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# TOWN OF LOGANSPORT, LOUISIANA

## FINANCIAL STATEMENTS

## FOR THE YEAR ENDED DECEMBER 31, 2008

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 7/15/09

Marsha O. Millican
Certified Public Accountant
Shreveport, Louisiana

TOWN OF LOGANSPORT, LOUISIANA
DECEMBER 31, 2008
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Marsha O. Millican
CERTIFIED PUBLIC ACCOUNTANT

# INDEPENDENT AUDITOR'S REPORT

The Honorable Katherine Freeman, Mayor
and Town Council
Town of Logansport, Louisiana

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 as of and for the year ended December 31, 2008 which collectively comprise the Town's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Town of Logansport's, management. 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 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, major funds, and remaining fund information of Town of Logansport, Louisiana as of December 31, 2008, and the changes in financial position and cash flows, where applicable, of those activities and funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis presented on pages 3 through 7 and the budgetary information on page 25 are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. I have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, I did not audit the information and express no opinion on it.

In accordance with Government Auditing Standards, I have also issued a report dated May 20, 2009 on my consideration of Town of Logansport's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grants 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Governmental Auditing Standards and should be considered in assessing the results of my audit.

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My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Town of Logansport's basic financial statements. The accompanying supplemental schedules listed in the table of contents as other supplementary information are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Sandra D. McBrain

Certified Public Accountant
May 20, 2009

# TOWN OF LOGANSPORT

KATHERINE FREEMAN
MAYOR

P.O. BOX 400 • LOGANSPORT, LA 71049
(318) 697-5359 Fax (318) 697-5107

SHARON STEWART
CLERK


## MANAGEMENT'S DISCUSSION AND ANALYSIS

## DECEMBER 31, 2008

The Management's Discussion and Analysis of the Town of Logansport's financial performance presents a narrative overview and analysis of the Town of Logansport's financial activities for the year ended December 31, 2008. The document focuses on the current year's activities, resulting changes, and currently known facts. Please read this document in conjunction with the Town's financial statements, which follow this section.

**FINANCIAL HIGHLIGHTS**

Governmental Activities

1) Town of Logansport had cash of $354,821 at December 31, 2008 which represents an increase of $114,357 from prior year end.

2) Town of Logansport had taxes receivable of $29,640 at December 31, 2008 which represents an decrease of $4,866 from prior year end.

3)

4) Town of Logansport had accounts payable and accruals of $7,385 at December 31, 2008 which represents an increase of $418 from the prior year end.

5) Town of Logansport had total revenues of $662,875 for the year ended December 31, 2008 which represents an increase of $96,875 from prior year.

6) Town of Logansport had total expenses of $553,320 for the year ended December 31, 2008 which represents an increase of $60,570 from prior year.

7) Town of Logansport had capital improvements of $15,000 for the year ended December 31, 2008.

Business-Type Activities

1) Town of Logansport had cash $1,020,964 for the year ended December 31, 2008 which represents an increase of $194,872 from prior year.

2) Town of Logansport had accounts receivable of $238,369 for the year ended December 31, 2007 which represents an increase of $73,564 from prior year.

3) Town of Logansport had accounts payable and accruals of $66,877 for the year ended December 31, 2008 which represents an increase of $6,821 from prior year.

4) Town of Logansport had total revenues of $1,464,923 for the year ended December 31, 2007 which represents an increase of $114,279 from prior year.

5) Town of Logansport had total expenses of $1,329,999 for the year ended December 31, 2008 which represents an increase of $41,529 from prior year.

