

RECEIVED
LEGISLATIVE AUDITOR

96 JUN 21 AM 8:59

TOWN OF LOGANSFORT, LOUISIANA

OFFICIAL
FILE COPY

DO NOT SEND OUT

(Xerox necessary
copies from this
copy and PLACE
BACK in FILE)

FINANCIAL STATEMENTS

December 31, 1995

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, 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

9-4-96

Marsha O. Millican

CERTIFIED PUBLIC ACCOUNTANT

RECEIVED
LEGISLATIVE AUDITOR

96 JUN 21 AM 8:59

May 3, 1996

The Honorable Harold D. Freeman, Mayor
and Members of the Board of Aldermen
Town of Logansport, Louisiana

In planning and performing my audit of the general purpose financial statements of Town of Logansport for the year ended December 31, 1995, I considered the Town's internal control structure to determine my auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on the internal control structure.

However, during my audit I became of several matters that are opportunities for strengthening internal control and compliance with laws and regulations. I previously reported on the Company's internal control structure and compliance with laws and regulations in separate reports dated May 3, 1996. This letter does not affect my report dated May 3, 1996, on the general purpose financial statements of Town of Logansport, Louisiana.

Finding: State law requires that bank balances be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. At December 31, 1995, deposits of \$ 95,612 were uncollateralized.

Cause: Proceeds of \$120,000 from issuance of certificates of indebtedness were received on December 18, 1995. Disbursements of these funds did not clear the bank until after December 31, 1995, resulting in an unusual and temporary increase in the total cash in bank.

Recommendation: Bank balances should be monitored to ascertain that balances are fully collateralized in accordance with state law.

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

Finding:

The resolution for the 1993 Certificates of indebtedness requires the creation of a special fund to be known as "Town of Logansport, State of Louisiana, Certificates of Indebtedness, Series 1993, Sinking Fund." Amounts are required to be deposited in said Sinking Fund at least three days in advance of the date on which each payment of principal and/or interest falls due. Although timely payments of principal and interest were made, this fund was not established.

Cause:

Town officials did not realize that the resolution required the establishment of a separate sinking fund.

Recommendation:

The Town should comply with the terms of the resolution for issuance of 1993 Certificates of Indebtedness. Although monthly deposits to the sinking fund are not required, I recommend that deposits be made monthly in amounts sufficient to accumulate the balances due by the payment date.

Management's
Response:

We will comply with the terms of the resolution for issuance of 1993 Certificates of Indebtedness.

Finding:

Internal Revenue Service regulations require the preparation of filing of Form 1099 under the following circumstances:
(1) you made a payment for services performed to someone who is not your employee;
(2) you made the payment for services in the course of your business
(3) you made the payment to someone other than a corporation; and
(4) you made payments to the payee of at least \$600 during the year. There were several instances where these circumstances were present and Form 1099 was not prepared and filed.

Cause:

Town official did not realize the reporting requirements for Form 1099.

Recommendation: The Town should prepare and file Form 1099 whenever appropriate.

Management's Response: We will comply with Internal Revenue Requirements regarding Form 1099 in the future.

I will review the status of these comments during my next audit engagement. I have already discussed these comments with Town personnel, and I will be please to discuss them in further detail at your convenience.

I appreciate the courtesies extended to me during my engagement, and look forward to a continuing and mutual beneficial association.

Very truly yours,



Marsha O. Millican, CPA

TOWN OF LOGANSPORT, LOUISIANA

Financial Statements
December 31, 1995

Table of Contents

	<u>EXHIBIT</u>	<u>PAGE</u>
Independent Auditor's Report		1-2
Financial Statements:		
Combined Balance Sheet - All Fund Types and Account Groups	1	3
Combined Statement of Revenues, Expenditures, and Changes in Fund Balance - All Governmental Fund Types	2	4
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund	3	5
Statement of Revenues, Expenses, and Changes in Retained Earnings (Deficit) - Proprietary Fund Type	4	6
Statement of Cash Flows - Proprietary Fund Type	5	7
Notes to Financial Statements		8-18
Supplemental Information:		
Schedule of Compensation - Mayor and Aldermen		19
Independent Auditor's Report on Schedule of Federal Financial Assistance		20
Schedule of Federal Financial Assistance		21
Notes to Schedule of Federal Financial Assistance		22
Independent Auditor's Report on Internal Control Structure Based on an Audit of General Purpose Financial Statements Performed in Accordance with <u>Government Auditing Standards</u>		23-24
Independent Auditor's Report on Compliance Based on an Audit of the General Purpose Financial Statements Performed in Accordance with <u>Government Auditing Standards</u>		25

TOWN OF LOGANSPORT, LOUISIANA

Table of Contents
December 31, 1995

Independent Auditor's Report on the Internal Control Structure Used in Administering Federal Financial Assistance Programs	26-28
Independent Auditor's Report on Compliance with Specific Requirements Applicable to NonMajor Federal Financial Assistance Program Transactions	29
Independent Auditor's Report on Compliance with the General Requirements Applicable to Federal Financial Assistance Programs	30

Marsha O. Millican

CERTIFIED PUBLIC ACCOUNTANT

Independent Auditor's Report

The Honorable Harold D. Freeman, Mayor,
and Members of the Board of Aldermen
Town of Logansport, Louisiana

I have audited the accompanying general purpose financial statements of Town of Logansport, Louisiana, as of December 31, 1995, and for the year then ended. These general purpose financial statements are the responsibility of Town of Logansport, Louisiana, management. My responsibility is to express an opinion on these general purpose financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States, and the provisions of Office of Management and Budget Circular A-128, "Audits of State and Local Governments." Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of Town of Logansport, Louisiana, as of December 31, 1995, and the results of its operations and cash flows of its proprietary fund type for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, I have also issued a report dated May 3, 1996, on my consideration of Town of Logansport's internal control structure and a report dated May 3, 1996, on its compliance with laws and regulations.

My audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The accompanying financial information listed as supplemental information in the table of contents is presented for purposes of additional analysis and is not a required part of the general purpose financial statements of Town of Logansport, Louisiana. The information in this schedule has been subjected to the auditing procedures applied in the examination of the general purpose financial statements and, in my opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

Marsha O. Milligan

Certified Public Accountant
May 3, 1996

<u>Liabilities</u>								
Accounts payable	\$ 16,820	\$ 264,736	\$ 47,383	\$ -	\$ -	\$ 328,939		
Notes payable	6,643	-	4,201	-	-	10,844		
Payable from restricted assets:								
Accrued interest on revenue bonds	-	-	3,265	-	-	3,265		
Customers' deposits	-	-	54,375	-	-	54,375		
Revenue bonds payable	-	-	165,000	-	-	165,000		
Certificates of indebtedness payable	-	-	94,982	-	120,000	214,982		
Due to other funds	<u>41,483</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>41,483</u>		
Total liabilities	<u>64,946</u>	<u>264,736</u>	<u>369,206</u>	<u>-</u>	<u>120,000</u>	<u>818,888</u>		
<u>Fund Equity</u>								
Contributed capital	-	-	2,833,128	-	-	2,833,128		
Investment in general fixed assets	-	-	-	606,623	-	606,623		
Retained earnings:								
Reserved for revenue bond retirement	-	-	141,952	-	-	141,952		
Unreserved (deficit)	-	-	(242,036)	-	-	(242,036)		
Fund Balance: Undesignated	<u>158,582</u>	<u>29,660</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>188,242</u>		
Total retained earnings (deficit)/ fund balance	<u>158,582</u>	<u>29,660</u>	<u>(100,084)</u>	<u>-</u>	<u>-</u>	<u>88,158</u>		
Total fund equity	<u>158,582</u>	<u>29,660</u>	<u>2,733,044</u>	<u>606,623</u>	<u>-</u>	<u>3,527,909</u>		
Total liabilities and fund equity	<u>\$ 223,528</u>	<u>\$ 294,396</u>	<u>\$ 3,102,250</u>	<u>\$ 606,623</u>	<u>\$ 120,000</u>	<u>\$ 4,346,797</u>		

See accompanying notes to financial statements.

TOWN OF LOGANSPOUR, LOUISIANA

Combined Statement of Revenues, Expenditures, and
 Changes in Fund Balance - All Governmental Fund Types
Year Ended December 31, 1995

	<u>Governmental Fund Types</u>		<u>Totals</u>
	<u>General</u>	<u>Capital Projects</u>	<u>(Memorandum Only)</u>
Revenues:			
Taxes	\$ 200,078	\$ -	\$ 200,078
Licenses and permits	41,180	-	41,180
Intergovernmental	165,509	317,778	483,287
Fines and penalties	38,203	-	38,203
Miscellaneous revenues	<u>1,310</u>	<u>5,000</u>	<u>6,310</u>
Total revenues	<u>446,280</u>	<u>322,778</u>	<u>769,058</u>
Expenditures:			
Current:			
General government	79,643	-	79,643
Public safety	233,127	-	233,127
Street	134,153	-	134,153
Capital projects	<u>-</u>	<u>318,518</u>	<u>318,518</u>
Total expenditures	<u>446,923</u>	<u>318,518</u>	<u>765,441</u>
Excess (deficiency) of revenues over expenditures before other financing sources	(643)	4,260	3,617
Other Financing Sources:			
Proceeds from Certificates of Indebtedness	<u>120,000</u>	<u>-</u>	<u>120,000</u>
Excess of revenues over expenditures	119,357	4,260	123,617
Fund balance, beginning of year	<u>39,225</u>	<u>25,400</u>	<u>64,625</u>
Fund balance, end of year	<u>\$ 158,582</u>	<u>\$ 29,660</u>	<u>\$ 188,242</u>

See accompanying notes to financial statements.

TOWN OF LOGANSPORT, LOUISIANA

Statement of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual - General Fund
Year Ended December 31, 1995

	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
Revenues:			
Taxes:			
Property	\$ 32,456	\$ 33,302	\$ 846
Sales	140,000	139,586	(414)
Franchise	27,853	27,190	(663)
Licenses and permits	38,027	41,180	3,153
Intergovernmental	82,243	165,509	83,266
Fines and penalties	36,894	38,203	1,309
Miscellaneous	<u>6,232</u>	<u>1,310</u>	<u>(4,922)</u>
Total revenues	<u>363,705</u>	<u>446,280</u>	<u>82,575</u>
Expenditures:			
Current:			
General government	109,982	79,643	30,339
Public safety	215,559	233,127	(17,568)
Streets	<u>145,000</u>	<u>134,153</u>	<u>10,847</u>
Total expenditures	<u>470,541</u>	<u>446,923</u>	<u>23,618</u>
Excess (deficiency) of revenues over expenditures before other financing sources	(106,836)	(643)	106,193
Other Financing Sources (Uses):			
Proceeds from Certificates of Indebtedness	120,000	120,000	-
Transfers to other funds	<u>(5,000)</u>	<u>-</u>	<u>5,000</u>
Excess of revenues over expenditures	8,164	119,357	111,193
Fund balance, beginning of year	<u>39,225</u>	<u>39,225</u>	<u>-</u>
Fund balance, end of year	<u>\$ 47,389</u>	<u>\$ 158,582</u>	<u>\$ 111,193</u>

See accompanying notes to financial statements.

