# TOWN OF LOGANSPORT, LOUISIANA

## FINANCIAL STATEMENTS

## FOR THE YEAR ENDED DECEMBER 31, 2019

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

TOWN OF LOGANSPORT

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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, 2019, 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.



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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, 2019 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 26 be presented to supplement the basic financial statements. Such information is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

***Other Information***

My audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The 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 27-31 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 May 15, 2020 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.

Marsha O. Millican

Certified Public Accountant
May 15, 2020

TOWN OF LOGANSPORT, LOUISIANA

MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2019

The Management's Discussion and Analysis of the Town of Logansport's financial performance presents a narrative overview of theTown of Logansport's financial activities for the year ended December 31, 2019. This document focuses on the current year's activities, resulting changes, and currently known facts. Please read this document on conjuinction with the Town's financial statements, which follow this section.

**FINANCIAL HIGHLIGHTS**

Governmental Activities

1) Town of Logansport had cash of $1,185,554 at December 31, 2019, which represents an increase of $429,625 from prior year end.

2) Town of Logansport had receivables of $44,487 at December 31, 2019, which represents an increase of $5,767 from prior year end.

3) Town of Logansport had accounts payable and accruals of $84,122 at December 31, 2019, which represents an increase of $74,687 from the prior year end.

4) Town of Logansport had total revenues of $732,234 for the year ended December 31, 2019, which represents an increase of $115,526 from prior year.

5) Town of Logansport had total expenses of $377,056 for the year ended December 31, 2019, which represents a decrease of $13,276.

6) Town of Logansport had capital improvements of $111,070 for the year ended December 31, 2019.

Business-Type Activities

1) Town of Logansport had cash of $910,415 for the year ended December 31, 2019, which represents a decrease of $21,925 from prior year.

2) Town of Logansport had receivables of $442,299 for the year ended December 31, 2019, which represents an increase of $277,808 from prior year.

3) Towm of Logansport had accounts payable and accruals of $51,814 for the year ended December December 31, 2019, which represents an increase of $19,492 from prior year.

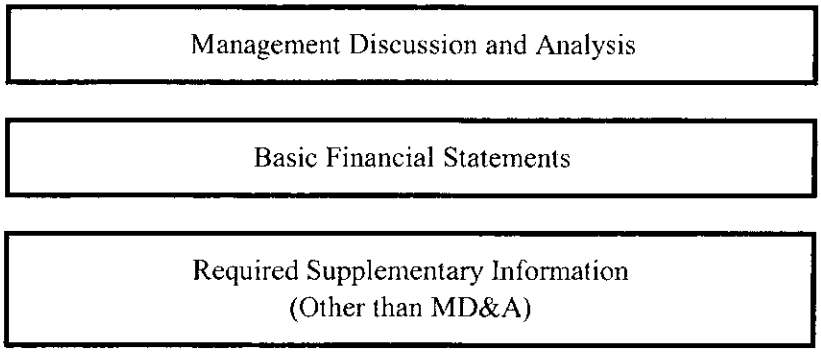
4) Town of Logansport had total revenues of $1,634,239 for the year ended December 31, 2019, which represents an increase of $157,386 from prior year.

5) Town of Logansport had total expenses of $1,370,804 for the year ended December 31, 2019, which represents an increase of $51,105 from prior year.

6) Town of Logansport had capital asset improvements of $178,512 for the year ended December 31, 2019.

## 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 and10) provide information about the activities of the Town of Logansport as a whole and present a longer-term view of the Town's finances. Fund financial statements start on page 11. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the Town's operations in more detail than the government-wide statements by providing information about the Town's most significant funds.

### Reporting the Town as a Whole

The Statement of Net Position and the Statement of Activities

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

## 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 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 postiion 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.

## FINANCIAL ANALYSIS OF THE ENTITY

Statement of Net Position at Year End

| | Governmental Activities 2019 | Business Activities 2019 | Governmental Activities 2018 | Restated Business Activities 2018 |
|---|---|---|---|---|
| Current and other assets | $ 1,297,224 | $ 1,382,077 | $ 840,144 | $ 1,121,198 |
| Capital assets, net | 1,580,688 | 4,871,260 | 1,557,903 | 4,952,661 |
| Total Assets | 2,877,912 | 6,253,337 | 2,398,047 | 6,073,859 |
| Deferred outflows of resources | - | - | - | - |
| Accounts Payable and Accruals | 84,122 | 51,814 | 9,435 | 32,834 |
| Long term Debt | - | 2,968,486 | - | 3,086,256 |
| Other Liabilities | 50,000 | 149,723 | - | 134,890 |
| Total Liabilities | 134,122 | 3,170,023 | 9,435 | 3,253,980 |
| Deferred inflows of resources | - | - | - | - |
| Net Position | | | | |
| Investments in capital assets, Net of related debt | 1,580,688 | 1,820,234 | 1,577,903 | 1,866,405 |
| Restricted | | 451,347 | - | 490,056 |
| Unrestricted | 1,163,102 | 811,733 | 810,709 | 463,418 |
| Total Net Position | $ 2,743,790 | $ 3,083,314 | $ 2,388,612 | $ 2,819,879 |

