA
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2014

OPERATING REVENUES	
Charges for Services	\$ 1,045,221
Miscellaneous	6,065
Total Operating Revenues	<u>1,051,286</u>
OPERATING EXPENSES	
Personal Services	618,115
Utilities	37,421
Repair and maintenance	47,448
Other supplies and expenses	329,083
Insurance	25,357
Depreciation	255,227
Total Operating Expenses	<u>1,312,651</u>
Change in Net Position before Other Expenses	(261,365)
OTHER REVENUE (EXPENSE)	
Grants	29,900
Transfers	86,800
Interest Income	22,151
Interest Expense	<u>(127,222)</u>
Change in Net Position	(249,736)
Net position, Beginning of Year (Restated) (Note 12)	<u>2,945,997</u>
Net Position, End of Year	<u>\$ 2,696,261</u>

See accompanying notes to financial statements.

TOWN OF LOGANSPOUR, LOUISIANA
STATEMENT OF CASH FLOWS - PROPRIETARY FUND TYPE
YEAR ENDED DECEMBER 31, 2014

Cash flows from operating activities:	
Cash received from customers	\$ 999,232
Cash payments to suppliers and employees	(1,043,396)
Other operating income	6,065
Net cash provided by operating activities	<u>(38,099)</u>
Cash flows from capital and related financing activities	
System improvements	(33,910)
Transfers from other funds	86,800
Capital grants	29,900
Repayments of loans from other funds	-
Interest paid on long term debt	(124,025)
Principal payments on long term debt	(101,524)
Net cash used by capital and related financing activities	<u>(142,759)</u>
Cash flows from investing activities	
Interest earned	<u>22,151</u>
Net increase in cash	(158,707)
Cash, January 1, 2014 (including \$321,142 in restricted accounts)	<u>585,811</u>
Cash, December 31, 2014 (including \$359,506) in restricted accounts)	<u>\$ 427,104</u>
Reconciliation of changes in net position to net cash provided by operating activities:	
Changes in net position before transfers:	\$ (261,365)
Adjustments to reconcile net income to net cash provided by operating activities:	
Depreciation	255,227
Changes in assets and liabilities	
Increase in accounts receivable	(45,989)
Decrease in inventory	2,890
Decrease in grants receivable	15,731
Decrease in accounts payable	(5,753)
Increase in customer deposits	<u>1,160</u>
Net cash provided by operating activities	<u>\$ (38,099)</u>

See accompanying notes to financial statements.

TOWN OF LOGANSPORT, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014

Town of Logansport was incorporated in 1934, under the provisions of the Lawrason Act. The Town operates under a Mayor-Town Council form of government. The Town's major operations include public safety, streets, recreation and parks, utilities, and general administrative services.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Accounting

The accompanying financial statements of the Town of Logansport have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, issued in June, 1999.

B. Reporting Entity

GASB Statement 14 established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, Town of Logansport is considered a primary government, since it is a special purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. As used in GASB Statement No. 14, fiscally independent means that Town of Logansport may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bond debt.

C. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position page 9, and the Statement of Activities, (page 10) report information on all of the non-fiduciary activities of the primary government and its component units. For the most part, the effect of the interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from the business-type activities, which rely, to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include a) charges to customers or applicants who purchase, use or directly benefit from goods, services privileges provided by a given function or segment, and b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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.

TOWN OF LOGANSPORT, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements were prepared using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Ad valorem taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenue in the current fiscal period. Only the portion of special assessment receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. Sales and use tax revenues are recorded in the month collected by the tax collector. All other revenue items are considered to be measurable and available only when the cash is received by the government.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Purchases of various operating supplies are regarded as expenditures at the time purchased.

Transfers between funds that are not expected to be repaid (or any other types, such as capital lease transactions, sale of capital assets, debt extinguishment, long-term proceeds, et cetera are accounted for as other financing sources/(uses). These other financing sources/(uses) are recognized at the time the underlying events occur.

Town of Logansport reports the following governmental and proprietary funds:

Governmental Funds

Governmental funds account for all or most of Town of Logansport's general activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of capital assets, and the servicing of general long-term obligations.

General Fund - is the general operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in another fund. General tax revenues and other sources of revenue used to finance the fundamental operations of the Town are included in this fund. The fund is charged with all cost of operating the government for which a separate fund has not been established.

TOWN OF LOGANSPORT, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Proprietary Funds

Proprietary funds account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Proprietary funds differ from governmental funds in that their focus is on income measurement, which, together with the maintenance of equity, is an important financial indicator. Town of Logansport applies all GASB pronouncements as well as the Financial Accounting Standards Board pronouncements issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements.