TOWN OF LOGANSPORT, LOUISIANA

Statement of Revenues, Expenses, and Changes in
Retained Earnings (Deficit) - Proprietary Fund Type
Year Ended December 31, 1995

Operating revenues:	
Charges for services:	
Water sales	\$ 366,910
Sewer revenue	127,748
Gas sales	210,598
Miscellaneous revenues	<u>3,979</u>
Total operating revenues	<u>\$ 709,235</u>
Operating expenses:	
Water department expenses	\$ 308,923
Sewer department expenses	127,540
Gas department expenses	<u>271,795</u>
Total operating expenses	<u>708,258</u>
Operating income	<u>977</u>
Non-operating revenues (expenses):	
Interest income	18,684
Interest expense	<u>(19,253)</u>
Total non-operating revenues (expenses)	<u>(569)</u>
Net income	408
Retained earnings (deficit) - beginning of year	<u>(100,492)</u>
Retained earnings (deficit) - end of year	<u>\$(100,084)</u>

See accompanying notes to financial statements.

TOWN OF LOGANSPOUR, LOUISIANAStatement of Cash Flows - Proprietary Fund Type
Year Ended December 31, 1995

Cash flows from operating activities:	
Cash received from customers	\$ 693,379
Cash payments to suppliers and employees	(598,472)
Other operating income	<u>3,979</u>
Net cash provided by operating activities	<u>98,886</u>
Cash flows from capital and related financing activities:	
Property and equipment acquisitions	(13,710)
Principal paid on revenue bonds, certificates of indebtedness and notes payable	(74,383)
Interest paid on revenue bonds, certificates of indebtedness and notes payable	<u>(20,187)</u>
Net cash used by capital and related financing activities	<u>(108,280)</u>
Cash flows from investing activities:	
Proceeds from maturities of restricted assets	30,000
Purchase of restricted assets	(19,972)
Interest received on investments	<u>19,623</u>
Net cash provided by investing activities	<u>29,651</u>
Net increase in cash	20,257
Cash, January 1, 1995 (including \$98,259 in restricted accounts)	<u>159,442</u>
Cash, December 31, 1995 (including \$103,149 in restricted accounts)	<u>\$ 179,699</u>
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	\$ 977
Adjustments to reconcile net income to net cash provided by operating activities:	
Depreciation	110,305
Changes in assets and liabilities:	
Increase in accounts receivable	(11,877)
Increase in inventory	(2,796)
Increase in due from other funds	(12,847)
Increase in accounts payable	14,604
Increase in customer deposits	<u>520</u>
Net cash provided by operating activities	<u>\$ 98,886</u>

See accompanying notes to financial statements.

TOWN OF LOGANSFORT, LOUISIANA

Notes to Financial Statements
December 31, 1995

The Town of Logansport, Louisiana was incorporated December 14, 1926, under the provisions of the Lawrason Act. The Town operates under a Mayor-Board of Aldermen form of government.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The financial statements of Town of Logansport, Louisiana, have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The following is a summary of the more significant accounting policies:

Reporting Entity. These financial statements include all funds and account groups over which the Town exercises control, authority, management, influence or accountability. Control by or influence over by the Town was determined on the basis of budget adoption, taxing authority, authority to issue debt, election or appointment of governing body, and other general oversight responsibility.

Fund Accounting. The accounts of Town of Logansport, Louisiana, are organized on the basis of funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

Funds are classified into two categories: governmental and proprietary. Each category, in turn, is divided into separate "fund types".

Governmental funds are used to account for all or most of a government's general activities and the acquisition or construction of general fixed-assets (capital projects funds). The general fund is used to account for all activities of the general government not accounted for in some other fund. Proprietary funds are used to 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.

(Continued)

TOWN OF LOGANSPORT, LOUISIANA

Notes to Financial Statements
December 31, 1995

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

Basis of Accounting. The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

All proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and liabilities associated with the operation of these funds are included on the balance sheet. Fund equity (i.e., net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund-type operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net total assets.

The modified accrual basis of accounting is used by all governmental fund types. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined, and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The government considers property taxes available if they are collected within 60 days after year end. A one-year availability period is used for revenue recognition for all other governmental fund revenues. Expenditures are recorded when the related fund liability is incurred.

Those revenues susceptible to accrual are property taxes, franchise taxes, interest revenue and charges for services. Fines, permits and license revenues are not susceptible to accrual because generally they are not measurable until received in cash.

The accrual basis of accounting is utilized by the proprietary fund type. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

Inventory. Inventory is stated at the lower of cost or market and consists of expendable supplies.

(Continued)

TOWN OF LOGANSFORT, LOUISIANA

Notes to Financial Statements
December 31, 1995

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

Budgets and Budgetary Accounting. The Town follows these procedures in establishing the budgetary data reflected in these financial statements:

The Town Clerk and Water Department personnel prepare a proposed budget and submit it to the Mayor and Board of Aldermen no later than fifteen days prior to the beginning of each fiscal year.

A summary of the proposed budget is published and the public is notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.

A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing.

After holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted through passage of an ordinance prior to the commencement of the fiscal year for which the budget is being adopted.

Budgetary amendments involving the transfer of funds from one department, program or function to another or involving increases in expenditures resulting from revenues exceeding amounts estimated require the approval of the Board of Aldermen.

All budgetary appropriations lapse at the end of each fiscal year.