Net position of the Town of Logansport increased by $355,178 and $263,435 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 2019 and 2018 (See table below).

Statement of Activities As of Year End

| | Government 2019 | Business 2019 | Government 2018 | Business 2018 |
|---|---|---|---|---|
| General Government Expenses | $ (377,056) | $ (1,370,804) | $ (390,332) | $ (1,319,699) |
| Program revenues | | | | |
| Charges for services | - | 1,628,700 | - | 1,471,303 |
| Operating and capital grants and Contributions | 49,307 | - | - | - |
| Subtotal | (327,749) | 257,896 | (390,332) | 151,604 |
| General revenues and transfers | 682,927 | 5,539 | 616,708 | 5,550 |
| Change in net position | $ 355,178 | $ 263,435 | $ 226,376 | $ 157,154 |

## CAPITAL ASSET AND DEBT ADMINISTRATION

At the end of 2019, Town of Logansport had $1,580,688, and $4,871,260 net of depreciation in Governmental Activities and Business-Type Activities, respectively, invested in a broad range of capital assets (See table below). This account represents a net increase (including additions and deductions) of $22,785 and a decrease of $81,401 in Governmental Activities and Business-Type Activities, respectively, from the previous year.

Capital Assets (Net) at Year End

| | Governmental Activities | Business-Type Activities |
|---|---|---|
| | 2019 | 2019 |
| Land | $ 113,270 | $ 16,873 |
| Buildings and other improvements | 1,447,418 | - |
| Distribution system | - | 4,736,452 |
| Equipment, furniture and fixtures | - | 117,935 |
| Total | $ 1,560,688 | $ 4,871,260 |

Additions for the year ended December 31, 2019 are as follows:

This years major additions included:

| | Governmental Activities | Business-Type Activities |
|---|---|---|
| | 2019 | 2019 |
| Distribution system | $ - | $ 149,167 |
| Land | 37,070 | - |
| Buildings and other improvements | 74,000 | - |
| Equipment, furniture and fixtures | - | 29,445 |
| Total | $ 111,070 | $ 178,612 |

Debt

The Town of Logansort had $2,968,486 in long term debt for the Business-Type Activities at year end.

| | Governmental Activities | Business-Type Activities |
|---|---|---|
| Long-term debt | $ - | $ 2,968,486 |

Actual revenues were $282,434 more than budgeted amounts.

Actual expenditures were $49,959 less than budgeted amounts.

## ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

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

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

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

## CONTACTING TOWN OF LOGANSPORT'S MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the Town of Logansport;s finances and to show the Town of Logansport's accountability for the money it receives. If you have questions about this report or need additional information, contact 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, 2019

| ASSETS | Governmental Activities | Business-Type Activities | Total |
|---|---|---|---|
| Current Assets | | | |
| Cash | $ 1,185,554 | $ 375,701 | $ 1,561,255 |
| Accounts, Taxes and Other Receivable | 44,487 | 442,299 | 486,786 |
| Inventory | - | 29,363 | 29,363 |
| Total Current Assets | 1,230,041 | 847,363 | 2,077,404 |
| Noncurrent Assets | | | |
| Restricted cash | - | 534,714 | 534,714 |
| Due from other funds | 67,183 | | 67,183 |
| Capital assets, net | 1,580,688 | 4,871,260 | 6,451,948 |
| Total Noncurrent Assets | 1,647,871 | 5,405,974 | 7,053,845 |
| Total Assets | 2,877,912 | 6,253,337 | 9,131,249 |
| Deferred Outflows of Resources | - | - | - |
| LIABILITIES | | | |
| LIABILITIES | | | |
| Current Liabilities | | | |
| Accounts payable and accruals | 84,122 | 51,814 | 135,936 |
| Unearned revenue | 50,000 | - | 50,000 |
| Current portion of long term debt | - | 120,855 | 120,855 |
| Total current liabilities | 134,122 | 172,669 | 306,791 |
| Noncurrent Liabilities | | | |
| Due to Other Funds | - | 67,183 | 67,183 |
| Long term debt, net of current portion | - | 2,847,631 | 2,847,631 |
| Customer deposits | - | 82,540 | 82,540 |
| Total Noncurrent liabilities | - | 2,997,354 | 2,997,354 |
| Total liabilities | 134,122 | 3,170,023 | 3,304,145 |
| Deferred Inflows of Resources | - | - | - |
| NET POSITION | | | |
| Investment in capital assets, Net of related debt | 1,580,688 | 1,820,234 | 3,400,922 |
| Restricted for debt service | - | 451,347 | 451,347 |
| Unrestricted | 1,163,102 | 811,733 | 1,974,835 |
| Total Net Position | $ 2,743,790 | $ 3,083,314 | $ 5,827,104 |