Enterprise Fund - is used to account for operations a) that are financed/operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or b) where the governing body has decided the periodic determination of revenue earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that these 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 business-type activities and enterprise funds, subject to this same limitation. The government 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 governments enterprise operations. Elimination of those charges would distort the direct costs and program revenues reported for the various functions concerned.

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Formal budgetary accounting is employed as a management control. Town of Logansport prepares and adopts a budget each year for its general and utility funds in accordance with Louisiana Revised Statutes. The operating budget is prepared based on prior year's revenues and expenditures and the estimated increase therein for the current year, using the full accrual basis of accounting. The Town amends its budget when projected revenues are expected to be less than budgeted revenues by five percent or more. All budget appropriations lapse at year end.

TOWN OF LOGANSPORT, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Cash and Cash Equivalents

For the purpose of the Statement of Cash Flows and consistent with GASB Statement 9, the Town defines cash and cash equivalents as follows:

Cash - includes not only currency on hand but also demand deposits with banks or other financial institutions and other kinds of accounts that have the general characteristics of demand deposits in that the customer may deposit additional funds at any time and also effectively may withdraw funds at any time without prior notice or penalty.

Cash equivalents - includes all short-term, highly liquid investments that are readily convertible to known amounts of cash and are so near their maturity that they present insignificant risk of changes in value because of interest rates. Generally, only investments which, at the day of purchase, have a maturity date no longer than three months qualify under this definition.

G. Receivables

All receivables are reported at their gross value and, where applicable, are reduced by the estimated portion that is expected to be uncollectible.

H. Bad Debts

Uncollectible accounts receivable are recognized as bad debts through the establishment of an allowance account at the time information becomes available which would indicate the uncollectibility of the particular receivable. At December 31, 2014, \$2,125 of Governmental and \$28,149 of Business-Type Activities receivables were considered to be uncollectible.

I. Capital Assets

The accounting and reporting treatment applied to the capital assets associated with a fund are determined by its measurement focus. Capital assets are long-lived assets that have been purchased that have a useful life of greater than one year. When purchased or acquired, these assets are recorded as capital assets in the Government-Wide Statement of Net Position. In contrast, in the Fund Financial Statements, capital assets are recorded as expenditures of the fund that provided the resources to acquire the asset. If the asset was purchased, it is recorded in the books at its cost. If the asset was donated, then it is recorded at its estimated fair market value at the date of donation.

Depreciation is computed using the straight line method over the estimated useful life of the assets, generally 10 to 40 years for buildings and other improvements, and 5 to 10 years for moveable property. Expenditures for maintenance, repairs and minor renewals are charged to earnings as incurred. Major expenditures for renewals and betterments are capitalized.

J. Sales Taxes

The Town collects a one (1) percent sales and use tax with the net proceeds, after deducting costs of collection and administration, dedicated to construction, acquiring, extending, improving and/or maintaining drainage facilities, streets, street lighting facilities, bridges, sidewalks, waterworks, sewers and sewer disposal works, recreational facilities, public parks, public buildings and equipment, payment of salaries of municipal employees, maintaining and operating the municipal police department including the purchase of equipment thereof, or for any one or more of said purposes, title to which improvements shall be in the public.

TOWN OF LOGANSPORT, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Compensated Absences

Leave cannot be accumulated or carried over from one year to the next. Therefore, no liability for compensated absences has been recorded in the accompanying financial statements.

L. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of the assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2 LEVIED TAXES

Town of Logansport levies taxes on real and business personal property located within its boundaries. The Parish Tax Assessor assesses the property values and prepares the Town's property tax roll. The Town bills and collects its own property taxes. Ad valorem taxes are levied and billed to the taxpayer in December, and are payable upon receipt of notice. Ad valorem taxes attach as an enforceable lien on property as of December 31 of each year. Taxes of 7.49 mills were levied on property with assess valuations totaling 7,654,062 and were dedicated for general operating purposes. Total taxes levied after adjustments were \$57,329. Taxes receivable at December 31, 2014 totaled \$6,715.

NOTE 3 DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS

A. Deposits with Financial Institutions

For reporting purposes, deposits with financial institutions includes savings, demand deposits, time deposits, and certificates of deposit. Under state law the Town may deposit funds within a fiscal agent bank selected and designated by the Town Council. Further, the fund may invest in time certificates of deposit of state banks organized under the laws of Louisiana, national banks having their principal office in the state of Louisiana, in savings accounts or shares of savings and loan associations and savings banks and share accounts and share certificate accounts of federally or state chartered credit unions.