Budgets for the General Fund are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts include the original adopted budget amounts and all subsequent amendments.

Investments. Investments are stated at cost. Minor discounts on U. S. Treasury notes are recorded as income when they are realized.

Bad Debts. Uncollectible amounts due for ad valorem taxes and customers' utility receivables 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.

Retirement Commitments. The Town of Logansport does not maintain a retirement plan for employees. All employees of the Town are members of the Social Security System.

(Continued)

TOWN OF LOGANSPOUR, LOUISIANA

Notes to Financial Statements
December 31, 1995

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

Cash Flows. For purposes of the statement of cash flows, the Town considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

Compensated Absences. No liability is recorded for nonvesting accumulating rights to receive vacation or sick pay benefits.

Property, Plant, and Equipment. The accounting and reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by its measurement focus. All governmental funds are accounted for on a spending or "financial flow" measurement focus. This means that only current assets and current liabilities are generally included in their balance sheets. Their reported fund balance (net current assets) is considered a measure of "available spendable resources". Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

Property, plant and equipment used in governmental fund type organizations (general fixed assets) are accounted for in the General Fixed Assets Account Group, and are recorded as expenditures in the governmental fund types when purchased. Public domain ("infrastructure") general fixed assets consisting of certain improvements other than buildings, including roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, and lighting systems, are not capitalized along with other general fixed assets. No depreciation has been provided on general fixed assets.

All property, plant, and equipment are stated at historical cost, or estimated cost if actual historical cost is not available. Donated fixed assets are stated at their estimated fair value on the date donated.

The account group is not a fund. It is concerned only with the measurement of financial position and is not involved with the measurement of results of operations.

All proprietary funds are accounted for on a cost of services or "capital maintenance" measurement focus and all assets and all liabilities (whether current or noncurrent) associated with their activity are included on their balance sheets.

(Continued)

TOWN OF LOGANSPORT, LOUISIANA

Notes to Financial Statements
December 31, 1995

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

Depreciation is provided in the Enterprise Fund in amounts sufficient to relate the cost of the depreciable assets to operations over their estimated service lives on the straight line basis. The estimated service lives by asset type are as follows:

Water, sewer, and gas system	30 years
Equipment	5-10 years

Total Columns on Combined Statements. Total columns on the combined statements are captioned Memorandum Only to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

2. INVESTMENTS:

At December 31, 1995, the Town had treasury notes totaling \$64,925 and certificates of deposit totaling \$37,300. Investments in certificates of deposit are fully secured by federal deposit insurance. The market values of these investments approximate cost.

3. AD VALOREM TAXES:

Ad Valorem taxes attach as an enforceable lien on property as of December 1, each year. Taxes are levied by the Town and billed to the taxpayers in December, and become delinquent on January 1, of the following year. Revenues from Ad Valorem taxes are budgeted in the year billed. The Town bills and collects its own property taxes using the assessed values determined by the tax assessor of DeSoto Parish. For the year ended December 31, 1995, taxes of 7.43 mills were levied on property with assessed valuations totaling \$4,481,981 and were dedicated for general operating purposes.

Total taxes levied after adjustments were \$33,301. Taxes receivable at December 31, 1995, consisted of the following:

Taxes receivable	\$ 17,885
Less: Allowance for uncollectible taxes	<u>2,977</u>
Total	<u>\$ 14,908</u>

(Continued)

TOWN OF LOGANSPORT, LOUISIANA

Notes to Financial Statements
December 31, 1995

4. ACCOUNTS RECEIVABLE - PROPRIETARY FUND TYPE:

Accounts receivable at December 31, 1995, in the Proprietary Fund Type consisted of the following:

Accounts receivable	\$ 136,567
Less: Allowance for uncollectible accounts	<u>(27,272)</u>
Total	<u>\$ 109,295</u>

5. RESTRICTED ASSETS - PROPRIETARY FUND TYPE:

Restricted assets were applicable to the following at December 31, 1995:

Capital additions and contingencies	\$ 15,572
Bond sinking account	66,230
Bond reserve account	66,727
Customers' deposits	<u>57,570</u>
	<u>\$ 206,099</u>

6. FIXED ASSETS:

A summary of changes in general fixed assets follows:

	Balance Jan. 1, <u>1995</u>	<u>Additions</u>	<u>Deletions</u>	Balance Dec. 31, <u>1995</u>
Buildings	\$ 83,734	\$ -	\$ -	\$ 83,734
Improvements other than buildings	256,244	-	-	256,244
Equipment	<u>253,743</u>	<u>12,902</u>	<u>-</u>	<u>266,645</u>
Total general fixed assets	<u>\$ 593,721</u>	<u>\$ 12,902</u>	<u>\$ -</u>	<u>\$ 606,623</u>

(Continued)

TOWN OF LOGANSFORT, LOUISIANA

Notes to Financial Statements
December 31, 1995

6. FIXED ASSETS:

A summary of proprietary fund type property, plant and equipment at December 31, 1995, follows:

Old water system	\$ 409,768
Old sewer system	1,374,667
Old gas system	575,820
New water, sewer, and gas system	1,808,262
Equipment	96,591
Land	<u>16,873</u>
Total	4,281,981
Less: Accumulated depreciation	<u>(1,608,967)</u>
Net	<u>\$2,673,014</u>

7. NOTES PAYABLE

Notes Payable at December 31, 1995 consisted of the following:

General Fund

Note payable to the Bank of Logansport dated April 27, 1994, due April 27, 1997, payable in monthly installments of \$415, bearing interest at 7.5%, collateralized by police car. \$ 6,643