See accompanying notes to financial statements.

# TOWN OF LOGANSPORT, LOUISIANA
## STATEMENT OF ACTIVITIES
## FOR THE YEAR ENDED DECEMBER 31, 2019

| | Expenses | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Governmental Activities | Business-Type Activities | Total |
|---|---|---|---|---|---|---|---|
| Primary Government | | | | | | | |
| Governmental Activities | | | | | | | |
| General Government | $ 288,771 | $ - | $ - | $ 49,307 | $ (239,464) | $ - | $ (239,464) |
| Depreciation | 88,285 | - | - | - | (88,285) | - | (88,285) |
| Total Governmental Activities | 377,056 | - | - | 49,307 | (327,749) | | (327,749) |
| Business-Type Activities | | | | | | | |
| Utility Fund | 1,370,804 | 1,628,700 | - | - | - | 257,896 | 257,896 |
| Total Business-Type Activities | 1,370,804 | 1,628,700 | - | - | - | 257,896 | 257,896 |
| Total Primary Government | $ 1,747,860 | $ 1,628,700 | $ - | - | (327,749) | 257,896 | - (69,853) |
| General Revenues | | | | | | | |
| Taxes | | | | | 505,036 | - | 505,036 |
| Intergovernmental | | | | | 123,882 | - | 123,882 |
| Transfers | | | | | - | - | - |
| Miscellaneous | | | | | 21,948 | 5,539 | 27,487 |
| Police Fines | | | | | 31,347 | - | 31,347 |
| | | | | | 714 | | 714 |
| Total General Revenues and Transfers | | | | | 682,927 | 5,539 | 688,466 |
| Change in Net Position | | | | | 355,178 | 263,435 | 618,613 |
| Net Position, Beginning of Year | | | | | 2,388,612 | 2,819,879 | 5,208,491 |
| Net Position, End of Year | | | | | $ 2,743,790 | $ 3,083,314 | $ 5,827,104 |

See accompanying notes to financial statements.

TOWN OF LOGANSPORT, LOUISIANA
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2019

| | General Fund |
|---|---|
| ASSETS | |
| Cash | $ 1,185,554 |
| Taxes and Grants Receivable | 44,487 |
| Due from other funds | 67,183 |
| Prepaid expenses | - |
| Total Assets | $ 1,297,224 |
| LIABILITIES AND FUND BALANCES | |
| Liabilities | |
| Accounts payable and accruals | $ 84,122 |
| Unearned revenue | 50,000 |
| Total Liabilities | 134,122 |
| Fund Balances | |
| Unassigned | 1,163,102 |
| Total Fund Balances | 1,163,102 |
| Total Liabilities and Fund Balances | $ 1,297,224 |

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, 2019

| | |
|---|---|
| Total Fund Balance for Governmental Funds | 1,163,102 |
| Total Net Position for governmental activities in the statement of net position is different because: | |
| Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. | 1,580,688 |
| Long-term liabilities are not due and payable in the current period and therefore are not reported in the fund balances | - |
| Total Net Position of Governmental Activities | $ 2,743,790 |

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, 2019

| | |
|---|---|
| Revenues: | |
| Ad Valorem Taxes | $ 91,323 |
| Occupational Licenses | 63,987 |
| Franchise Taxes | 85,695 |
| Intergovernmental | 173,188 |
| Fines | 714 |
| Sales Taxes | 285,980 |
| Other Income | 31,347 |
| Total Revenues | 732,234 |
| Expenditures: | |
| General Government | 287,433 |
| Streets | 112,408 |
| Total Expenditures | 399,841 |
| Net changes in fund balance before transfers | 332,393 |
| Transfers to other funds | - |
| Net change in fund balance | 332,393 |
| Fund Balances, Beginning of Year | 830,709 |
| Fund Balances, End of Year | $ 1,163,102 |

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, 2019

| | | |
|---|---|---|
| Net Changes in Fund Balances - Total Governmental Funds | $ | 332,393 |
| The change in Net Position reported for governmental activities in the statement of activities is different because: | | |
| Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay ($111,070) exceeds depreciation ($88,285) | | 22,785 |
| Change in Net Position of Governmental Activities | $ | 355,178 |

See accompanying notes to financial statements.

