

**TOWN OF LOGANSPORT, LOUISIANA**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

**Marsha O. Millican, APAC**  
**A Professional Accounting Corporation**  
**Shreveport, Louisiana**

**TOWN OF LOGANSPORT, LOUISIANA**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

TOWN OF LOGANSPORT

TABLE OF CONTENTS

DECEMBER 31, 2017

	<u>Page</u>
<b>INDEPENDENT AUDITOR'S REPORT</b>	1 - 3
<b>MANAGEMENT'S DISCUSSION AND ANALYSIS</b>	4 - 8
<b>FINANCIAL STATEMENTS</b>	
Statement of Net Position	9
Statement of Activities	10
Balance Sheet - Governmental Funds	11
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	12
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	13
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	14
Statement of Net Position - Proprietary Funds	15
Statement of Revenues, Expenses, and Changes in Net Position - Proprietary Funds	16
Statement of Cash Flows - Proprietary Funds	17
<b>NOTES TO FINANCIAL STATEMENTS</b>	18 - 26
<b>REQUIRED SUPPLEMENTARY INFORMATION</b>	
Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds - Budget (GAAP) And Actual - General Fund	27
<b>OTHER SUPPLEMENTARY INFORMATION</b>	
Schedule of Compensation, Reimbursements, Benefits, and Other Payments to Agency Head	28
Schedule of Compensation Paid to Mayor and Members of the Town Council	29

TOWN OF LOGANSPORT, LOUISIANA

TABLE OF CONTENTS

DECEMBER 31, 2017

Schedule of Insurance Coverage	30
Schedule of Utility Rates	31
Comparative Statement of Revenues and Expenditures - Proprietary Fund Type	32
<b>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 <i>GOVERNMENT AUDITING STANDARDS</i></b>	33 - 34
<b>SCHEDULE OF FINDINGS</b>	35
<b>CORRECTIVE ACTION TAKEN ON PRIOR YEAR FINDINGS</b>	36
<b>INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING STATE-WIDE AGREED UPON PROCEDURES</b>	37 - 46



# Marsha O. Millican

A PROFESSIONAL ACCOUNTING CORPORATION

## Independent Auditor's Report

To the 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, the 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, 2017, 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 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 entity'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.

***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, Louisiana, as of December 31, 2017 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***

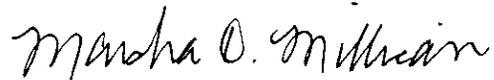
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 – 8 and budgetary information on page 27 be presented to supplement the basic financial statements. Such information is required by the Governmental Accounting Standards 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 schedule of compensation, reimbursements, benefits, and other payments to agency head, schedule compensation paid to mayor and members of the town council, schedule of insurance coverage, schedule of utility rates, and comparative statement of revenue and expenditures – proprietary fund type on pages 28-32 are presented for purposes of additional analysis and are not a required part of the basic financial statements. These schedules 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 19, 2018 on my consideration of Town of Logansport, Louisiana's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, 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, Louisiana's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Marsha O. Milligan".

Certified Public Accountant  
June 19, 2018

TOWN OF LOGANSPORT, LOUISIANA

MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2017

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, 2017. This document focuses on the current year's activities, resulting changes, and currently known facts. Please read this document on conjunction with the Town's financial statements, which follow this section.

**FINANCIAL HIGHLIGHTS**

Governmental Activities

- 1) Town of Logansport had cash of \$481,655 at December 31, 2017, which represents an increase of \$267,542 from prior year end.
- 2) Town of Logansport had receivables of 61,024 at December 31, 2017, which represents an increase of \$15,046 from prior year end.
- 3) Town of Logansport had accounts payable and accruals of \$30,429 at December 31, 2017, which represents an increase of \$16,367 from the prior year end.
- 4) Town of Logansport had total revenues of \$630,064 for the year ended December 31, 2017, which represents an increase of \$143,928 from prior year.
- 5) Town of Logansport had total expenses of \$371,778 for the year ended December 31, 2017, which represents an increase of \$8,246.
- 6) Town of Logansport had capital improvements of \$59,770 for the year ended December 31, 2017.

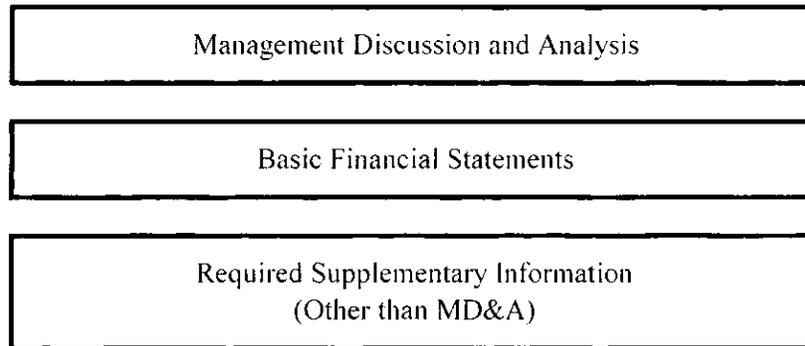
Business-Type Activities

- 1) Town of Logansport had cash of \$668,412 for the year ended December 31, 2017, which represents an increase of \$208,918 from prior year.
- 2) Town of Logansport had receivables of \$192,085 for the year ended December 31, 2017, which represents an increase of \$48,568 from prior year.
- 3) Town of Logansport had accounts payable and accruals of \$33,437 for the year ended December 31, 2017, which represents a decrease of \$7,363 from prior year.
- 4) Town of Logansport had total revenues of \$1,326,246 for the year ended December 31, 2017, which represents an increase of \$373,778 from prior year.
- 5) Town of Logansport had total expenses of \$1,147,085 for the year ended December 31, 2017, which represents a decrease of \$122,028 from prior year.
- 6) Town of Logansport had capital asset improvements of \$116,376 for the year ended December 31, 2017.

TOWN OF LOGANSPORT, LOUISIANA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
DECEMBER 31, 2017

**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 Village 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, 2017

**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, 2017**

**FINANCIAL ANALYSIS OF THE ENTITY**

Statement of Net Position at Year End

	Governmental Activities	Business Activities	Governmental Activities	Restated Business Activities
	2017	2017	2016	2016
Current and other assets	\$ 542,679	\$ 882,193	\$ 284,326	\$ 643,073
Capital assets, net	1,649,986	5,166,644	1,633,686	5,298,476
<b>Total Assets</b>	<b>2,192,665</b>	<b>6,048,837</b>	<b>1,918,012</b>	<b>5,941,549</b>
Deferred outflows of resources	-	-	-	-
Accounts Payable and Accruals	30,429	33,437	14,062	51,153
Long term Debt	-	3,230,829	-	3,311,212
Other Liabilities	-	121,846	-	113,120
<b>Total Liabilities</b>	<b>30,429</b>	<b>3,386,112</b>	<b>14,062</b>	<b>3,475,485</b>
Deferred inflows of resources	-	-	-	-
<b>Net Position</b>				
Investments in capital assets, Net of related debt	1,608,470	1,943,815	1,633,686	1,976,911
Restricted	-	447,201	-	447,364
Unrestricted	553,766	271,709	270,264	41,789
<b>Total Net Position</b>	<b>\$ 2,162,236</b>	<b>\$ 2,662,725</b>	<b>\$ 1,903,950</b>	<b>\$ 2,466,064</b>

Net position of the Town of Logansport increased by \$258,286 and \$196,661 from the previous fiscal year in Governmental Activities and Business-Type Activities, respectively. These changes are the result of operating and other expenses being less than/exceeding operating and nonoperating revenues during the fiscal year ended 2017 and 2016 (See table below).