Proprietary Fund Type

Note payable to Bank of Logansport, dated April 4, 1994, payable in monthly installments of \$296, bearing interest at 7.5%, collateralized by vehicle 4,201

Total notes payable \$ 10,844

(Continued)

TOWN OF LOGANSPORT, LOUISIANA

Notes to Financial Statements
December 31, 1995

8. LONG-TERM DEBT:

The following is a summary of bond transactions of Town of Logansport, Louisiana for the year ended December 31, 1995:

	<u>Certificates of Indebtedness</u>	<u>Revenue Bonds</u>	<u>Total</u>
Balance, January 1, 1995	\$ 116,000	\$ 215,000	\$ 331,000
Certificates issued	120,000	-	120,000
Bonds and certificates retired	<u>(21,018)</u>	<u>(50,000)</u>	<u>(71,018)</u>
Balance, December 31, 1995	<u>\$ 214,982</u>	<u>\$ 165,000</u>	<u>\$ 379,982</u>

Bonds and certificates of indebtedness payable at December 31, 1995 are comprised of the following individual issues:

Revenue Bonds:

\$685,000 water, sewer and gas serial bonds due in annual installments of \$20,000 to \$60,000 through October 1, 1998; interest at 6% to 6.2%

\$ 165,000

Certificates of Indebtedness:

Certificate R-1 dated October 1, 1993, due in annual installments of \$10,000 to \$13,000 through October 1, 1999; interest at 5.5%

47,500

Certificate R-2 dated October 1, 1993, due in annual installments of \$10,000 to \$13,000 through October 1, 1999; interest at 5.5%

47,482

Certificate R-1 dated November 30, 1995, due in annual installments of \$9,000 to \$12,000 through November 1, 2001; interest at 6%

60,000

Certificate R-2 dated November 30, 1995, due in annual installments of \$9,000 to \$12,000 through November 1, 2001; interest at 6%

60,000

Total

\$ 214,982

(Continued)

TOWN OF LOGANSPORT, LOUISIANA

Notes to Financial Statements
December 31, 1995

8. LONG-TERM DEBT: (Continued)

The annual requirements to amortize all long-term debt outstanding as of December 31, 1995, including interest payments of \$69,484 are as follows:

<u>Year Ending December 31</u>	<u>Notes Payable</u>	<u>Certificates of Indebtedness</u>	<u>Revenue Bonds</u>	<u>Total</u>
1996	\$ 8,542	\$ 51,845	\$ 60,230	\$ 120,617
1997	8,542	51,135	62,130	121,807
1998	2,785	49,790	63,720	116,295
1999	-	51,390	-	51,390
2000	-	24,760	-	24,760
2001	-	25,440	-	25,440
Totals	<u>\$ 19,869</u>	<u>\$ 254,360</u>	<u>\$ 186,080</u>	<u>\$ 460,309</u>

The Water, Sewer and Gas Revenue Bond issue of 1974, in the original amount of \$685,000 provides that the bonds and the related interest are payable solely from the revenues to be derived from the operations of the water works, sewer, and gas systems after provision has been made for payment therefrom of the reasonable and necessary expenses of administering, operating and maintaining the systems.

9. 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. The Town has no liability insurance. If the plaintiffs were to be successful, legal representation for the Town estimates the Town's maximum exposure to be \$125,500.

10. DEFICIT BALANCES:

The Enterprise fund has a deficit in retained earnings of \$100,084. The Town, through increased fees and reduced overhead and operating costs, anticipates eliminating this deficit over a period of time. There are no other deficits in fund balances or total equity.

(Continued)

TOWN OF LOGANSPORT, LOUISIANA

Notes to Financial Statements
December 31, 1995

11. CASH BALANCES:

At December 31, 1995, the carrying amount of the Town's cash deposits was \$388,978 and the bank balance was \$520,713. The difference is due to outstanding deposits and checks at December 31, 1995. Deposits of \$127,257 are collateralized by federal deposit insurance, deposits of \$297,844 are collateralized by securities with market values of \$297,844, and deposits of \$95,612 are uncollateralized.

Under state law, these bank balances 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. These 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 Town's deposits are categorized below to give an indication of the level of risk assumed by the Town at year end.

	<u>Bank Balance</u>
Category 1 Deposits insured or collateralized with securities held by the Town or by its agent in the Town's name.	\$ -
Category 2 Deposits collateralized with securities held by the pledging financial institution or agent in the Town's name.	297,844
Category 3 Deposits that are uncollateralized, including any bank balance that is collateralized with securities held by the pledging financial institution, or by its trust department, or agent but not in the Town's name.	<u>95,612</u>
Total	\$393,456

(Continued)

TOWN OF LOGANSPORT, LOUISIANA

Notes to Financial Statements
December 31, 1995

12. CAPITAL PROJECT FUNDS:

The Town was awarded a \$25,000 Rural Development Grant for improvements to the existing sewer system. No grant monies were expended under this grant for the year ended December 31, 1995.

The Town also made improvements to the riverfront park. Revenue and expenditures in this fund for the year ended December 31, 1995, were \$5,000 and \$26,765.

The Town was awarded a \$355,807 community development block grant for streets on October 10, 1994. Revenue and expenditures under this grant for the year ended December 31, 1995 were \$292,778 and \$291,753.

Grants receivable and accounts payable under this grant at December 31, 1995 were \$ 264,736.