TOWN OF LOGANSPORT, LOUISIANA
STATEMENT OF NET POSITION
PROPRIETARY FUND
DECEMBER 31, 2019

| | |
|---|---|
| Assets | |
| Current Assets | |
| Cash | $ 375,701 |
| Accounts receivable | 442,299 |
| Inventory | 29,363 |
| Total Current Assets | 847,363 |
| Noncurrent Assets | |
| Restricted cash | 534,714 |
| Capital Assets, Net | 4,871,260 |
| Total Noncurrent Assets | 5,405,974 |
| Total Assets | 6,253,337 |
| Deferred Outflows of Resources | - |
| Liabilities | |
| Liabilities | |
| Accounts payable and accruals | 51,814 |
| Current portion of long term debt | 120,855 |
| Total Currrent Liabilities | 172,669 |
| Noncurrent Liabilities | |
| Long term debt, net of current portion | 2,847,631 |
| Due to other funds | 67,183 |
| Customer deposits | 82,540 |
| Total Noncurrent Liabilities | 2,997,354 |
| Total Liabilities | 3,170,023 |
| Deferred Inflows of Resources | - |
| Net Position | |
| Investments in capital assets, | |
| Net of related debt | 1,820,234 |
| Reserved for debt service | 451,347 |
| Unrestricted | 811,733 |
| Total Net Position | $ 3,083,314 |

See accompanying notes to finanical statements.

TOWN OF LOGANSPORT, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2019

| | |
|---|---|
| **OPERATING REVENUES** | |
| Charges for Services | $ 1,628,700 |
| Miscellaneous | 5,539 |
| Total Operating Revenues | 1,634,239 |
| **OPERATING EXPENSES** | |
| Personal Services | 479,254 |
| Utilities | 48,133 |
| Repair and maintenance | 108,418 |
| Other supplies and expenses | 332,684 |
| Insurance | 34,147 |
| Depreciation | 260,013 |
| Total Operating Expenses | 1,262,649 |
| Change in Net Position before Other Income( Ex | 371,590 |
| **OTHER INCOME (EXPENSES)** | |
| Interest Expense | (108,155) |
| Change in Net Position | 263,435 |
| Net Position, Beginning of Year | 2,819,879 |
| Net Position, End of Year | $ 3,083,314 |

See accompanying notes to finanical statements.

TOWN OF LOGANSPORT, LOUISIANA
STATEMENT OF CASH FLOWS - PROPRIETARY FUND TYPE
YEAR ENDED DECEMBER 31, 2019

| | |
|---|---|
| Cash flows from operating activities: | |
| Cash received from customers | $ 1,350,892 |
| Cash payments to suppliers and employees | (995,507) |
| Miscellaneous | 5,539 |
| Net cash provided by operating activities | 360,924 |
| Cash flows from capital and related financing activities | |
| Interest paid on long term debt | (108,255) |
| Principal payments on long term debt | (117,770) |
| System improvements | (178,512) |
| Payments from other funds | 21,688 |
| Net cash used by capital and related financing activities | (382,849) |
| Net increase in cash | (21,925) |
| Cash, January 1, 2019 (including $490,056 in restricted accounts) | 932,340 |
| Cash, December 31, 2019 (including $534,714 in restricted accounts) | $ 910,415 |
| Reconciliation of changes in net position to net cash provided by operating activities: | |
| Changes in net position before other income: | $ 371,590 |
| Adjustments to reconcile net income to net cash provided by operating activities: | |
| Depreciation | 260,013 |
| Changes in assets and liabilities | |
| Increase in accounts receivable | (277,808) |
| Increase in inventory | (4,996) |
| Increase in accounts payable | 18,980 |
| Decrease in customer deposits | (6,855) |
| Net cash provided by operating activities | $ 360,924 |

See accompanying notes to financial statements.

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.

## 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.

## 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.

## 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 my 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 collectability of the particular receivable. At December 31, 2019, $2,960 and $38,923 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 7.49 percent sales and use tax dedicated to general operating expenses of the Town.