Statement of Activities As of Year End

	Government	Business	Government	Business
	2017	2017	2016	2016
General Government Expenses	\$ (371,778)	\$ (1,147,085)	\$ (363,532)	\$ (1,269,113)
Program revenues				
Charges for services	-	1,326,246	-	952,468
Operating and capital grants and Contributions	52,500	-	-	-
Subtotal	(319,278)	179,161	(363,532)	(316,645)
General revenues and transfers	577,564	17,500	333,884	152,252
<b>Change in net position</b>	<b>\$ 258,286</b>	<b>\$ 196,661</b>	<b>\$ (29,648)</b>	<b>\$ (164,393)</b>

**CAPITAL ASSET AND DEBT ADMINISTRATION**

Capital Assets

At the end of 2016, Town of Logansport had \$1,608,470, and \$5,298,476 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 decrease (including additions and deductions) of \$25,216 and a decrease of \$131,832 in Governmental Activities and Business-Type Activities, respectively, from the previous year.

TOWN OF LOGANSFORT, LOUISIANA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
DECEMBER 31, 2017

Capital Assets (Net) at Year End

	Governmental Activities	Business-Type Activities
	2017	2017
Land	\$ 76,200	\$ 16,873
Buildings and other improvements	1,532,270	-
Distribution system	-	5,059,486
Equipment, furniture and fixtures	-	90,285
Total	<u>\$ 1,608,470</u>	<u>\$ 5,166,644</u>

Additions for the year ended December 31, 2009 are as follows:

This years major additions included:

	Governmental Activities	Business-Type Activities
	2017	2017
Distribution system	\$ -	\$ 78,100
Land	15,000	-
Buildings and other improvements	44,770	-
Equipment, furniture and fixtures	-	-
Total	<u>\$ 59,770</u>	<u>\$ 78,100</u>

Debt

The Town of Logansort had \$3,230,829 in long term debt for the Business-Type Activities at year end.

	Governmental Activities	Business-Type Activities
Long-term debt	<u>\$ -</u>	<u>\$ 3,230,829</u>

Actual revenues were \$48,614 more than budgeted amounts.

Actual expenditures were \$234,888 less than budgeted amounts due to general government being more than expected.

**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 LOGANSFORT'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 Judge Cordray, Mayor of the Town of Logansport, P O Box 400, Logansport, Louisiana 71049.

TOWN OF LOGANSPORT, LOUISIANA  
STATEMENT OF NET POSITION  
DECEMBER 31, 2017

ASSETS	Governmental Activities	Business-Type Activities	Total
Current Assets			
Cash	\$ 481,655	\$ 221,211	\$ 702,866
Taxes and accounts receivable	61,024	192,085	253,109
Inventory	-	21,696	21,696
Total Current Assets	<u>542,679</u>	<u>434,992</u>	<u>977,671</u>
Noncurrent Assets			
Restricted cash	-	447,201	447,201
Due from other funds	41,516	-	41,516
Capital assets, net	1,608,470	5,166,644	6,775,114
Total Noncurrent Assets	<u>1,649,986</u>	<u>5,613,845</u>	<u>7,263,831</u>
Total Assets	<u>2,192,665</u>	<u>6,048,837</u>	<u>8,241,502</u>
Deferred Outflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>
LIABILITIES			
LIABILITIES			
Current Liabilities			
Accounts payable and accruals	30,429	33,437	63,866
Current portion of long term debt	-	144,608	144,608
Due to other funds	-	41,516	41,516
Total current liabilities	<u>30,429</u>	<u>219,561</u>	<u>249,990</u>
Noncurrent Liabilities			
Long-term debt, net of current portion	-	3,086,221	3,086,221
Customer deposits	-	80,330	80,330
Total Noncurrent liabilities	<u>-</u>	<u>3,166,551</u>	<u>3,166,551</u>
Total liabilities	<u>30,429</u>	<u>3,386,112</u>	<u>3,416,541</u>
Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>
NET POSITION			
Investment in capital assets, Net of related debt	1,608,470	1,943,815	3,552,285
Restricted for debt service	-	447,201	447,201
Restricted for protested taxes	-	-	-
Unrestricted	553,766	271,709	825,475
Total Net Position	<u>\$ 2,162,236</u>	<u>\$ 2,662,725</u>	<u>\$ 4,824,961</u>

See accompanying notes to financial statements.

TOWN OF LOGANSPORT, LOUISIANA  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2017

	<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	\$ 286,792	\$ -	\$ 17,500	\$ 35,000	\$ (234,292)	\$ -	\$ (234,292)
Depreciation	84,986	-	-	-	(84,986)	-	(84,986)
Total Governmental Activities	371,778	-	17,500	35,000	(319,278)	-	(319,278)
Business-Type Activities							
Utility Fund	1,147,085	1,326,246	-	-	-	179,161	179,161
Total Business-Type Activities	1,147,085	1,326,246	-	-	-	179,161	179,161
Total Primary Government	<u>\$ 1,518,863</u>	<u>\$ 1,326,246</u>	<u>\$ 17,500</u>	<u>\$ 35,000</u>	(319,278)	179,161	(140,117)
General Revenues							
Taxes							
Ad Valorem					57,932	-	57,932
Franchise					77,263	-	77,263
Licenses and Permits					54,319	-	54,319
Sales					275,599	-	275,599
Intergovernmental					65,833	-	65,833
Transfers					-	-	-
Fines					25,583	-	25,583
Miscellaneous					21,035	17,500	38,535
Total General Revenues and Transfers					<u>577,564</u>	<u>17,500</u>	<u>595,064</u>
Change in Net Position					258,286	196,661	454,947
Net Position, Beginning of Year (Restated) (Note 10)					<u>1,903,950</u>	<u>2,466,064</u>	<u>4,370,014</u>
Net Position, End of Year					<u>\$ 2,162,236</u>	<u>\$ 2,662,725</u>	<u>\$ 4,824,961</u>

See accompanying notes to financial statements.