SUPPLEMENTAL INFORMATION

Marsha O. Millican

CERTIFIED PUBLIC ACCOUNTANT

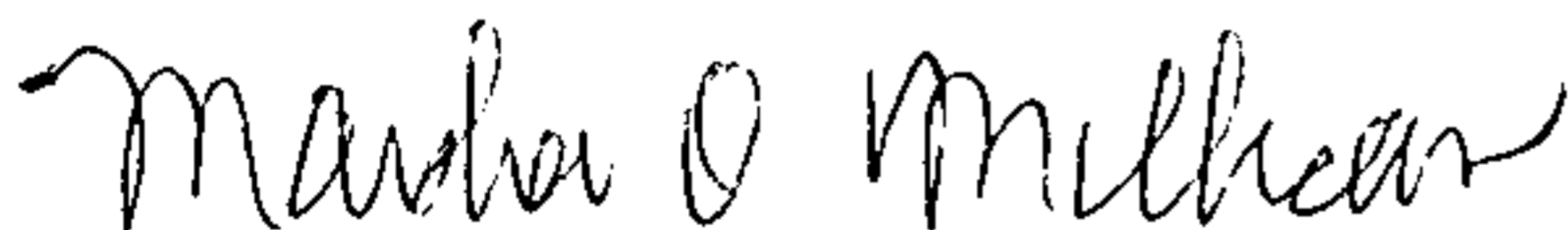
Independent Auditor's Report on the Schedule of Federal Financial Assistance

Honorable Harold D. Freeman, Mayor
and Members of the Board of Aldermen
Town of Logansport, Louisiana

I have audited the general purpose financial statements of Town of Logansport, Louisiana for the year ended December 31, 1995, and have issued my report thereon dated May 3, 1996. These general purpose financial statements are the responsibility of Town of Logansport, Louisiana management. My responsibility is to express an opinion on these general purpose financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States, and the provisions of Office of Management and Budget Circular A-128, "Audits of State and Local Governments." Those standards and OMB Circular A-128 require that I plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose 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.

My audit was made for the purpose of forming an opinion on the general purpose financial statements of Town of Logansport, Louisiana taken as a whole. The accompanying schedule of federal financial assistance is presented for purposes of additional analysis and is not a required part of the general purpose financial statements. The information in that schedule has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in my opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.



Certified Public Accountant
May 3, 1996

TOWN OF LOGANSPORT, LOUISIANA

Schedule of Federal Financial Assistance
Year Ended December 31, 1995

<u>Federal Grantor/ Pass-through Grantor/ Program Title</u>	<u>Federal CFDA Number</u>	<u>Program Award Amount</u>	<u>Beginning Balance at Jan. 1, 1995</u>	<u>Federal Grants Recognized</u>	<u>Disbursements/ Expenditures</u>	<u>Ending Balance Dec. 31, 1995</u>
Department of Housing and <u>Urban Development</u>						
Louisiana Division of Administration: Community Development						
Block Grant	14.228	\$ 355,807	-	\$ 292,778	\$ 291,753	\$ 1,025

The accompanying notes to the schedule of federal financial assistance are an integral part of this schedule.

TOWN OF LOGANSFORT, LOUISIANA

Notes to Schedule of Federal Financial Assistance
December 31, 1995

1. General:

The accompanying Schedule of Federal Financial Assistance presents the activity of all federal financial assistance programs of Town of Logansport, Louisiana.

2. Basis of Accounting:

The accompanying Schedule of Federal Financial Assistance is presented using the modified accrual basis of accounting, which is described in Note 1 to the general purpose financial statements.

3. Relationship to General Purpose Financial Statements:

Federal Financial Assistance revenues are reported in the general purpose financial statements as follows:

	<u>Intergovernmental</u>
Capital Projects Funds:	
Federal Financial Assistance	\$ 292,778
State Financial Assistance	<u>25,000</u>
Total	<u>\$ 317,778</u>

Marsha O. Millican

CERTIFIED PUBLIC ACCOUNTANT

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL STRUCTURE
BASED ON AN AUDIT OF GENERAL PURPOSE
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

The Honorable Dennis Freeman, Mayor
and Members of the Board of Aldermen
Town of Logansport, Louisiana

I have audited the general purpose financial statements of Town of Logansport, Louisiana, as of and for the year ended December 31, 1995, and have issued my report thereon dated May 3, 1996.

I conducted my audit in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States, and the provisions of Office of Management and Budget Circular A-128, "Audits of State and Local Governments." Those standards and OMB Circular A-128 require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

The management of Town of Logansport, Louisiana, is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

In planning and performing my audit of the general purpose financial statements of Town of Logansport for the year ended December 31, 1995, I obtained an understanding of the internal control structure. With respect to the internal control structure, I obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and I assessed control risk in order to determine my auditing procedures for the purpose of expressing my opinion on the general purpose financial statements and not to provide an opinion on the internal control structure. Accordingly, I do not express such an opinion.

754 DALZELL • SHREVEPORT, LOUISIANA 71104 • (318) 221-3881
805 POLK STREET • MANSFIELD, LOUISIANA 71052 • (318) 872-2723

I noted a certain matter involving the internal control structure and its operation that I consider to be a reportable condition under standards established by the American Institute of Certified Public Accountants. A reportable condition involves matters coming to my attention relating to significant deficiencies in the design or operation of the internal control structure that, in my judgment, could adversely affect the Town's ability to record, process, summarize, and report financial data consistent with the assertions of management in the general purpose financial statements.

Finding: 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.

A material weaknesses is a reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

My consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions, and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, I believe that the reportable condition described above is not a material weakness.

I also noted other matters involving the internal control structure and its operation that I have reported to the management of Town of Logansport, Louisiana, in a separate letter dated May 3, 1996.