Effective January 1, 2019, the Town passed an additional sales tax of 4.51 percent for the purposes of acquiring, constructing, improving, maintaining, operating and keeping in repair the public roads, highways, bridges, and drainage facilities within the Town, and for the purposes of acquiring, constructing, improving, maintaining, supporting and/or operating recreational parks, facilities and equipment in the Town.

## 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 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 12 mills were levied on property with assets valuations totaling 7,437,053 and were dedicated for general operating purposes. Total taxes levied after adjustments were $91,288 Taxes receivable at December 31, 2019 totaled $13,201.

## 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, 2019 including petty cash of $500 was $2,095,969 and the banks balance was $2,111,924. The difference is due to outstanding checks and deposits at year end. The bank balances were secured as follows:

| | | |
|---|---|---|
| Secured by FDIC Insurance: | $ | 656,933 |
| Collateralized by securities pledged in the Town's name: | | 1,454,991 |
| Total | $ | 2,111,924 |

## NOTE 4 ACCOUNTS RECEIVABLE

The following is a summary of accounts receivable at December 31, 2019:

| | Governmental Activities | Business-Type Activities | Total |
|---|---|---|---|
| Advalorem Taxes | $ 13,201 | $ - | $ 13,201 |
| Franchise Taxes | 18,800 | - | 18,800 |
| Video Poker | 12,486 | - | 12,486 |
| Charges for services | - | 442,299 | 442,299 |
| Total. | $ 44,487 | $ 442,299 | $ 486,786 |

## NOTE 5 CAPITAL ASSETS

A summary of Town of Logansport's capital assets at December 31, 2019 follows:

| | Balance 1/1/2019 | Additions | Retirements | Balance 12/31/2019 |
|---|---|---|---|---|
| Government Activities | | | | |
| Capital Assets, not being depreciated | | | | |
| Land | $ 76,200 | $ 37,070 | $ - | $ 113,270 |
| Total Capital Assets, not being depreciated | 76,200 | 37,070 | - | 113,270 |
| Capital Assets, being depreciated | | | | |
| Buildings and Equipment | 2,349,888 | 74,000 | - | 2,423,888 |
| Less accumulated depreciation | (888,185) | (88,285) | - | (976,470) |
| Total Buildings and other improvements | 1,461,703 | (14,285) | - | 1,447,418 |
| Equipment and other assets | 151,973 | - | - | 151,973 |
| Less accumulated depreciation | (151,973) | - | - | (151,973) |
| Total Equipment , Furniture & Fixtures | - | - | - | - |
| Total Capital Assets, being depreciated | 1,461,703 | (14,285) | - | 1,447,418 |
| Governmental Activities | | | | |
| Total Capital Assets, net | $ 1,537,903 | $ 22,785 | $ - | $ 1,560,688 |
| Business-Type Activities | | | | |
| Capital Assets, not being depreciated | | | | |
| Land | $ 16,873 | $ - | $ - | $ 16,873 |
| Total Capital Assets, not being depreciated | 16,873 | - | - | 16,873 |
| Capital Assets, being depreciated | | | | |
| Distribution System | 10,197,345 | 149,167 | - | 10,346,512 |
| Less accumulated depreciation | (5,361,332) | (248,728) | - | (5,610,060) |
| Total Distribution System | 4,836,013 | (99,561) | - | 4,736,452 |
| Equipment, furniture & fixtures | 603,677 | 29,445 | - | 633,122 |
| Less accumulated depreciation | (503,902) | (11,285) | - | (515,187) |
| Total Equipment , Furniture & Fixtures | 99,775 | 18,160 | - | 117,935 |
| Total Capital Assets, being depreciated | 4,935,788 | (81,401) | - | 4,854,387 |
| Business-Type Activities | | | | |
| Total Capital Assets, net | $ 4,952,661 | $ (81,401) | $ - | $ 4,871,260 |
| Primary Government | | | | |
| Total Capital Assets, net | $ 6,490,564 | $ (58,616) | $ - | $ 6,431,948 |

## NOTE 6 ACCOUNTS PAYABLE AND ACCRUALS

The following is a summary of accounts payable at December 31, 2019:

| | Governmental Activities | Business-Type Activities | Total |
|---|---|---|---|
| Vendor | $ 84,122 | $ 51,814 | $ 135,936 |
| Payroll taxes | - | - | - |
| Construction | - | - | - |
| Total | $ 84,122 | $ 51,814 | $ 135,936 |

## NOTE 7 LEASES

Town of Logansport was not obligated under any operating lease commitments at December 31, 2019.