TOWN OF LOGANSPORT, LOUISIANA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2017

	<u>General Fund</u>
<b>ASSETS</b>	
Cash	\$ 481,655
Taxes and Grants Receivable	61,024
Due from other funds	41,516
Prepaid expenses	-
	-
Total Assets	\$ 584,195
<b>LIABILITIES AND FUND BALANCES</b>	
Liabilities	
Accounts payable and accruals	\$ 30,429
Due to other funds	-
	-
Total Liabilities	30,429
Fund Balances	
Unassigned	553,766
Total Fund Balances	553,766
Total Liabilities and Fund Balances	\$ 584,195

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, 2017

Total Fund Balance for Governmental Funds \$ 553,766

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.

1,608,470

Total Net Position of Governmental Activities

\$ 2,162,236

See accompanying notes to financial statements.

TOWN OF LOGANSPORT, LOUISIANA  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2017

Revenues:	
Ad Valorem Taxes	\$ 57,932
Occupational Licenses	54,319
Franchise Taxes	77,263
Intergovernmental	118,333
Fines	25,583
Sales Taxes	275,599
Other Income	<u>21,035</u>
Total Revenues	<u>630,064</u>
Expenditures:	
General Government	227,058
Public Safety	69,767
Streets	<u>49,737</u>
Total Expenditures	<u>346,562</u>
Net changes in fund balance before transfers	283,502
Transfers to other funds	<u>-</u>
Net change in fund balance	283,502
Fund Balances, Beginning of Year	<u>270,264</u>
Fund Balances, End of Year	<u><u>\$ 553,766</u></u>

See accompanying notes to financial statements.

TOWN OF LOGANSPORT, 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, 2017

Net Changes in Fund Balances - Total Governmental Funds \$ 283,502

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 depreciation (\$84,986) exceeds capital outlay (\$59,770)

(25,216)

Change in Net Position of Governmental Activities

\$ 258,286

See accompanying notes to financial statements.

TOWN OF LOGANSPORT, LOUISIANA  
STATEMENT OF NET POSITION  
PROPRIETARY FUND  
DECEMBER 31, 2017

Assets	
Current Assets	
Cash	\$ 221,211
Accounts receivable	192,085
Other Receivable	-
Inventory	21,696
Total Current Assets	434,992
Noncurrent Assets	
Restricted cash	447,201
Capital Assets, Net	5,166,644
Total Noncurrent Assets	5,613,845
Total Assets	6,048,837
Deferred Outflows of Resources	
	-
Liabilities	
Liabilities	
Accounts payable and accruals	33,437
Due to other funds	41,516
Current portion of long term debt	144,608
Total Current Liabilities	219,561
Noncurrent Liabilities	
Long term debt, net of current portion	3,086,221
Customer deposits	80,330
Total Noncurrent Liabilities	3,166,551
Total Liabilities	3,386,112
Deferred Inflows of Resources	
	-
Net Position	
Investments in capital assets, Net of related debt	1,943,815
Reserved for debt service	447,201
Unrestricted	271,709
Total Net Position	\$ 2,662,725

See accompanying notes to financial statements.

TOWN OF LOGANSPORT, LOUISIANA  
STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN NET POSITION  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2017

<b>OPERATING REVENUES</b>	
Charges for Services	\$ 1,326,246
Miscellaneous	-
Total Operating Revenues	<u>1,326,246</u>
 <b>OPERATING EXPENSES</b>	
Personal Services	458,928
Utilities	30,005
Repair and maintenance	29,202
Other supplies and expenses	249,414
Insurance	14,151
Depreciation	248,208
Total Operating Expenses	<u>1,029,908</u>
 Change in Net Position before Other Income( Ex	 296,338
 <b>OTHER INCOME (EXPENSES)</b>	
Sale of Assets	17,500
Interest Expense	<u>(117,177)</u>
 Change in Net Position	 196,661
 Net Position, Beginning of Year, Restated (Note 10)	 <u>2,466,064</u>
 Net Position, End of Year	 <u><u>\$ 2,662,725</u></u>

See accompanying notes to financial statements.

TOWN OF LOGANSFORT, LOUISIANA  
STATEMENT OF CASH FLOWS - PROPRIETARY FUND TYPE  
YEAR ENDED DECEMBER 31, 2017

Cash flows from operating activities:	
Cash received from customers	\$ 1,275,778
Cash payments to suppliers and employees	(790,403)
Other operating income	-
Net cash provided by operating activities	<u>485,375</u>
Cash flows from capital and related financing activities	
System improvements	(116,376)
Sale of assets	17,500
Proceeds from borrowing	52,063
Interest paid on long term debt	(117,229)
Principal payments on long term debt	(132,445)
Net cash used by capital and related financing activities	<u>(296,487)</u>
Cash flows from investing activities	
Interest earned	<u>-</u>
Net increase in cash	188,888
Cash, January 1, 2017 (including \$479,524 in restricted accounts)	<u>479,524</u>
Cash, December 31, 2017 (including \$447,201 in restricted accounts)	<u>\$ 668,412</u>
Reconciliation of changes in net position to net cash provided by operating activities:	
Changes in net position before other income (expense)	\$ 296,338
Adjustments to reconcile net income to net cash provided by operating activities:	
Depreciation	248,208
Changes in assets and liabilities	
Increase in accounts receivable	(57,870)
Increase in inventory	(1,664)
Decrease in accounts payable	(8,363)
Increase in due to other funds	17,281
Decrease in customer deposits	<u>(8,555)</u>
Net cash provided by operating activities	<u>\$ 485,375</u>

See accompanying notes to financial statements.

TOWN OF LOGANSPORT, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2017

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, (page10) 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, 2017

**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 LOGANSPOUR, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2017

**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 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 LOGANSPOUT, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2017

**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, 2017, \$2,048 and \$25,502 of Governmental and Business-Type Activities receivables, respectively, 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.

**K. Fund Equity**

In the fund statements, governmental fund equity is classified as fund balance and displayed in five components. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- a. Nonspendable fund balance - amounts that are not in a spendable form ( such as prepaid expenses) or are required to be maintained intact;
- b. Restricted fund balance - amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation;
- c. Committed fund balance - amounts constrained to specific purposes by a government itself, using the highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint:
- d. Assigned fund balance - amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority;
- e. Unassigned fund balance - amounts that are available for any purpose. Only the General Fund would report positive amounts in unassigned fund balance.

**L. Net Position**

In the government-wide statements, equity is classified as net position and displayed in three components:

- a. Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets.
- b. Restricted net position - Consists of net resources with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provision or enabling legislation.
- c. Unrestricted net position - All other net resources that do not meet the definition of "restricted" or "net investment in capital assets".

TOWN OF LOGANSFORT, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2017

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**M. 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.