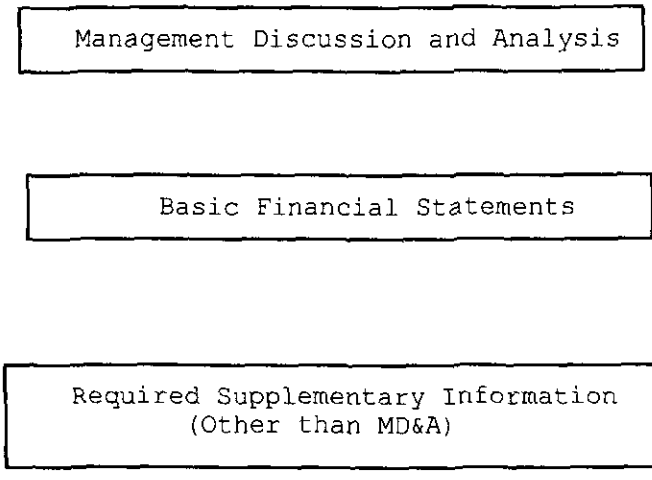
6) Town of Logansport had capital asset improvements of $78,734 for the year ended December 31, 2008.



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**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 Assets and the Statement of Activities (on pages 8 and 9) provide information about the activities of Town of Logansport as a whole and present a longer-term view of the Town's finances. Fund financial statements start on page 10. 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 Assets 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 Assets 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 assets and changes in them. You can think of the Town's net assets, 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 assets are one indicator of whether its financial health is improving or deteriorating.

In the Statement of Net Assets 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 system 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 Village 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 and manage 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 kind 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 a 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 Assets 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 Assets At Year End | | | |
|---|---|---|---|---|
| | Governmental Activities 2008 | Business Activities 2008 | Governmental Activities 2007 | Business Activities 2007 |
| Current and other assets | $ 384,461 | $ 1,295,526 | $ 274,970 | $ 1,022,159 |
| Capital assets, net | 809,462 | 4,211,204 | 833,839 | 4,320,688 |
| Total Assets | $1,193,923 | $ 5,504,630 | $ 1,108,799 | $ 5,342,847 |
| Accounts Payable and Accruals | $ 7,385 | $ 66,877 | $ 11,967 | $ 60,056 |
| Long-Term Debt | 25,000 | 2,757,386 | 42,772 | 2,795,591 |
| Due to Other Funds | 5,000 | - | - | - |
| Customer deposits | - | 76,095 | - | 67,050 |
| Total Liabilities | 37,385 | 2,900,358 | 54,739 | 2,921,697 |
| Net assets | | | | |
| Investment in capital assets, Net of related debt | 784,462 | 1,453,718 | 791,057 | 1,525,097 |
| Restricted Net Assets | 41,160 | 151,703 | 34,353 | - |
| *Unrestricted* | 330,916 | 998,851 | 228,650 | 895,053 |
| Total Net Assets | 1,156,538 | 2,604,272 | 1,054,406 | 2,421,697 |
| Total Liabilities & Net Assets | $1,193,923 | $ 5,504,630 | $ 1,105,573 | $ 5,223,169 |

Net assets of Town of Logansport increased by $102,478 and $183,122 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 2007 (See table below).

| | Statement of Activities As of Year End | | | |
|---|---|---|---|---|
| | Government 2008 | Business 2008 | Government 2007 | Business 2007 |
| General Government Expenses | $ (559,915) | $(1,329,999) | $ (492,750) | $ ( 1,288,470) |
| Program revenues | | | | |
| Charges for services | - | 1,464,923 | - | 1,398,842 |
| Operating and capital grants and Contributions | - | - | 18,000 | - |
| Subtotal | (559,915) | 134,924 | (492,750) | 128,372 |
| General revenues and transfers | $ 662,393 | 48,198 | $ 565,518 | $ 46,037 |
| Change in net assets | $ 102,478 | $ 183,122 | $ 72,768 | $ 174,409 |

Town of Logansport's total revenues and transfers increased by $78,875 or 14% and increased by $66,081 or 5% from the previous fiscal year in Governmental Activities and Business-Type Activities respectively.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

Capital Assets

At the end of 2008, Town of Logansport had $809,462, and $4,211,104 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 $24,367 and a decrease of $109,584 in Governmental Activities and Business-Type Activities, respectively, from the previous year.