## 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, 2019:

| | Balance 12/31/2018 | Issuances | Retirements | Balance 12/31/2019 |
|---|---|---|---|---|
| Water Revenue Bonds | $ 2,269,256 | $ - | $ (62,770) | $ 2,206,486 |
| Sewer Revenue Bonds | 817,000 | - | (55,000) | 762,000 |
| Balance, December 31, 2019 | $ 3,086,256 | $ - | $ (117,770) | $ 2,968,486 |

Bonds payable at December 31, 2019 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% | $ 2,206,486 |
| 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% | $ 762,000 |

## NOTE 9 LONG TERM DEBT (CONTINUED)

The annual requirements to amortize all long-term debt outstanding as of December 31, 2019 including interest payments of $1,254,174 are as follows:

| Year Ending | Revenue Bonds | | Sewer Bonds | | Total | |
|---|---|---|---|---|---|---|
| December 31 | Principal | Interest | Principal | Interest | Principal | Interest |
| 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 | 75,919 | 93,281 | 56,000 | 2,678 | 131,919 | 95,959 |
| 2024 | 79,604 | 89,595 | 55,000 | 2,421 | 134,605 | 92,016 |
| 2025 and after | 1,843,688 | 748,073 | 484,000 | 8,616 | 2,327,688 | 756,689 |
| Totals | $ 2,206,486 | $ 1,231,274 | $ 762,000 | $ 22,900 | $ 2,968,487 | $ 1,254,174 |

## NOTE 10 CONCENTRATION OF CREDIT RISK

One customer accounted for fifty one (51) percent of sewer revenue.

## NOTE 11 SUBSEQUENT EVENTS

In December 2019, an outbreak of a novel strain of coronavirus (COVID-19) originated in Wuhhan, China and has since spread to other countries, including the U.S. On March 11, 2020, the World Health Organization characterized COVID -19 as a pandemic. In addition, multiple jurisdictions in the U.S. have declared a state of emergency. It is anticipated that these impacts will continue for some time. Future potential impacts may include may include disruptions or restrictions on our employee's ability to work and revenue sources. The future effects of this issue are unknown.

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, 2019

| | Original | Amended | Actual | Variance |
|---|---|---|---|---|
| Revenues | | | | |
| Taxes, Licenses, and Permits | $ 358,700 | $ 358,700 | $ 526,985 | $ 168,285 |
| Police Fines | - | - | 714 | 714 |
| Intergovernmental | 80,000 | 80,000 | 173,188 | 93,188 |
| Miscellaneous | 11,100 | 11,100 | 31,347 | 20,247 |
| Total Revenues | 449,800 | - 449,800 | 732,234 | 282,434 |
| Expenditures | | | | |
| General Government | 359,800 | 359,800 | 287,433 | 72,367 |
| Highways and Streets | 90,000 | 90,000 | 112,408 | (22,408) |
| Total Expenditures | 449,800 | 449,800 | 399,841 | 49,959 |
| Net Changes in Fund Balances before Other Sources | - | - | 332,393 | 332,393 |
| Other Sources | | | | |
| Transfers from Other Funds | - | - | - | - |
| Total Other Sources | - | - | - | - |
| Net Changes in Fund Balances | - | - | 332,393 | 16,383 |
| Fund Balances, Beginning of Year | 830,709 | 830,709 | 830,709 | - |
| Fund Balances, End of year | $ 830,709 | $ 830,709 | $ 1,163,102 | $ 16,383 |

TOWN OF LOGANSPORT, LOUISIANA
SCHEDULE OF COMPENSATION, REIMBURSEMENTS, BENEFITS, AND OTHER PAYMENTS TO AGENCY HEAD
FOR THE YEAR ENDED DECEMBER 31, 2019

Agency Head: Honorable Judge Cordray, Mayor

| | | |
|---|---|---|
| Salary | $ | 12,000 |
| Payroll Taxes | $ | 918 |
| Travel | $ | - |
| Reimbursements | $ | - |
| Seminars | $ | - |