**N. 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 assets valuations totaling 7,734,528 and were dedicated for general operating purposes. Total taxes levied after adjustments were \$57,932. Taxes receivable at December 31, 2017 totaled \$16,186.

**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 with 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, 2017 including petty cash of \$500 was \$1,150,067 and the banks balance was \$1,160,252. The difference is due to outstanding checks and deposits at year end. The bank balances were secured as follows:

Secured by FDIC Insurance:	\$ 633,450
Collateralized by securities pledged in the Town's name:	<u>526,802</u>
Total	<u>\$ 1,160,252</u>

TOWN OF LOGANSPORT, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2017

**NOTE 4 ACCOUNTS RECEIVABLE**

The following is a summary of accounts receivable at December 31, 2017:

	Governmental Activities	Business-Type Activities	Total
Taxes			
Ad Valorem	\$ 16,185	\$ -	\$ 16,185
Franchise	19,660	-	19,660
Video Poker	7,679	-	7,679
Grants	17,500	-	17,500
Charges for services	-	192,085	192,085
Total.	<u>\$ 61,024</u>	<u>\$ 192,085</u>	<u>\$ 253,109</u>

**NOTE 5 CAPITAL ASSETS**

A summary of Town of Logansport's capital assets at December 31, 2017 follows:

	Balance 1/1/2017	Additions	Retirements	Balance 12/31/2017
<b>Government Activities</b>				
Capital Assets, not being depreciated				
Land	\$ 61,200	\$ 15,000	\$ -	\$ 76,200
Total Capital Assets, not being depreciated	61,200	15,000	-	76,200
Capital Assets, being depreciated				
Buildings and Equipment	2,287,573	44,770	-	2,332,343
Less accumulated depreciation	(715,087)	(84,986)	-	(800,073)
Total Buildings and other improvements	1,572,486	(40,216)	-	1,532,270
Equipment and other assets	151,973	-	-	151,973
Less accumulated depreciation	(151,973)	-	-	(151,973)
Total Equipment , Furniture & Fixtures	-	-	-	-
Total Capital Assets, being depreciated	1,572,486	(40,216)	-	1,532,270
<b>Governmental Activities</b>				
Total Capital Assets, net	<u>\$ 1,633,686</u>	<u>\$ (25,216)</u>	<u>\$ -</u>	<u>\$ 1,608,470</u>
<b>Business-Type Activities</b>				
Restated				
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	10,120,742	60,813	-	10,181,555
Less accumulated depreciation	(4,884,630)	(237,439)	-	(5,122,069)
Total Distribution System	5,236,112	(176,626)	-	5,059,486
Equipment, furniture & fixtures	526,929	55,563	(3,815)	578,677
Less accumulated depreciation	(481,438)	(10,769)	3,815	(488,392)
Total Equipment . Furniture & Fixtures	45,491	44,794	-	90,285
Total Capital Assets, being depreciated	5,281,603	(131,832)	-	5,149,771
<b>Business-Type Activities</b>				
Total Capital Assets, net	<u>\$ 5,298,476</u>	<u>\$ (131,832)</u>	<u>\$ -</u>	<u>\$ 5,166,644</u>
<b>Primary Government</b>				
Total Capital Assets, net	<u>\$ 6,932,162</u>	<u>\$ (157,048)</u>	<u>\$ -</u>	<u>\$ 6,775,114</u>

TOWN OF LOGANSFORT, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2017

**NOTE 6 ACCOUNTS PAYABLE AND ACCRUALS**

The following is a summary of accounts payable at December 31, 2017:

	Governmental Activities	Business-Type Activities	Total
Vendor	\$ 30,429	\$ 33,437	\$ 63,866
Payroll taxes	-	-	-
Construction	-	-	-
Total	<u>\$ 30,429</u>	<u>\$ 33,437</u>	<u>\$ 63,866</u>

**NOTE 7 LEASES**

Town of Logansport was not obligated under any operating lease commitments at December 31, 2017.

**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, 2017:

	Balance 1/1/2017	Issuances	Retirements	Balance 12/31/2017
Water Revenue Bonds	\$ 2,386,212	\$ -	\$ (57,092)	\$ 2,329,120
Note payable to a Bank	-	52,063	(21,354)	30,709
Sewer Revenue Bonds	925,000	-	(54,000)	871,000
Balance, December 31, 2015	<u>\$ 3,311,212</u>	<u>\$ 52,063</u>	<u>\$ (132,446)</u>	<u>\$ 3,230,829</u>

Bonds payable at December 31, 2017 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% \$ 2,329,120

**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% \$ 871,000

TOWN OF LOGANSPOUT, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
December 31, 2017

**NOTE 9 LONG TERM DEBT (CONTINUED)**

The annual requirements to amortize bond debt outstanding as of December 31, 2017 including interest payments of \$1,513,759 are as follows:

Year Ending December 31	Revenue Bonds		Sewer Bonds		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2018	\$ 59,898	\$ 109,302	\$ 54,000	\$ 3,798	\$ 113,898	\$ 113,100
2019	62,806	106,395	55,000	3,553	117,806	109,948
2020	65,855	103,345	55,000	3,305	120,855	106,650
2021	69,016	100,184	56,000	3,076	125,016	103,260
2022	72,404	96,796	56,000	2,804	128,404	99,600
2023 and after	1,999,143	947,789	595,000	33,412	2,594,143	981,201
Totals	<u>\$2,329,122</u>	<u>\$1,463,811</u>	<u>\$871,000</u>	<u>\$ 49,948</u>	<u>\$3,200,122</u>	<u>\$1,513,759</u>

The annual requirements to amortize the note payable to a bank are as follows: December 31, 2018 - Principal - \$30,709; Interest - \$557. The note bears interest at 5.25%, and is payable in monthly installments of \$4,463 with the final payment due on July 12, 2018. The note is collateralized by equipment.

**NOTE 10 PRIOR PERIOD ADJUSTMENT**

Retained earnings at January 1, 2017 has been increased by \$80,557 to correct accumulated depreciation in the proprietary fund at January 1, 2017.

**NOTE 11 SUBSEQUENT EVENTS**

Management has evaluated subsequent events through June 19, 2018, the date these financial statements were available to be issued, and determined no additional disclosures are warranted.