This report is intended for the information of management, the Board of Aldermen, and applicable federal and state cognizant agencies. However, this report is a matter of public record and its distribution is not limited.

Maisha O. Millen

Certified Public Accountant
May 3, 1996

Marsha O. Millican

CERTIFIED PUBLIC ACCOUNTANT

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE BASED
ON AN AUDIT OF THE GENERAL PURPOSE FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

The Honorable Dennis Freeman, Mayor
and Members of the Board of Aldermen
Town of Logansport, Louisiana

I have audited the general purpose financial statements of Town of Logansport, Louisiana, as of and for the year ended December 31, 1995, and have issued my report thereon dated May 3, 1996.

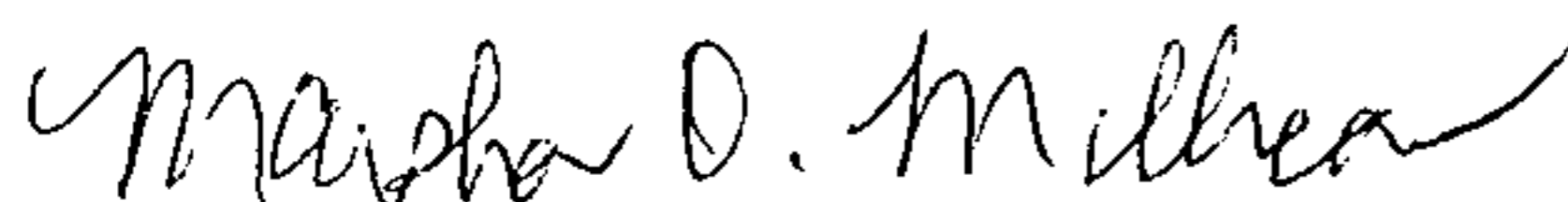
I conducted my audit in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States, and the provisions of Office of Management and Budget Circular A-128, "Audits of State and Local Governments." Those standards and OMB Circular A-128 require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to Town of Logansport, Louisiana, is the responsibility of the management of Town of Logansport, Louisiana. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, I performed tests of the Town's compliance with certain provisions of laws, regulations, contracts, and grants. However, my objective was not to provide an opinion on overall compliance with such provisions. Accordingly, I do not express such an opinion.

The results of my tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

I noted certain immaterial instances of noncompliance that I have reported to the management of Town of Logansport, Louisiana, in a separate letter dated May 3, 1996.

This report is intended for the information of management, the Board of Aldermen, and applicable federal and state cognizant agencies. However, this report is a matter of public record and its distribution is not limited.



Certified Public Accountant
May 3, 1996

Marsha O. Millican

CERTIFIED PUBLIC ACCOUNTANT

INDEPENDENT AUDITOR'S REPORT ON THE INTERNAL CONTROL STRUCTURE USED IN ADMINISTERING FEDERAL FINANCIAL ASSISTANCE PROGRAMS

The Honorable Dennis Freeman, Mayor
and Members of the Board of Aldermen
Town of Logansport, Louisiana

I have audited the general purpose financial statements of Town of Logansport, Louisiana, as of and for the year ended December 31, 1995, and have issued my report thereon dated May 3, 1996.

I conducted my audit in accordance with generally accepted auditing standards; Government Auditing Standards, issued by the Comptroller General of the United States; and Office of Management and Budget (OMB) Circular A-128, "Audits of State and Local Governments." Those standards and OMB Circular A-128 require that I plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

In planning and performing my audit for the year ended December 31, 1995, I considered the internal control structure of Town of Logansport, Louisiana, in order to determine my auditing procedures for the purpose of expressing my opinion on the general purpose financial statements of Town of Logansport, Louisiana, and to report on the internal control structure in accordance with OMB Circular A-128. This report addresses my consideration of internal control structure policies and procedures relevant to compliance with requirements applicable to federal financial assistance programs. I have addressed internal control structure policies and procedures relevant to my audit of the general purpose financial statements in a separate report dated May 3, 1996.

The management of Town of Logansport, Louisiana, is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with generally accepted accounting principles, and that federal financial assistance programs are managed in compliance with applicable laws and regulations. Because of inherent limitations in any internal control structure, errors, irregularities, or instances of noncompliance may nevertheless occur and not be detected.

Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

For the purpose of this report, I have classified the significant internal control structure policies and procedures used in administering federal financial assistance programs in the following categories:

Cash Receipts
Cash Disbursements

For all of the internal control structure categories listed above, I obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and I assessed control risk.

During the year ended December 31, 1995, Town of Logansport, Louisiana, had no major federal financial assistance programs and expended 100% of its total federal financial assistance under its nonmajor federal financial assistance program.

I performed tests of controls, as required by OMB Circular A-128, to evaluate the effectiveness of the design and operation of internal control structure policies and procedures that I considered relevant to preventing or detecting material noncompliance with specific requirements, general requirements, and requirements governing claims for advances and reimbursements and amounts claimed or used for matching that are applicable to the aforementioned nonmajor program. My procedures were less in scope than would be necessary to render an opinion on these internal control structure policies and procedures. Accordingly, I do not express such an opinion.

I noted a certain matter involving the internal control structure and its operation that I consider to be a reportable condition under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to my attention relating to significant deficiencies in the design or operation of the internal control structure that, in my judgment, could adversely affect Town of Logansport's ability to administer federal financial assistance programs in accordance with applicable laws and regulations.

Finding: 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.

Response: We concur with the finding.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that noncompliance with laws and regulations that would be material to a federal financial assistance program may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

My consideration of the internal control structure policies and procedures used in administering federal financial assistance would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, I believe the reportable condition described above is not a material weakness.