**CAPITAL ASSET AND DEBT ADMINISTRATION (CONTINUED)**

Capital Assets (Net) at Year End

| | Governmental Activities | Business-Type Activities |
|---|---|---|
| | 2008 | 2008 |
| Land | 148,200 | 16,873 |
| Buildings and other improvements | 643,068 | - |
| Distribution system | - | 4,009,454 |
| Equipment, furniture and fixtures | 18,194 | 184,777 |
| Total | $ 809,462 | $ 4,211,104 |

Additions for the year ended December 31, 2008 are as follows:

This year's major additions included:

| | Governmental Activities | Business-Type Activities |
|---|---|---|
| Distribution system | $ - | $ 31,508 |
| Land | 15,000 | - |
| Buildings and other improvements | - | - |
| Equipment, furniture and fixtures | - | 47,226 |
| Total | $ 15,000 | $ 78,734 |

Debt
Town of Logansport had $25,000 and $2,757,386 in long-term liabilities payable for Governmental Activities and Business-Type Activities, respectively at year end.

| | Governmental Activities | Business-Type Activities |
|---|---|---|
| Long-term debt | $ 25,000 | $ 2,757,386 |

**VARIATIONS BETWEEN ORIGINAL AND FINAL BUDGETS**

Actual revenues were $62,593 more than budgeted amounts.

Actual expenditures were $14,218 more 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 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 financial information, contact Kathryn Freeman, Mayor of the Town of Logansport, Post Office Box 400, Logansport, Louisiana 71049.

TOWN OF LOGANSPORT, LOUISIANA
STATEMENT OF NET ASSETS
DECEMBER 31, 2008

| ASSETS | Governmental Activities | Business-Type Activities | Total |
|---|---|---|---|
| Current Assets | | | |
| Cash | $ 313,660 | $ 793,166 | $ 1,106,826 |
| Taxes and accounts receivable | 29,640 | 238,369 | 268,009 |
| Inventory | - | 29,193 | 29,193 |
| Total Current Assets | 343,300 | 1,060,728 | 1,404,028 |
| Noncurrent Assets | | | |
| Restricted cash | 41,161 | 227,798 | 268,959 |
| Due to other funds | - | 5,000 | 5,000 |
| Capital assets, net | 809,462 | 4,211,104 | 5,020,566 |
| Total Noncurrent Assets | 850,623 | 4,443,902 | 5,294,525 |
| Total Assets | 1,193,923 | 5,504,630 | 6,698,553 |
| *LIABILITIES AND NET ASSETS* | | | |
| LIABILITIES | | | |
| Current Liabilities | | | |
| Accounts payable and accruals | 7,385 | 66,877 | 74,262 |
| Current portion of long term debt | 11,000 | 38,225 | 49,225 |
| Due to other funds | 5,000 | - | 16,556 |
| Total current liabilities | 23,385 | 105,102 | 128,487 |
| Noncurrent Liabilities | | | |
| Long-term debt, net of current portion | 14,000 | 2,719,161 | 2,733,161 |
| Customer deposits | - | 76,095 | 76,095 |
| Total Noncurrent liabilities | 14,000 | 2,795,256 | 2,809,256 |
| Total liabilities | 37,385 | 2,900,358 | 2,937,743 |
| NET ASSETS | | | |
| Investment in capital assets, Net of related debt | 784,462 | 1,453,718 | 2,238,180 |
| Restricted for debt service | 27,903 | 142,644 | 927,106 |
| Restricted for customer deposits | - | 9,059 | 9,059 |
| Restricted for protested taxes | 13,257 | - | 13,257 |
| Unrestricted | 330,916 | 998,851 | 1,329,767 |
| Total Net Assets | 1,156,538 | 2,604,272 | 3,760,810 |
| Total Liabilities and Net Assets | $ 1,193,923 | $ 5,504,630 | 6,698,553 |

See accompanying notes to financial statements.