TOWN OF LOGANSPORT, LOUISIANA  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-  
GENERAL FUND  
BUDGET (GAAP) BASIS AND ACTUAL

FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Original</u>	<u>Amended</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues</b>				
Taxes, Licenses, and Permits	352,600	\$ 458,075	\$ 465,113	\$ 7,038
Police Fines	25,000	20,000	25,583	5,583
Intergovernmental	75,000	85,000	118,333	33,333
Miscellaneous	7,100	18,375	21,035	2,660
Total Revenues	<u>459,700</u>	<u>581,450</u>	<u>630,064</u>	<u>48,614</u>
<b>Expenditures</b>				
General Government	238,200	464,450	227,058	237,392
Public Safety	60,500	60,000	69,767	(9,767)
Streets	61,000	57,000	49,737	7,263
Total Expenditures	<u>359,700</u>	<u>581,450</u>	<u>346,562</u>	<u>234,888</u>
<b>Net Changes in Fund Balances</b>				
before Other Sources	100,000	-	283,502	283,502
<b>Other Sources</b>				
Transfers (to) from Other Funds	<u>(100,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Sources	(100,000)	-	-	-
Net Changes in Fund Balances	-	-	283,502	283,502
Fund Balances, Beginning of Year	<u>270,264</u>	<u>270,264</u>	<u>270,264</u>	<u>-</u>
Fund Balances, End of year	<u>\$ 270,264</u>	<u>\$ 270,264</u>	<u>\$ 553,766</u>	<u>\$ 283,502</u>

TOWN OF LOGANSPORT, LOUISIANA  
SCHEDULE OF COMPENSATION, REIMBURSEMENTS, BENEFITS, AND OTHER  
PAYMENTS TO AGENCY HEAD  
FOR THE YEAR ENDED DECEMBER 31, 2017

Agency Head: Honorable Judge Cordray, Mayor

Salary	<u>\$ 12,000</u>
Payroll Taxes	<u>\$ 918</u>
Travel	<u>\$ -</u>
Reimbursements	<u>\$ -</u>
Seminars	<u>\$ -</u>

TOWN OF LOGANSPORT, LOUISIANA  
SCHEDULE OF COMPENSATION PAID TO MAYOR AND  
MEMBERS OF THE TOWN COUNCIL  
YEAR ENDED DECEMBER 31, 2017

Judge Cordray, Mayor	P O Box 69, Logansport, Louisiana	(318) 564-5311	\$12,000.00
Norman Arbuckle,	P O Box 425, Logansport, Louisiana	(318) 697-5873	2,400.00
Katherine Freeman,	P O Box 819, Logansport, Louisiana	(318) 697-4459	2,400.00
Dwight Gatlin,	202 Bonner Road, Logansport, Louisiana	(936) 332-3019	2,400.00
Martha Guillotte,	P O Box 756, Logansport, Louisiana	(318) 697-5534	2,400.00
Pam Thomas,	101 S. Bogle Road, Apt 826, Logansport, Louisiana	(318) 364-7538	2,400.00
			<u>\$24,000.00</u>

TOWN OF LOGANSPORT, LOUISIANA  
SCHEDULE OF INSURANCE COVERAGE  
DECEMBER 31, 2017

**Insurance Coverage:**

**Auto Policy:** BA 0B166734, Travelers Property Casualty Company of America, One Tower Square, Hartford, CT 06183

Liability: \$1,000,000 CSL

Uninsured Motorist Bodily Injury: \$500,000 limit

Effective dates: January 1, 2017 to January 1, 2018

**Commercial Property Package Policy (BPP, IM, Crime):** 660 9D379041, Travelers Property Casualty Company of America, One Tower Square, Hartford, CT 06183

Business Personal Property: Total Insured Value \$35,000

Electronic Data Processing Equipment: Total Insured Value \$50,000 (\$25,000 each loc)

Electronic Data Processing Data & Media: Total Insured Value \$50,000 (\$25,000 each loc)

Inland Marine -Scheduled Equipment: Total Insured Value \$187,525

Crime – Employee Theft: \$100,000 Per Employee

Effective dates: January 1, 2017 to January 1, 2018

**Public Entity Liability Package Policy (GL, D&O, EBL, EPL):** ZLP 71M48440, Travelers Indemnity Company of CT, One Tower Square, Hartford, CT 06183

General Liability: \$2,000,000 Aggregate, \$1,000,000 Each Occurrence

Management Liability (D&O): \$1,000,000 Aggregate, \$1,000,000 Each Wrongful Act

Employee Benefits Liability: \$3,000,000 Aggregate, \$1,000,000 Each Employee

Employment-Related Practices Liability: \$1,000,000 Aggregate, \$1,000,000 Each Offense

Effective dates: January 1, 2017 to January 1, 2018

**Law Enforcement Liability Policy, QLO01004-01, QBE Specialty Insurance Company, Wall Street Plaza, 88 Pine Street, New York, NY 10005**

Limit of Liability: \$1,000,000 Aggregate, \$1,000,000 Each Occurrence

Effective dates: January 1, 2017 to January 1, 2018

**Workers Compensation Policy, 135321, Louisiana Workers' Compensation Corporation, 2237 S Acadian Thruway, Baton Rouge, LA 70808**

Workers Compensation: Statutory Limits

Employers Liability: Bodily Injury by Accident \$100,000 each accident, Bodily Injury by

Disease \$500,000 policy limit, Bodily Injury by Disease \$100,000 each employee

Effective dates: January 1, 2017 to January 1, 2018

**Commercial Umbrella Policy, ZUP 15R78648, The Travelers Indemnity Company, One Tower Square, Hartford, CT 06183**

Limits: \$1,000,000 Aggregate, \$1,000,000 Each Occurrence

Effective dates: January 1, 2017 to January 1, 2018

TOWN OF LOGANSPORT, LOUISIANA  
SCHEDULE OF UTILITY RATES  
DECEMBER 31, 2017

WATER SERVICE:

IN TOWN—RESIDENTIAL & COMMERCIAL

0 - 1000 gallons \$20.00 minimum  
Over 1000 gallons \$4.50 per thousand gallons

OUT OF TOWN—RESIDENTIAL & COMMERCIAL

0 - 1000 gallons \$21.00 minimum  
Over 1000 gallons \$5.00 per thousand gallons

BULK--\$15.00 per thousand with a \$15.00 minimum

INDUSTRIAL

\$5.00 per thousand gallons

OUT OF STATE—JOAQUIN

\$ 750.00 Flat Fee per month plus \$4.75 per thousand gallons

DESOTO WATERWORKS DISTRICT

\$7.50 per thousand gallons

SEWER SERVICE:

IN TOWN & OUT OF TOWN

0 - 1000 gallons \$15.00 minimum  
Over 1000 gallons .75 (cents) per thousand with a \$25.00 maximum

BULK WASTEWATER— a fee of not less than Three (3) cents per gallon and not more than  
Ten (10) cents per gallon shall be charged with a 1000 gallon minimum

GAS SERVICE:

IN TOWN - RESIDENTIAL & COMMERCIAL

0 - 1000 cubic feet \$8.50 minimum  
Over 1000 cu ft 3.00 per thousand cu ft  
Plus fuel adjustment charge on total MCF  
(\$3.75 + Cost of gas)

OUT OF TOWN—RESIDENTIAL & COMMERCIAL

0 - 1000 cubic feet \$9.50 minimum  
Over 1000 cu ft 3.25 per thousand cu ft  
Plus fuel adjustment charge on total MCF  
(\$3.75 + Cost of gas)

PUBLIC

0 - 1000 cubic feet \$8.50 minimum  
Over 1000 cu ft 3.00 per thousand cu ft  
Plus fuel adjustment charge on total MCF  
(\$3.75 + Cost of gas)

The System had 1,012 customers at December 31, 2017.