Deposits in bank accounts are stated at cost, which approximates market. Under state law, these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These pledged securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. The carrying amount of the Town's deposits at December 31, 2014 including petty cash of \$500 was \$634,750 and the bank's balance was \$658,874. The difference is due to outstanding checks and deposits at year end. The banks balances were secured as follows:

Secured by FDIC Insurance:	\$	521,341
Collateralized by securities pledged to the Town (Category 3)		137,533
Total	\$	658,874

TOWN OF LOGANSFORT, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014

NOTE 4 ACCOUNTS RECEIVABLE

The following is a summary of accounts receivable at December 31, 2014:

	Governmental Activities	Business-Type Activities	Total
Taxes			
Ad Valorem	\$ 6,715	\$ -	\$ 6,715
Franchise	17,180	-	17,180
Video Poker	8,083	-	8,083
Grants	25,000	-	25,000
Charges for services	-	160,812	160,812
Total.	<u>\$ 56,978</u>	<u>\$ 160,812</u>	<u>\$ 217,790</u>

NOTE 5 CAPITAL ASSETS

A summary of Town of Logansport's capital assets at December 31, 2014 follows:

	Balance 1/1/2014	Additions	Retirements	Balance 12/31/2014
Government Activities				
Capital Assets, not being depreciated				
Land	\$ 55,200	\$ -	\$ -	\$ 55,200
Total Capital Assets, not being depreciated	55,200	-	-	55,200
Capital Assets, being depreciated				
Buildings and other improvements	2,144,648	107,655	-	2,252,303
Less accumulated depreciation	(468,311)	(80,802)	-	(549,113)
Total Buildings and other improvements	1,676,337	26,853	-	1,703,190
Equipment and other assets	151,973	-	-	151,973
Less accumulated depreciation	(151,973)	-	-	(151,973)
Total Equipment , Furniture & Fixtures	-	-	-	-
Total Capital Assets, being depreciated	1,676,337	26,853	-	1,703,190
Governmental Activities	<u>\$ 1,731,537</u>	<u>\$ 26,853</u>	<u>\$ -</u>	<u>\$ 1,758,390</u>
Business-Type Activities				
Capital Assets, not being depreciated				
Land	\$ 16,873	\$ -	\$ -	\$ 16,873
Total Capital Assets, not being depreciated	16,873	-	-	16,873
Capital Assets, being depreciated				
Distribution System	10,008,729	33,913	-	10,042,642
Less accumulated depreciation	(4,156,063)	(232,078)	-	(4,388,141)
Total Distribution System	5,852,666	(198,165)	-	5,654,501
Equipment, furniture & fixtures	526,929	-	-	526,929
Less accumulated depreciation	(453,237)	(23,149)	-	(476,386)
Total Equipment , Furniture & Fixtures	73,692	(23,149)	-	50,543
Total Capital Assets, being depreciated	5,926,358	(221,314)	-	5,705,044
Business-Type Activities	<u>\$ 5,943,231</u>	<u>\$ (221,314)</u>	<u>\$ -</u>	<u>\$ 5,721,917</u>
Primary Government				
Total Capital Assets, net	<u>\$ 7,674,768</u>	<u>\$ (194,461)</u>	<u>\$ -</u>	<u>\$ 7,480,307</u>

TOWN OF LOGANSPORT, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2014

NOTE 6 ACCOUNTS PAYABLE AND ACCRUALS

The following is a summary of accounts payable at December 31, 2014:

	Governmental Activities	Business-Type Activities	Total
Vendor	\$ 58,104	\$ 31,528	\$ 89,632
Payroll taxes	-	-	-
Construction	-	-	-
Total	<u>\$ 58,104</u>	<u>\$ 31,528</u>	<u>\$ 89,632</u>

NOTE 7 LEASES

Town of Logansport was not obligated under any operating lease commitments at December 31, 2014.

NOTE 8 RISK MANAGEMENT

Town of Logansport is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town maintains commercial insurance coverage covering each of these risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Town.