# TOWN OF LOGANSPORT, LOUISIANA
## STATEMENT OF ACTIVITIES
## FOR THE YEAR ENDED DECEMBER 31, 2008

| | Expenses | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Governmental Activities | Business-Type Activities | Total |
|---|---|---|---|---|---|---|---|
| Primary Government | | | | | | | |
| Governmental Activities | | | | | | | |
| General Government | $ 520,548 | $ - | $ - | - | $ (520,548) | $ - | $ (520,548) |
| Depreciation | 39,367 | - | - | - | (39,367) | - | (39,367) |
| Total Governmental Activities | 559,915 | - | - | - | (559,915) | | (559,915) |
| Business-Type Activities | | | | | | | |
| Utility Fund | 1,329,999 | 1,464,923 | - | - | - | 134,924 | 134,924 |
| Total Business-Type Activities | 1,329,999 | 1,464,923 | - | - | - | 134,924 | 134,924 |
| Total Primary Government | $ 1,889,914 | $ 1,464,923 | $ - | $ - | (559,915) | 134,924 | (424,991) |
| General Revenues | | | | | | | |
| Taxes | | | | | | | |
| Ad Valorem | | | | | 49,780 | - | 49,780 |
| Licenses and Permits | | | | | 83,883 | - | 79,628 |
| Sales | | | | | 217,528 | - | 217,528 |
| Intergovernmental | | | | | 242,791 | - | 242,791 |
| Fines | | | | | 53,650 | - | 53,650 |
| Miscellaneous | | | | | 14,761 | 48,198 | 62,959 |
| Total General Revenues and Transfers | | | | | 662,393 | 48,198 | 706,336 |
| Change in Net Assets | | | | | 102,478 | 183,122 | 285,600 |
| Net Assets, Beginning of Year | | | | | 1,054,060 | 2,421,150 | 3,475,210 |
| Net Assets, End of Year | | | | | $ 1,156,538 | $ 2,604,272 | $ 3,760,810 |

See accompanying notes to financial statements.

TOWN OF LOGANSPORT, LOUISIANA
GOVERNMENTAL FUNDS
DECEMBER 31, 2008

| | General Fund | Capital Projects Fund | Total |
|---|---|---|---|
| ASSETS | | | |
| Cash | $ 354,821 | $ - | $ 354,821 |
| Taxes and accounts receivable | 29,640 | - | 29,640 |
| Grant receivable | - | - | - |
| Prepaid expenses | - | - | - |
| Total Assets | $ 384,461 | $ - | $ 384,461 |
| LIABILITIES AND FUND BALANCES | | | |
| Liabilities | | | |
| Accounts payable and accruals | $ 7,385 | $ - | $ 7,385 |
| Due to other funds | 5,000 | - | 5,000 |
| Total Liabilities | 12,385 | - | 12,385 |
| Fund Balances | | | |
| Unreserved | 372,076 | - | 372,076 |
| Total Fund Balances | 372,076 | - | 372,076 |
| Total Liabilities and Fund Balances | $ 384,461 | $ - | $ 384,461 |

*See accompanying notes to financial statements.*

TOWN OF LOGANSPORT, LOUISIANA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2008

| | | |
|---|---|---|
| Total Fund Balance for Governmental Funds | $ | 372,076 |
| *Total Net Assets 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. | | 809,462 |
| Governmental funds report principal repayments as expenditures. However, these amounts are not included in the statement of activities but reduce the liability in the statement of net assets | | (25,000) |
| Total Net Assets of Governmental Activities | $ | 1,156,538 |

See accompanying notes to financial statements.

TOWN OF LOGANSPORT LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2008

| | General Fund | Capital Projects | Total |
|---|---|---|---|
| Revenues | | | |
| Taxes | | | |
| Ad Valorem | $ 49,780 | $ - | $ 49,780 |
| Franchise | 83,883 | - | 83,883 |
| Sales | 217,528 | - | 217,528 |
| Intergovernmental | 242,791 | - | 242,791 |
| Fines | 53,650 | - | 53,650 |
| Miscellaneous | 14,761 | - | 14,761 |
| Total Revenues | 662,393 | - | 662,393 |
| Expenditures | | | |
| General Government | 239,802 | - | 239,802 |
| Public Safety | 282,294 | - | 282,294 |
| Streets | 31,224 | - | 31,224 |
| Total Expenditures | 553,320 | - | 553,320 |
| Net Change in Fund Balances | 109,073 | - | 109,073 |
| Fund Balances, Beginning of year | 263,003 | - | 263,003 |
| Fund Balances, End of year | $ 372,076 | $ - | $ 372,076 |

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, 2008

| | | |
|---|---|---|
| Net Changes in Fund Balances - Total Governmental Funds | $ | 109,073 |
| The change in Net Assets 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 (39,367) exceeds capital outlay (15,000) | | (24,367) |
| Governmental fund report principal repayments as expenditures. However, these amounts are not included in the statement of activities but reduces the liability in the statement of net assets. Those expenditures consists of: | | |
| Principal payments on long-term debt | | 17,772 |
| Change in Net Assets of Governmental Activities | $ | 102,478 |

See accompanying notes to financial statements.