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

	<u>2017</u>	<u>2016</u>
<b>OPERATING REVENUES</b>		
Charges for Services	\$ 1,326,246	\$ 952,468
Miscellaneous	-	-
Total Operating Revenues	<u>1,326,246</u>	<u>952,468</u>
<b>OPERATING EXPENSES</b>		
Personal services	458,928	467,313
Utilities	30,005	30,517
Repair and maintenance	29,202	44,752
Other supplies and expenses	249,414	235,782
Insurance	14,151	32,252
Depreciation	248,208	339,533
Total Operating Expenses	<u>1,029,908</u>	<u>1,150,149</u>
Change in Net Assets before Other Expenses	296,338	(197,681)
<b>OTHER REVENUE (EXPENSE)</b>		
Sale of Assets	17,500	-
Transfers	-	152,252
Interest	<u>(117,177)</u>	<u>(118,964)</u>
Change in Net Assets	<u>\$ 196,661</u>	<u>\$ (164,393)</u>

See accompanying notes to financial statements.



# 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*

To the Mayor 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 and each major fund of Town of Logansport as of December 31, 2017, and related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued my report thereon dated June 19, 2018.

### Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I considered Town of Logansport'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.

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

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 and therefore, material weaknesses may exist that have not been identified. I did identify a certain deficiency in internal control, described in the accompanying Schedule of Findings as Finding #2017-1 that I consider to be a significant deficiency.

### 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 as Finding #2017-2.

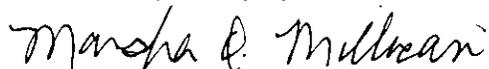
810 WILKINSON  
SHREVEPORT, LA 71104-3036  
(318) 221-3881  
FAX: (318) 221-4641

Town of Logansport's Response to Findings

Town of Logansport's response to the findings identified in my audit are described in the accompanying Schedule of Findings. Town of Logansport's response was not subjected to the auditing procedures applied in the audit of the financial statements, and, accordingly, I express no opinion on it.

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.



Certified Public Accountant

June 19 2018

TOWN OF LOGANSPORT, LOUISIANA

SCHEDULE OF FINDINGS

December 31, 2017

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 # 2017-1

Criteria: Effective internal control requires the segregation of duties.

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

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

Effect: Unknown.

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 # 2017-2

Criteria: Article VI, Section 83 of the 1974 Louisiana Constitution requires municipalities to obtain permission from the State Bond Commission before incurring debt.

Condition: The Town borrowed \$52,063 from a bank, to be repaid within one year, without obtaining permission from the State Bond Commission.

Cause: The Town was unaware the Town must obtain permission from the State Bond Commission to incur debt that was to be repaid within one year.

Effect: The Town is not in compliance with state law.

Recommendation: I recommend the Town obtain permission from the State Bond Commission before incurring debt.

Management's Response: We concur with the finding. We will comply with state law in the future.

TOWN OF LOGANSPORT, LOUISIANA

CORRECTIVE ACTION TAKEN ON PRIOR YEAR FINDINGS

For the Year Ended December 31, 2017

**FINDING 2016-1:**

Lack of segregation of duties.

STATUS: Unresolved.

**FINDING 2016-2:**

The Town was not in compliance with the debt service ratio required by the terms of its Sewer Revenue Bonds.

STATUS: Resolved.



# Marsha O. Millican

A PROFESSIONAL ACCOUNTING CORPORATION

## INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING STATEWIDE AGREED-UPON PROCEDURES

To the Mayor and Members  
of the Town Council  
Town of Logansport, Louisiana

I have performed the procedures enumerated below, which were specified and agreed to by the Mayor and members of the Town Council of the Town of Logansport, Louisiana (the Town) to assist the Town in complying with the requirements of the Louisiana Legislative Auditor's (LLA) Statewide Agreed-Upon Procedures (SAUP) for the fiscal year ended December 31, 2017. I am required to perform each procedure and report the results, including any exceptions. The District is responsible for internal controls and compliance with laws and regulations relative to the SAUP and for selecting the criteria and procedures and determining that such criteria and procedures are appropriate for their purposes.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. The sufficiency of these procedures is solely the responsibility of the Board. Consequently, I make no representation regarding the sufficiency of the procedures enumerated below either for the purpose for which this report has been requested or for any other purpose.

### Written Policies and Procedures

1. I obtained the entity's written policies and procedures and determined whether those written policies and procedures address each of the following financial/business functions (or noted that the entity does not have any written policies and procedures), as applicable:
  - **Budgeting**, including preparing, adopting, monitoring and amending the budget.
  - **Purchasing**, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.
  - **Disbursements**, including processing, reviewing and approving.
  - **Receipts**, including receiving, recording, and preparing deposits.
  - **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.

- **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers, and (5) monitoring card usage.
- **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy. Note: Ethics requirements are not applicable to nonprofits.
- **Debt Service**, including (1) debt insurance approval, (2) EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
  - a) Procedures Results - The entity has no written policies and procedures with regard to the topics listed above.
  - b) Management's Response - We are amending our policies and procedures to incorporate the topics covered in Statewide Agreed Upon Procedures.

**Board (or Finance Committee, if applicable)**

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2. I obtained and reviewed the board/committee minutes for the fiscal period, and:
  - Determined whether the managing board met (with a quorum) at least monthly, or in a frequency in accordance with board's enabling legislation, charter, or other equivalent document.
  - Determined whether the minutes referenced or included monthly budget-to-actual comparisons on the General Fund and any additional funds identified as major funds in the entity's prior audit (GAAP-basis).
 

If the budget-to actual comparisons show that management was deficit spending during the fiscal period, report whether there is a formal/written plan to eliminate the deficit spending for those entities with a fund balance deficit. If there is a formal/written plan, report whether the meeting minutes for at least one board meeting during the fiscal period reflect that the board is monitoring the plan.
  - Determined whether the minutes referenced or included non-budgetary financial information (e.g. approval of contracts and disbursements) for at least one meeting during the fiscal period.
    - a) Procedures Results - I noted no exceptions.

**Bank Reconciliations**

---

3. I obtained a listing of the Town's bank accounts from management and management's representation that the listing is complete.