TOWN OF LOGANSPORT, LOUISIANA
SCHEDULE OF COMPENSATION PAID TO MAYOR AND
MEMBERS OF THE TOWN COUNCIL
YEAR ENDED DECEMBER 31, 2019

| | | | |
|---|---|---|---|
| Judge Cordray, Mayor | P. O. Box 69, Logansport, LA | (318)564-5311 | $ 12,000 |
| Norman Arbuckle | P. O. Box 425, Logansport, LA | (318)697-5311 | 2,400 |
| Martha Guillotte | P. O. Box 756, Logansport, LA | (318)697-5534 | 2,400 |
| Katherine Freeman | P. O. Box 819, Logansport, LA | (318)471-1757 | 2,400 |
| Dwight Gatlin | 202 Bonner Road, Logansport, LA | (318)332-3019 | 2,400 |
| Pam Thomas | 101 S Bogla Road, Apt. 826, Logansport, LA | (318)364-5538 | 2,400 |
| | Total | | $ 24,000 |

TOWN OF LOGANSPORT, LOUISIANA
SCHEDULE OF INSURANCE COVERAGE
DECEMBER 31, 2019

## Insurance Coverage:

**Auto Policy:** BA OB166734, 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, 2019 to January 1, 2020

**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 $176,625
Crime-Employee Theft: $100,000 Per Employee
Effective Dates: January 1, 2019 to January 1, 2020

**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, 2019 to January 1, 2020

**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, 2019 to January 1, 2020

**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, 2019 to January 1, 2020

**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, 2019 to January 1, 2020

TOWN OF LOGANSPORT
SCHEDULE OF UTILITY RATES
DECEMBER 31, 2019

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

GAS SERVICE

IN TOWN—RESIDENTIAL & COMMERCIAL
0-1000 cubit 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 cubit feet $9.50 minimum
Over 1000 cu ft 3.25 per thousand cu ft
(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 1,114 customers at December 31, 2019.

TOWN OF LOGANSPORT, LOUISIANA
COMPARATIVE
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31,2019

| | 2019 | 2018 |
|---|---|---|
| **OPERATING REVENUES** | | |
| Charges for Services | $ 1,628,700 | $ 1,471,303 |
| Miscellaneous | 5,539 | - |
| Total Operating Revenues | 1,634,239 | 1,471,303 |
| **OPERATING EXPENSES** | | |
| Personal Services | 479,254 | 457,706 |
| Utilities | 48,133 | 37,865 |
| Repair and maintenance | 108,418 | 29,186 |
| Other supplies and expenses | 332,684 | 363,630 |
| Insurance | 34,147 | 62,624 |
| Depreciation | 260,013 | 254,773 |
| Total Operating Expenses | 1,262,649 | 1,205,784 |
| Change in Net Position before Other Income( Ex | 371,590 | 265,519 |
| **OTHER INCOME (EXPENSES)** | | |
| Sale of Assets | - | 5,550 |
| Interest Expense | (108,155) | (113,915) |
| Change in Net Position | 263,435 | 157,154 |
| Net Position, Beginning of Year | 2,819,879 | 2,662,725 |
| Net Position, End of Year | $ 3,083,314 | $ 2,819,879 |

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 of Town of Logansport as of December 31, 2019, and related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued my report thereon dated May 15, 2020.

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.

My consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, I identified a certain deficiency in internal control that I consider to be a material weakness.

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 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.

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 and corrected on a timely basis. I consider the deficiency described in the accompanying schedule of findings and questioned costs to be a material weakness and is reported as Finding #2019-1.

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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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

Purpose of this Report

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

Marsha O. Millican

Certified Public Accountant
May 15, 2020

TOWN OF LOGANSPORT, LOUISIANA
SCHEDULE OF FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2019

1. The auditor's report expresses an unmodified opinion on the financial statements.

2. One deficiency, which is considered to be a material weakness in internal control over financial reporting, was disclosed during the audit.

3. No instances of noncompliance material to the financial statements were disclosed during the audit.

FINDING/NONCOMPLIANCE

FINDING 2019 - #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 will segregate duties as economic and space limitations permit.

TOWN OF LOGANSPORT
CORRECTIVE ACTION TAKEN ON PRIOR YEAR FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2019

FINDING 2018-1: Lack of segregation of duties.

STATUS: Unresolved.

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 agreed to by the Town Council of the Town of Logansport (the Town) and the Louisiana Legislative Auditor (LLA) on the control and compliance areas identified in the LLA's Statewide Agreed Upon Procedures (SAUPs) for the fiscal year January 1 through December 31, 2019. The Town's management is responsible for those control and compliance areas identified in the SAUPs.

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 Council. 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.

My procedures and associated findings are enumerated below.