TOWN OF LOGANSPORT
STATEMENT OF NET ASSETS
PROPRIETARY FUND
DECEMBER 31, 2008

| | |
|---|---|
| Assets | |
| Current Assets | |
| Cash | $ 793,166 |
| Accounts receivable | 238,369 |
| Inventory | 29,193 |
| Total Current Assets | 1,060,728 |
| | |
| Noncurrent Assets | |
| Restricted cash | 227,798 |
| Due from other funds | 5,000 |
| Capital Assets, Net | 4,211,104 |
| Total Noncurrent Assets | 4,443,902 |
| | |
| Total Assets | $ 5,504,630 |
| | |
| Liabilities and Fund Balances | |
| Liabilities | |
| Accounts payable and accruals | $ 66,877 |
| Current portion of long term debt | 38,225 |
| Total Currrent Liabilities | 105,102 |
| | |
| Noncurrent Liabilities | |
| Long term debt, net of currrent portion | 2,719,161 |
| Customer deposits | 76,095 |
| Total Noncurrent Liabilities | 2,795,256 |
| | |
| Total Liabilities | 2,900,358 |
| | |
| Net Assets | |
| Investments in capital assets, | |
| Net of related debt | 1,453,718 |
| Reserved for debt service | 142,644 |
| Reserved for customer deposits | 9,059 |
| Unrestricted | 998,851 |
| | |
| Total Net Assets | 2,604,272 |
| | |
| Total Liabilities and Net Assets | $ 5,504,630 |

See accompanying notes to financial statements.

TOWN OF LOGANSPORT, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2008

| | |
|---|---|
| **OPERATING REVENUES** | |
| Charges for Services | $ 1,464,923 |
| Miscellaneous | 48,198 |
| Total Operating Revenues | 1,513,121 |
| **OPERATING EXPENSES** | |
| Personal Services | 456,491 |
| Utilities | 27,982 |
| Repair and maintenance | 26,208 |
| Other supplies and expenses | 473,602 |
| Insurance | 25,495 |
| Depreciation | 188,318 |
| Total Operating Expenses | 1,198,096 |
| Change in Net Assets before Othe Expenses | 315,025 |
| **OTHER REVENUE (EXPENSE)** | |
| Rural Development Grant | - |
| Interest | (131,903) |
| Change in Net Assets | 183,122 |
| Net Assets, Beginning of Year | 2,421,150 |
| Net Assets, End of Year | $ 2,604,272 |

See accompanying notes to financial statements.

TOWN OF LOGANSPORT, LOUISIANA
STATEMENT OF CASH FLOWS - PROPRIETARY FUND TYPE
YEAR ENDED DECEMBER 31, 2008

| | | |
|---|---|---|
| Cash flows from operating activities: | | |
| Cash received from customers | $ | 195,900 |
| Cash payments to suppliers and employees | | (161,962) |
| Other operating income | | 23,495 |
| Net cash provided by operating activities | | 310,811 |
| | | |
| Cash flows from capital and related financing activities | | |
| System improvements | | (78,734) |
| Principal payments on long term debt | | (37,205) |
| Net cash used by capital and related financing activities | | (115,939) |
| | | |
| Net increase in cash | | 194,872 |
| | | |
| Cash, January 1, 2008 (including $222,659 in restricted accounts) | | 826,092 |
| | | |
| Cash, December 31, 2008 (including $227,798 in restricted accounts) | $ | 1,020,964 |
| | | |
| Reconciliation of changes in net assets to net cash provided by operating activities: | | |
| Changes in net assets | $ | 183,122 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | |
| Depreciation | | 188,318 |
| Changes in assets and liabilities | | |
| Increase in accounts receivable | | (73,654) |
| Increase in inventory | | (2,841) |
| Increase in due to other funds | | - |
| Increase in accounts payable | | 6,821 |
| Increase in customer deposits | | 9,045 |
| | | |
| *Net cash provided by operating activities* | $ | 310,811 |

See accompanying notes to financial statements

Town of Logansport was incorporated 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 establishes 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 bonded debt.