NOTE 9 LONG-TERM DEBT

The following is a summary of debt transactions of Town of Logansport, Louisiana for the year ended December 31, 2014:

	Balance 1/1/2014	Issuances	Retirements	Balance 12/31/2014
Water Revenue Bonds	\$ 2,542,113	\$ -	\$ (49,524)	\$ 2,492,589
Sewer Revenue Bonds	1,083,000	-	(52,000)	1,031,000
Balance, December 31, 2014	<u>\$ 3,625,113</u>	<u>\$ -</u>	<u>\$ (101,524)</u>	<u>\$ 3,523,589</u>

Bonds payable at December 31, 2014 are comprised of the following:

Water Revenue Bonds

\$3,000,000 water, sewer and gas serial bonds due in monthly installments of \$14,100 through May 24, 2040; interest at 4.75% \$ 2,492,589

Sewer Revenue Bonds

\$1,135,000 sewer bonds due in annual payments ranging from \$52,000 - \$62,000 June, 2013 through June, 2032 interest at .450% \$ 1,031,000

TOWN OF LOGANSPORT, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2014

NOTE 9 LONG TERM DEBT (CONTINUED)

The annual requirements to amortize all long-term debt outstanding as of December 31, 2014 including interest payments of \$1,838,384 are as follows:

Year Ending December 31	Sewer Bonds	Revenue Bonds	Total
2015	\$ 57,640	\$ 169,200	\$ 226,840
2016	57,401	169,200	226,601
2017	58,162	169,200	227,362
2018	57,919	169,200	227,119
2019	58,553	169,200	227,753
2020 and after	786,698	3,439,600	4,226,298
Totals	<u>\$ 1,076,373</u>	<u>\$ 4,285,600</u>	<u>\$ 5,361,973</u>

NOTE 10 PENDING LITIGATION AND CONTINGENT LIABILITIES

The Town is party to various litigations as plaintiff and as defendant. None of the cases have been concluded and the resultant future recovery or liability cannot be determined; and no allowance, therefore has been made in these statements. Legal representation for the Town estimates no monetary exposure for the Town.

NOTE 11 SUBSEQUENT EVENTS

Management has evaluated subsequent events through June 24, 2015, the date the financial statements were available to be issued, and determined no additional disclosures are warranted.

NOTE 12 PRIOR PERIOD ADJUSTMENTS

Net position and fund balance in the governmental funds has been increased by \$22,237 at January 1, 2014 to correct accounts payable at 12/31/2013.

Net position in the proprietary fund type has been decreased by \$43,812 at January 1, 2014 to correct notes payable at 12/31/2013.

TOWN OF LOGANSPOUT, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE OF
GOVERNMENTAL FUNDS - BUDGET (GAAP BASIS) AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Taxes				
Ad Valorem	\$ 55,900	\$ 57,300	\$ 60,120	\$ 2,820
Licenses & Permits	93,000	106,250	121,653	15,403
Sales	190,000	215,500	215,661	161
Fines	30,000	30,000	30,102	102
Intergovernmental	125,000	97,500	165,833	68,333
Sale of town property	-	-	-	-
Miscellaneous	3,250	4,350	9,195	4,845
Total revenues	<u>497,150</u>	<u>510,900</u>	<u>602,564</u>	<u>91,664</u>
Expenditures:				
General government	167,948	256,546	246,847	9,699
Public Safety	282,788	283,913	284,224	(311)
Highways and streets	42,000	48,100	46,486	1,614
Total Expenditures	<u>492,736</u>	<u>588,559</u>	<u>577,557</u>	<u>11,002</u>
Net Change in Fund Balances before Other Financing Sources	4,414	(77,659)	25,007	65,928
Other Financing Sources				
Transfers from Other Funds	-	-	(86,800)	-
Net Change in Fund Balance	4,414	(77,659)	(61,793)	65,928
Fund Balances, Beginning (Restated)	<u>268,313</u>	<u>268,313</u>	<u>268,313</u>	<u>-</u>
Fund Balances, Ending	<u>\$ 272,727</u>	<u>\$ 190,654</u>	<u>\$ 206,520</u>	<u>\$ 65,928</u>

TOWN OF LOGANSPORT, LOUISIANA
SCHEDULE OF COMPENSATION PAID TO MAYOR AND
MEMBERS OF THE TOWN COUNCIL

YEAR ENDED DECEMBER 31, 2014

Katherine Freeman, Mayor	\$ 12,000
Norman Arbuckle	2,400
Martha Guillotte	2,400
Judge Cordray	2,400
Dale Morvan	2,400
Edith Williams	<u>2,400</u>
Total	<u>\$ 24,000</u>

TOWN OF LOGANSPORT, LOUISIANA
Schedule of Compensation, Reimbursements, Benefits, and Other Payments
to Agency Head
For the Year Ended December 31, 2014

Agency Head: Honorable Katherine Freeman, Mayor

Salary	\$ 12,000
Payroll Taxes	\$ 918
Travel	\$ 99

TOWN OF LOGANSPORT, LOUISIANA
COMPARATIVE STATEMENT OF REVENUES AND EXPENDITURES
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31.