***Written Policies and Procedures***

***(The following written policies and procedures were not reviewed since there were no exceptions for the prior year, with the exception of the new policy added for Year 3, Disaster Recovery/Business***

1. I obtained and inspected the entity's written policies and procedures and observed that they address each of the following categories and subcategories (if applicable to public funds and the entity's operations):

   a) ***Budgeting***, including preparing, adopting, monitoring and amending the budget.

   b) ***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.

   c) **Disbursements**, including processing, reviewing, and approving.



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d) **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or 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).

e) ***Payroll/Personnel***, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.

f) ***Contracting***, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.

g) ***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 of statements, and (5) monitoring card usage (e.g. determining the reasonableness of fuel card purchases).

h) ***Travel and expense reimbursement***, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.

i) ***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.

j) ***Debt Service,*** including (1) debt issuance approval, (2) continuing disclosure/EMMA requirements, (3) debt reserve requirements, and (4) debt service requirements.

k) ***Disaster Recovery/Business Continuity***, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/ updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

Procedure Results - I noted no exceptions.

***Board or Finance Committee***

***(The following procedures were not performed since there were no exceptions in the prior year.)***

2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:

a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds.

c) For governmental entities, obtain the prior year audit and observe the unrestricted fund balance in the general fund. If the general fund had a negative ending unrestricted fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unrestricted fund balance in the general fund.

***Bank Reconciliations***

3. Obtain a listing of client bank accounts from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 individual accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for selected each account, and observe that:

   a) Bank reconciliation include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);

   b) Bank reconciliations include evidence that a member of management/ board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and

   c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

   Procedure results - I noted no exceptions.

***Collections***

***(The following procedures were not performed since there were no exceptions in the prior year.)***

4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

a) Employees that are responsible for cash collections do not share cash drawers/registers.

b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.

c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledger, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.

d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.

6. Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.

7. Randomly select two deposit dates for each of the five bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). Obtain supporting documentation for each of the 10 deposits and:

a) Observe that receipts are sequentially pre-numbered.

b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.

c) Trace the deposit slip total to the actual deposit per the bank statement.

d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection or the deposit is less than $100).

e) Trace the actual deposit per the bank statement to the general ledger.

***Non-Payroll Disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases)***

***(The following procedures were not performed since there were no exceptions in the prior year.)***

8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).

9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the entity has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:

   a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making a purchase.

   b) At least two employees are involved in processing and approving payments to vendors.

   c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.

   d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

10 For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:

   a) Observe that the disbursement matched the related original invoice/billing statement.

   b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

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

***(The following procedures were not performed since there were no exceptions in the prior year.)***

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

12 Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation and:

   a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved in writing (or electronically approved) by someone other than the authorized card holder.

   b) Observe that finance charges and late fees were not assessed on the selected statements.

13 Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only).

***Travel and Expense Reimbursement***

***(The following procedures were not performed since there were no exceptions in the prior year.)***

14 Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:

a) If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the General Services Administration (www.gsa.gov).

b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.

c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).

d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

***Contracts***

***(The following procedures were not performed since there were no exceptions in the prior year.)***

15 Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. Obtain management's representation that the listing is complete. Randomly, select 5 contracts (or all contracts if less than 5) from the listing and:

a) Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.

b) Observe that the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter).

c) If the contract was amended (e.g. change orders, observe that the original contract terms provided for such an amendment.

d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

***Payroll and Personnel***

***(The following procedures were not performed since there were no exceptions in the prior year.)***

16 Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employee's/official, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

17 Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:

a) Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory).

b) Observe that supervisors approved the attendance and leave of the selected employees/officials.

c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.

18 Obtain a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly, select two employees/officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations, agree the hours to the employees/officials' authorized pay rates in the employees/officials' personnel files.

19 Obtain management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.

***Ethics***

***(The following procedures were not performed since there were no exceptions in the prior year.)***

20 Using the 5 randomly selected employees/officials from procedure #16 under 'Payroll and Personnel" above, obtain ethics documentation from management, and:

a) Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.

b) Observe that the documentation demonstrates each employee/official attested through signature verification that he or she has read the entity's ethics policy during the fiscal period.

***Debt Service***

***(The following procedures were not performed since there were no exceptions in the prior year.)***

21 Obtain a listing of bonds/notes issued during the fiscal period and management's representation that the listing is complete. Select all bonds/notes on the listing, obtain supporting documentation, and observe that the State Bond Commission approval was obtained for each bond/note issued.

22 Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants.

***Other***

***(The following procedures were not performed since there were no exceptions in the prior year.)***

23 Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

24 Observe that the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

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 Village and the LLA, and is not intended to be, and should not be, used by anyone other than the specified parties.

Marsha O. Millican

Certified Public Accountant
May 15, 2020