### C. Government - Wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Assets, Page 8, and the Statement of Activities, Page 9) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from 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 or segment 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, or privileges provided by a given function or segment and b) grants and contributions that are restricted to meetings 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 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 revenues of 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 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 as the Financial Accounting Standards Board pronouncements issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements.

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

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their 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.

**E. Budgetary Accounting**

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 and/or projected expenditures are expected to be more than budgeted amounts by give percent of 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 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, 2008, $3,501 and $37,376 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 Assets. 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 collections 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.

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

**K. Compensated Absences**

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

**L. Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of 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 with 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 7.41 mills were levied on property with assess valuations totaling 6,143,063 and were dedicated for general operating purposes. Total taxes levied after adjustments were $49,780. Taxes receivable at December 31, 2008 totaled $9,677.

**NOTE 3 DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS**

**A. Deposits with Financial Institutions**

For reporting purposes, deposits with financial institutions includes savings, demand deposits, time deposits, and certificates of deposit. Under state law the Town may deposit funds within a fiscal agent bank selected and designated by the Town Council. Further the fund may invest in time certificates of deposit of state banks organized under the laws of Louisiana, national banks having their principal office in the state of Louisiana, in savings accounts or shares of savings and loan associations and savings banks and in 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, 2008 including petty cash of $600 was $1,375,785 and the bank's balance was $1,391,484. The difference is due to outstanding checks and deposits at year end. The bank's balances were secured as follows:

| | |
|---|---|
| Secured by FDIC Insurance: | $ 513,823 |
| Collateralized by securities pledged in the Town's name: | 877,661 |
| Total | $1,391,484 |

**NOTE 4 ACCOUNTS RECEIVABLE**

The following is a summary of accounts receivable at December 31, 2008:

| | Governmental Activities | Business-Type Activities | Total |
|---|---|---|---|
| Taxes | | | |
| Ad valorem | $ 9,677 | $ - | $ 9,677 |
| Franchise | 6,401 | - | 6,401 |
| Video Poker | 13,562 | - | 12,562 |
| Grants | - | - | - |
| Charges for services | - | 238,369 | 238,369 |
| Total | $ 29,640 | $ 238,369 | $ 260,009 |

**NOTE 5 CAPITAL ASSETS**

A summary of Town of Logansport's capital assets at December 31, 2008 follows:

| | Balance 1/1/08 | Additions | Retirements | Balance 12/31/08 |
|---|---|---|---|---|
| Government Activities | | | | |
| Capital Assets, not being depreciated | | | | |
| Land | $ 133,200 | $ 15,000 | $ - | $ 148,200 |
| Total Capital Assets, not being depreciated | 133,200 | 15,000 | - | 148,200 |
| Capital Assets, being depreciated | | | | |
| Buildings and other improvements | 907,817 | - | - | 907,817 |
| Less accumulated depreciation | (234,870) | (29,879) | - | (264,749) |
| Total Buildings & Building Improvements | 672,947 | (29,879) | - | 643,068 |
| Equipment, furniture & fixtures | 150,139 | - | - | 150,139 |
| Less accumulated depreciation | (122,457) | ( 9,488) | - | (131,945) |
| Total Equipment, Furniture & Fixtures | 27,629 | ( 9,488) | - | 18,194 |
| Total Capital Assets, being depreciated | 700,629 | (39,367) | - | 661,262 |
| Governmental Activities | | | | |
| Total Capital Assets, net | $ 833,829 | $ (24,367) | $ - | $ 809,462 |
| 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 | 7,285,900 | 31,508 | - | 7,317,408 |
| Less accumulated depreciation | (3,149,020) | (158,934) | - | (3,307,954) |
| Total Distribution System | 4,136,880 | (127,426) | - | 4,009,454 |
| Equipment, furniture & fixtures | 377,091 | 47,226 | - | 424,317 |
| Less accumulated depreciation | ( 210,156) | (29,384) | - | (239,540) |
| Total Equipment, furniture & fixtures | 166,935 | 17,842 | - | 184,777 |
| Total Capital Assets, being Depreciated | 4,303,815 | (109,584) | - | 4,194,231 |
| Business-Type Activities | | | | |
| Total Capital Assets, net | $ 4,320,688 | $(109,584) | $ - | $ 4,211,104 |
| Primary Government | | | | |
| Total Capital Assets, net | $ 5,154,517 | $(133,951) | $ - | $ 5,020,566 |