4. Using the listing provided by management, I selected all of the entity's bank accounts (if five accounts or less) or one-third of the bank accounts on a three year rotating basis (if more than five accounts). For each of the bank accounts selected, I obtained bank statements and reconciliations for all months in the fiscal period and determined whether:
- Bank reconciliations have been prepared.
  - Bank reconciliations include evidence that a member of management or a board member (with no involvement in the transactions associated with the bank account) has reviewed each bank reconciliation; and
  - If applicable, management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 6 months as of the end of the fiscal period.
    - a) Procedures Results - I noted the following exception: there is no evidence that a member of management (with no involvement in the transactions associated with the bank account) has reviewed each bank reconciliation.
    - b) Management's Response - We will have each bank reconciliation reviewed by a member of management with no involvement in the transactions associated with the bank account.

### Collections

---

5. I obtained a listing of cash/check/money order (cash) collection locations and management's representation that the listing is complete.
6. Using the listing provided by management, I selected all of the entity's cash collection locations (if five or less) or one-third of the collection locations on a three year rotating basis (if more than 5 locations). For each collection location selected:
- I obtained existing written documentation (e.g. insurance policy, policy manual, job description) and determined whether each person responsible for collecting cash is (1) bonded, (2) not responsible for depositing the cash in the bank, recording the related transactions, or reconciling the related bank account (report if there are compensating controls performed by an outside party), and (3) not required to share the same cash register or drawer with another employee.
  - I obtained existing written documentation (e.g. sequentially numbered receipts, system report, reconciliation worksheets, policy manual) and determined whether the entity has a formal process to reconcile cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, by a person who is not responsible for cash collections in the cash location selected.
  - I selected the highest (dollar) week of cash collections from the general ledger or other accounting records during the fiscal period and:

Using entity collection documentation, deposit slips, and bank statements, traced daily collections to the deposit date on the corresponding bank statement and determined whether the deposits were made within one day of collection. If deposits were not made within one day of collection, I determined the number of days from receipt to deposit for each day at each collection location.

Using sequentially numbered receipts, system reports, or other related collection documentation I verified that daily cash collections are completely supported by documentation and noted any documentation and noted any exceptions.

7. I obtained written documentation (e.g. policy manual, written procedure) and determined whether the entity has a process specifically defined (identified as such by the entity) to determine completeness of all collections, including electronic transfers, for each revenue source and agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation) by a person who is not responsible for collections.

a) Procedure Results - I noted no exceptions.

**Disbursements - General (excluding credit card/debit card/fuel card/P-Card purchases or payments)**

8. I obtained a listing of entity disbursements from management or, alternately, obtained the general ledger and sort/filter for entity disbursements. I obtained management's representation that the listing or general population is complete.

9. Using the disbursement population from #8 above, I randomly selected 30 disbursements (or randomly select disbursements constituting at least one-third of the dollar disbursement population if the entity had less than 25 transactions during the fiscal period), excluding credit card/debit card/fuel card/P-card purchases or payments. I obtained supporting documentation (e.g. purchase requisitions, system screens/logs) for each transaction and determined whether the supporting documentation for each transaction demonstrated that:

- Purchases were initiated using a requisition/purchase order system or an equivalent system that separates initiation from approval functions in the same manner as a requisition/purchase order system.
- Purchase orders, or an electronic equivalent, were approved by a person who did not initiate the purchase.
- Payments for purchases were not processed without (1) an approved requisition and/or purchase order, or an electronic equivalent; a receiving report showing receipt of goods purchased, or electronic equivalent; and an approved invoice.

10. Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), I noted whether the person responsible for processing payments is prohibited from adding vendors to the entity's purchasing/disbursement system.

11. Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), I noted whether the person with signatory authority or who make the final authorization for disbursements have no responsibility for initiating or recording purchases.

12. I inquired of management and observed whether the supply of unused checks is maintained in a locked location, with access restricted to those persons that do not have signatory authority, and report any exceptions. Alternately, if the checks are electronically printed on blank check stock, I reviewed entity documentation (electronic system control documentation) and noted whether the persons with signatory authority have signatory authority have system access to print checks.

13. If a signature stamp or signature machine is used, I inquired of the signer whether his or her signature is maintained under his or her control or is used only with the knowledge and consent of the signer. I inquired of the signer whether signed checks are likewise maintained under the control of the signer or authorized user until mailed. Report any exceptions.

a) Procedure Results - I noted no exceptions.

#### *Credit Cards/Debit Cards/Fuel Cards/P-Cards*

---

14. I obtained from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards), including the card numbers and the names of the persons who maintained possession of the cards. I obtained management's representation that the listing is complete.

15. Using the listing prepared by management, I randomly selected 10 cards (or at least one-third of the cards if the entity has less than 10 cards) that were used during the fiscal period, rotating cards each year.

I obtained the monthly statements, or combined statements if multiple cards are on one statement, for the selected cards. I selected the monthly statement or combined statement with the largest dollar activity for each card (for a debit card, select the monthly bank statement with the largest dollar amount of debit card purchases) and:

- Determined whether there is evidence that the monthly statement or combined statement and supporting documentation was reviewed and approved, in writing, by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g. mayor of a Lawrason Act municipality); these instances should not be reported.]
- Determined whether finance charges and/or late fees were assessed on the selected statements.

16. Using the monthly statements or combined statements selected under #15 above, I obtained supporting documentation for all transactions for each of the 10 cards selected (i.e. each of the 10 cards should have one month of transactions subject to testing).

- For each transaction, I determined whether the transaction is supported by:

An original itemized receipt (i.e., identifies precisely what was purchased).

Documentation of the business/public purpose. For meal charges, there should also be documentation of the individuals participating.

Other documentation that may be required by written policy (e.g. purchase order, written authorization).

- For each transaction, I compared the transaction's detail (nature of purchase, dollar amount of purchase, supporting documentation) to the entity's written purchasing/disbursement policies and the Louisiana Public Bid Law (i.e. transaction is a large or recurring purchase requiring the solicitation of bids or quotes) and report any exceptions.
- For each transaction, I compared the entity's documentation of the business/public purpose to the requirement of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. cash advances or non-business purchases, regardless whether they are reimbursed). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.

a) Procedure Results - I noted no exceptions.

### ***Travel and Expense Reimbursement***

---

17. I obtained from management a listing of all travel and related expense reimbursements, by person, during the fiscal period or, alternately, obtain the general ledger and sort/filter for travel reimbursements. I obtained management's representation that the listing or general ledger is complete.
18. I obtained the entity's written policies related to travel and expense reimbursements. I compared the amounts in the policies to the per diem and mileage rates established by the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov)) and report any amounts that exceed GSA rates.
19. Using the listing or general ledger from #17 above, I selected the three persons who incurred the most travel costs during the fiscal period. I obtained the expense reimbursement reports or prepaid expense documentation of each selected person, including the supporting documentation, and chose the largest travel expense for each person to review in detail. For each of the three travel expenses selected:
- I compared expense documentation to written policies and determined whether each expense was reimbursed or prepaid in accordance with written policy (e.g., rates established for meals, mileage, and lodging). If the entity does not have written policies, compare to the GSA rates (#18 above) and report each reimbursement that exceeded those rates.
  - I determined whether each expense is supported by:
    - An original itemized receipt that identifies precisely what was purchased. [Note: An expense that is reimbursed based on an established per diem amount (e.g., meals) does not require a receipt.]
    - Documentation of the business/public purpose [Note: For meal charges, there should also be documentation of the individuals participating].
    - Other documentation as may be required by written policy (e.g., authorization for travel, conference brochure, certificate of attendance).