	<u>2014</u>	<u>2013</u>
OPERATING REVENUES		
Charges for Services	\$ 1,045,221	\$ 945,312
Miscellaneous	6,065	-
Total Operating Revenues	<u>1,051,286</u>	<u>945,312</u>
OPERATING EXPENSES		
Personal Services	618,115	508,646
Utilities	37,421	37,097
Repair and maintenance	47,448	128,868
Other supplies and expenses	329,083	492,738
Insurance	25,357	32,106
Depreciation	255,227	231,618
Total Operating Expenses	<u>1,312,651</u>	<u>1,431,073</u>
Change in Net Position before Other Revenue (Expense)	(261,365)	(485,761)
OTHER REVENUE (EXPENSE)		
Capital Contributions	-	335,246
Grants	29,900	-
Transfers	86,800	-
Interest income	22,151	20,708
Interest expense	<u>(127,222)</u>	<u>(127,301)</u>
Change in Net Position	<u>\$ (249,736)</u>	<u>\$ (257,108)</u>



Marsha O. Millican

A PROFESSIONAL ACCOUNTING CORPORATION

INDEPENDENT AUDITOR'S 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

The Honorable Katherine Freeman
and Members of the Town Council
Town of Logansport, Louisiana

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, business-type activities, each major fund, and the remaining aggregate fund information of Town of Logansport as of and for the year ended December 31, 2014, and related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued my report thereon dated June 24, 2015.

Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I considered Town of Logansport, Louisiana's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, I do not express an opinion on the effectiveness of the Town's internal control over financial reporting.

My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. However, as described in the accompanying schedule of findings and questioned costs, I identified a certain deficiency in internal control that I consider to be a significant deficiency.

A deficiency in internal control exists when the design or operation a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Town's financial statements will not be prevented, or detected on a timely basis. I consider the deficiency described in the accompanying schedule of findings and questioned costs to be a significant deficiency and is reported as Finding #2014-1.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Town of Logansport's financial statements are free of material misstatement, I 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 my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and is reported in the accompanying schedule of findings and questioned costs as Finding #2014-2.

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FAX: (318) 221-4641

Purpose of this Report

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Although the intended use of this report may be limited, under Louisiana Revised Statutes, it is issued by the Legislative Auditor as a public document.

Certified Public Accountant
June 24, 2015

TOWN OF LOGANSFORT, LOUISIANA

SCHEDULE OF FINDINGS

December 31, 2014

SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unqualified opinion on the financial statements.
2. One significant deficiency in internal control over financial reporting was disclosed during the audit.
3. One instance of noncompliance material to the financial statements was disclosed during the audit.

FINDING 2014-1

Criteria: The segregation of duties is inadequate to provide effective internal control.

Cause: The condition is due to economic and space limitations.

Recommendation: Whether or not it would be cost effective to correct a deficiency is not a factor in reporting requirements under accounting standards generally accepted in the United States of America. Because prudent management requires that the potential benefit from an internal control must exceed its cost, it may not be practical to correct all deficiencies reported under accounting standards generally accepted in the United States of America. In this case, both management and the auditor do not believe that correcting the material weakness described above is cost effective or practical, and, accordingly, do not believe that any corrective action is necessary.

Management's Response: We concur with the finding. We realize the need to segregate duties and will segregate duties as economic and space limitations permit.

FINDING 2014-2

Criteria: The Town is not in compliance with the Loan and Pledge Agreement terms of the Sewer Revenue Bonds. The Pledge Agreement requires a debt service coverage ration of 120%. The Town's debt service ration is -1.3%.

Cause: Unknown.

Recommendation: I recommend the Town comply with the Loan and Pledge Agreement terms of the Sewer Revenue Bonds.

Management's Response: We concur with the finding. We will strive to improve our debt service coverage ratio. Even though the Town's debt service ratio is not the ratio required by the Loan and Pledge Agreement, we have made all of our loan payments on a timely basis.

TOWN OF LOGANSPORT, LOUISIANA

CORRECTIVE ACTION TAKEN ON PRIOR YEAR FINDINGS

For the Year Ended December 31, 2014

FINDING 2013-1:

Lack of segregation of duties.

STATUS: Unresolved.

FINDING 2013-2:

The Town was not in compliance with the state budget law.

STATUS: Resolved.