**NOTE 6 ACCOUNTS PAYABLE AND ACCRUALS**

The following is a summary of accounts payable at December 31, 2008.

| | Governmental Activities | Business-Type Activities | Total |
|---|---|---|---|
| Vendor | $ 6,028 | $ 60,480 | $ 66,508 |
| Payroll taxes | 1,357 | 3,885 | 5,242 |
| Other | - | 2,512 | 2,512 |
| Total | $ 7,385 | $ 66,877 | $ 74,262 |

877

**NOTE 7 LEASES**

Town of Logansport was not obligated under any operating lease commitments at December 31, 2008.

**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, 2008:

| | Balance 1/01/2008 | Issuances (Retirement) | Balance 12/31/2008 |
|---|---|---|---|
| Certificates of Indebtedness | $ 36,000 | $ ( 11,000) | $ 25,000 |
| Water Revenue Bonds | 2,794,591 | ( 37,205) | 2,757,386 |
| Notes Payable | - | - | - |
| Capital Lease Payable | 6,772 | ( 6,772) | - |
| Balance, December 31, 2008 | $2,837,363 | $( 54,977) | $2,782,386 |

Bonds and certificate of indebtedness payable at December 31, 2008 are comprised of the following individual issues:

| | |
|---|---|
| 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% | $2,757,386 |
| Certificates of Indebtedness: | |
| Certificate R-1 dated December 21, 2000, due in annual installments of $8,000 to $13,000 through December 1, 2010; interest at 5.75% | $ 25,000 |

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

The annual requirements to amortize all long-term debt outstanding as of December 31, 2008 including interest payments of $ 2,545,600 are as follows:

| Year Ending December 31 | Capital Lease | Certificates of Indebtedness | Revenue Bonds | Total |
|---|---|---|---|---|
| 2009 | - | 13,438 | 169,200 | 182,638 |
| 2010 | - | 13,748 | 169,200 | 182,948 |
| 2011 | - | - | 169,200 | 169,200 |
| 2012 | - | - | 169,200 | 169,200 |
| 2013 | - | - | 169,200 | 169,200 |
| 2014 and after | - | - | 4,454,800 | 4,454,800 |
| Totals | - | 27,186 | 5,300,800 | 5,327,986 |

**NOTE 10 PENDING LITIGATION AND CONTINGENT LIABILITIES**

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

TOWN OF LOGANSPORT, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS - BUDGET (GAAP BASIS) AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2008

| | Budgeted Amounts | | | Variance with Final Budget Positive |
|---|---|---|---|---|
| | Original | Final | Actual | (Negative) |
| **Revenues:** | | | | |
| Taxes | | | | |
| Ad Valorem | $ 45,500 | $ 49,750 | $ 49,780 | $ 30 |
| Licenses & Permits | 72,200 | 79,550 | 83,883 | 4,333 |
| Sales | 135,000 | 190,000 | 217,528 | 27,528 |
| Fines | 55,000 | 50,000 | 53,650 | 3,650 |
| Intergovernmental | 205,000 | 220,000 | 242,791 | 22,791 |
| Miscellaneous | 11,950 | 10,500 | 14,761 | 4,261 |
| Total revenues | 524,650 | 599,800 | 662,393 | 62,593 |
| **Expenditures:** | | | | |
| General government | 205,700 | 249,500 | 239,802 | 9,698 |
| Public Safety | 279,788 | 280,038 | 282,294 | (2,256) |
| Highways and streets | 36,000 | 38,000 | 31,224 | 6,776 |
| *Total Expenditures* | 521,488 | 567,538 | 553,320 | 14,218 |
| | | | | - |
| **Excess Revenues Over Expenditures** | 3,162 | 32,262 | 109,073 | 76,811 |
| **Fund Balances, Beginning** | 263,003 | 263,003 | 263,003 | - |
| **Fund Balances, Ending** | $ 266,165 | $ 295,265 | $ 372,076 | $ 76,811 |