- I compared the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g., hotel stays that extend beyond conference periods or payment for the travel expenses of a spouse). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.
- I determined whether each expense and related documentation was reviewed and approved, in writing, by someone other than the person receiving reimbursement.
  - a) Procedure Results - I noted no exceptions.

### *Contracts*

---

20. I obtained a listing of all contracts in effect during the fiscal period or, alternately, obtain the general ledger and sort/filter for contract payments. I obtained management's representation that the listing or general ledger is complete.
21. Using the listing above, I selected the five contract "vendors" that were paid the most money during the fiscal period (excluding purchases on state contract and excluding payments to the practitioner). I obtained the related contracts and paid invoices and:
- Determined whether is a formal/written contract that supports the services arrangement and the amount paid.
  - I compared each contract's detail to the Louisiana Public Bid Law or Procurement Code. I noted whether each contract is subject to the Louisiana Public Bid Law or Procurement Code and:
    - If yes, obtain/compare supporting contract documentation to legal requirements and report whether the entity complied with all legal requirements (e.g. solicited quotes or bids, advertisement, selected lowest bidder).
    - If no, obtain supporting contract documentation and report whether the entity solicited quotes as a best practice.
  - I determined whether the contract was amended. If so, report the scope and dollar amount of the amendment and whether the original contract terms contemplated or provided for such an amendment.
  - I selected the largest payment from each of the five contracts, obtained the supporting invoice, compared the invoice to the contract terms, and noted whether the invoice and related payment complied with the terms and conditions of the contract.
  - I obtained/reviewed contract documentation and board minutes and determined whether there is documentation of board approval, if required by policy or law (e.g., Lawrason Act or Home Rule Charter).
- a) Procedure Results - I noted no exceptions.

### ***Payroll and Personnel***

---

22. I obtained a listing of employees (and elected officials, if applicable) with their related salaries, and obtained management's representation that the listing is complete. I randomly selected five employees/officials, obtained their personnel files, and:
- a) Reviewed compensation paid to each employee during the fiscal period and report whether payments were made in strict accordance with the terms and conditions of the employment contract or pay rate structure.
  - b) Reviewed changes made to hourly pay rates/salaries during the fiscal period and report whether those changes were approved in writing and in accordance with written policy.
23. I obtained attendance and leave records and randomly selected one pay period in which leave has been taken by at least one employee. Within the pay period, I randomly selected 25 employees/officials (or randomly select one-third of employees/officials if the entity had less than 25 employees during the fiscal period), and:
- a) Determined whether all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). [Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.]
  - b) Determined whether there is written documentation that supervisors approved, electronically or in writing, the attendance and leave of the selected employees/officials.
  - c) Determined whether there is written documentation that the entity maintained written leave records (e.g., hours earned, hours used, and balance available) on those selected employees/officials that earn leave.
24. I obtained from management a list of those employees/officials that terminated during the fiscal period and managements representation that the list is complete. If applicable, I selected the two largest termination payments (e.g., vacation, sick, compensatory time) made during the fiscal period and obtained the personnel files for the two employees/officials. I noted whether the termination payments were made in strict accordance with policy and/or contract and approved by management.
25. I obtained supporting documentation (e.g. cancelled checks, EFT documentation) relating to payroll taxes and retirement contributions during the fiscal period. I determined whether the employee and employer portions of the payroll taxes and retirement contributions, as well as the required reporting forms, were submitted to the applicable agencies by the required deadlines.
- a) Procedure Results - I noted no exceptions.

### ***Ethics (excluding nonprofits)***

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26. Using the five randomly selected employees/officials from procedure #22 under "Payroll and Personnel" above, I obtained ethics compliance documentation from management and determined whether the entity maintained documentation to demonstrate that required ethics training was completed.

27. I inquired of management whether any alleged ethics violations were reported to the entity during the fiscal period. If applicable, I reviewed documentation that demonstrates whether management investigate alleged ethics violations, the corrective actions taken, and whether management's actions complied with the entity's ethics policy. I determined whether management received allegations, whether management investigated allegations received, and whether the allegations were addressed in accordance with policy.

- a) Procedure Results - I noted no exceptions.

***Debt Service (excluding nonprofits)***

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28. If debt was issued during the fiscal period, I obtained supporting documentation from the entity and determined whether State Bond Commission approval was obtained.

29. If the entity had outstanding debt during the fiscal period, I obtained supporting documentation from the entity and determined whether the entity made scheduled debt service payments and maintained debt reserves, as required by debt covenants.

30. If the entity had tax millages relating to debt service, I obtained supporting documentation and whether millage collections exceed debt service payments by more than 10% during the fiscal period. Also, I determined whether any millages continue to be received for debt that has been paid off.

- a) Procedures Results - I noted the following exception: The Town incurred debt without the approval of the State Bond Commission.
- b) Management's Response - We were unaware that we had to obtain State Bond Commission approval for debt to be repaid within one year.

***Other***

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31. I inquired of management whether the entity had any misappropriations of public funds or assets. If so, I obtained/reviewed supporting documentation and noted whether the entity had reported the misappropriation to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

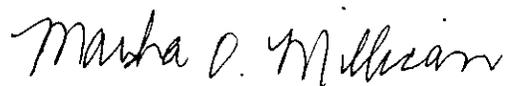
32. I observed whether the entity has posted on its premises and website, the notice required by R.S. 24:523.1. This notice (available for download or print at [www.la.gov/hotline](http://www.la.gov/hotline)) concerns the reporting of misappropriation, fraud, waste, or abuse of public funds.

33. If the practitioner observes or otherwise identifies any exceptions regarding management's representations in the procedures above, report the nature of each exception.

- a) Procedures Results - I noted one exception: the notice required by R.S.24:523.1 was not posted on the premises nor on the website.
- b) Management's Response - We have subsequently posted the above notice on the premises and on the website.

I was not engaged and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively on the Statewide Agreed-Upon Procedures. Accordingly, I do not express such an opinion or conclusion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

This report is intended solely for the information and use of the Council and the LLA, and is not intended to be, and should not be, used by anyone other than the specified parties.

A handwritten signature in cursive script that reads "Masha O. Milligan".

Certified Public Accountant

June 19, 2018