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

YEAR ENDED DECEMBER 31, 2008

| | |
|---|---|
| Katherine Freeman, Mayor | $ 12,000 |
| Norman Arbuckle | 2,100 |
| Douglas Guillotte | 2,100 |
| June Hooper | 2,100 |
| Melanie Woods | 2,100 |
| Edith Williams | 2,100 |
| Total | $ 22,500 |

TOWN OF LOGANSPORT, LOUISIANA
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN RETAINED EARINGS -PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31,

| | 2008 | 2007 |
|---|---|---|
| **OPERATING REVENUES** | | |
| Charges for Services | $ 1,464,923 | $ 1,398,842 |
| Miscellaneous | 48,198 | 46,037 |
| Total Operating Revenues | 1,513,121 | 1,444,879 |
| **OPERATING EXPENSES** | | |
| Personal Services | 456,491 | 372,687 |
| Utilities | 27,982 | 34,327 |
| Repair and maintenance | 26,208 | 89,191 |
| Other supplies and expenses | 473,602 | 454,507 |
| Insurance | 25,495 | 25,550 |
| Depreciation | 188,318 | 178,599 |
| Total Operating Expenses | 1,198,096 | 1,154,861 |
| Change in Net Assets before Othe Expenses | 315,025 | 290,018 |
| **OTHER REVENUE (EXPENSE)** | | |
| Rural Development Grant | - | 18,000 |
| Interest | (131,903) | (133,609) |
| Change in Net Assets | 183,122 | 174,409 |
| Net Assets, Beginning of Year | 2,421,150 | 2,246,741 |
| Net Assets, End of Year | $ 2,604,272 | $ 2,421,150 |



# Marsha O. Millican

CERTIFIED PUBLIC ACCOUNTANT

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

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

I have audited the basic financial statements of Town of Logansport as of and for the year ended December 31, 2008, and have issued my report thereon, dated May 20, 2009. 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.

Internal Control Over Financial Reporting

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

My consideration of internal control over financial reporting was for the limited purpose described in the second paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, I identified a certain deficiency in internal control over financial reporting that I consider to be a material weaknesses.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Town's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Town's financial statements that is more than inconsequential will not be prevented or detected by the Town's internal control. I consider the Finding #2008-1 described in the accompanying schedule of findings and responses to be a significant deficiency in internal control over financial reporting.

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

My consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies and, accordingly, would not disclose all significant deficiencies that are also considered to be material weaknesses. However, I believe that Finding #2008-1, lack of segregation of duties, is a material weakness.

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

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.

This report is intended solely for the information of management, the Town Council and applicable federal and state cognizant agencies and is not intended to be, and should not be, used by anyone other than the specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Marsha O. Millican

Certified Public Accountant
May 20, 2009

Town of Logansport, Louisiana

Schedule of Findings and Questioned Costs

*For the Year Ended December 31, 2008*

Summary of Audit Results

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

2. One material weakness is reported in the 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.

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

Finding/Noncompliance

Finding 2008 - #1:
Criteria: The segregation of duties is inadequate to provide effective internal control.

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

Recommendation: No action is recommended.

Management's Response: We concur with the finding.

TOWN OF LOGANSPORT, LOUISIANA

Corrective Action Taken on Prior Year Findings

Year Ended December 31, 2008

FINDING 2007-1:
The segregation of duties is inadequate to provide effective internal control.

STATUS:
No action was recommended due to economic and space limitations and none was taken.