This report is intended for the information of management, the Board of Aldermen, and applicable federal and state cognizant agencies. However, this report is a matter of public record and its distribution is not limited.



Certified Public Accountant
May 3, 1996

Marsha O. Millican

CERTIFIED PUBLIC ACCOUNTANT

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH SPECIFIC REQUIREMENTS APPLICABLE TO NONMAJOR FEDERAL FINANCIAL ASSISTANCE PROGRAM TRANSACTIONS

The Honorable Dennis Freeman, Mayor
and Members of the Board of Aldermen
Town of Logansport, Louisiana

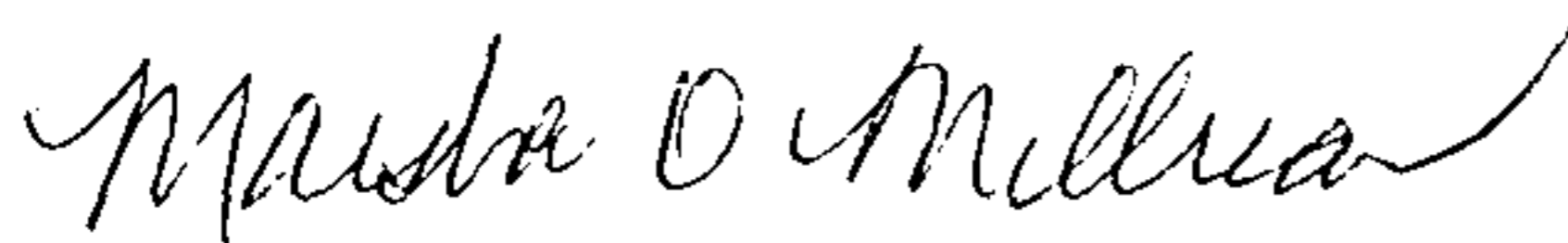
I have audited the general purpose financial statements of Town of Logansport, Louisiana, as of and for the year ended December 31, 1995, and have issued my report thereon dated May 3, 1996.

In connection with my audit of the general purpose financial statements of Town of Logansport, Louisiana, and with my consideration of Town of Logansport's internal control structure used to administer federal financial assistance programs, as required by Office of Management and Budget Circular A-128, "Audits of State and Local Governments," I selected certain transactions applicable to certain nonmajor federal financial assistance programs for the year ended December 31, 1995.

As required by OMB Circular A-128, I have performed auditing procedures to test compliance with the requirements governing types of services allowed or unallowed and eligibility that are applicable to those transactions. My procedures were substantially less in scope than a audit, the objective of which is the expression of an opinion on Town of Logansport's compliance with these requirements. Accordingly, I do not express such an opinion.

With respect to the items tested, the results of those procedures disclosed no material instances of noncompliance with the requirements listed in the preceding paragraph. With respect to items not tested, nothing came to my attention that caused me to believe that Town of Logansport, Louisiana, has not complied, in all material respects, with those requirements.

This report is intended for the information of management, the Board of Aldermen, and applicable federal and state cognizant agencies. However, this report is a matter of public record and its distribution is not limited.



Certified Public Accountant
May 3, 1996

754 DALZELL • SHREVEPORT, LOUISIANA 71104 • (318) 221-3881
805 POLK STREET • MANSFIELD, LOUISIANA 71052 • (318) 872-2723

Marsha O. Millican

CERTIFIED PUBLIC ACCOUNTANT

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH THE GENERAL REQUIREMENTS APPLICABLE TO FEDERAL FINANCIAL ASSISTANCE PROGRAMS

The Honorable Dennis Freeman, Mayor
and Members of the Board of Aldermen
Town of Logansport, Louisiana

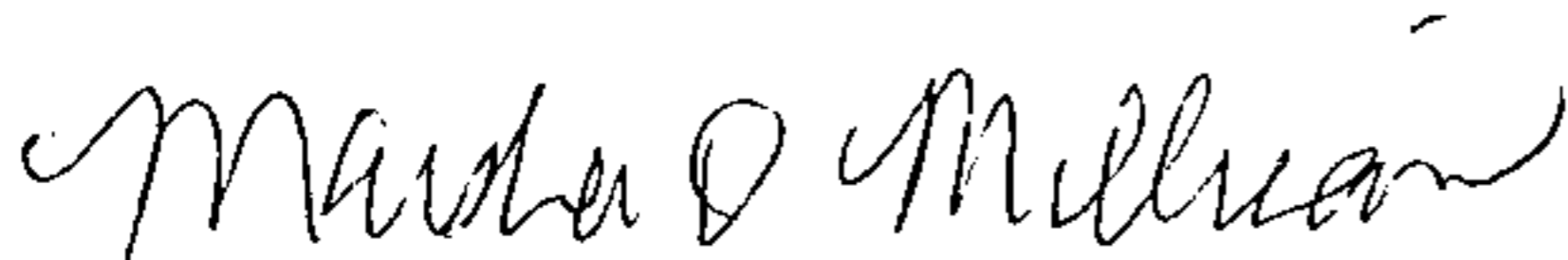
I have audited the general purpose financial statements of Town of Logansport, Louisiana, as of and for the year ended December 31, 1995, and have issued my report thereon dated May 3, 1996.

I have applied procedures to test Town of Logansport, Louisiana's compliance with the following requirements applicable to its federal financial assistance programs, which are identified in the schedule of federal financial assistance, for the year ended December 31, 1995: political activity, Davis-Bacon Act, civil rights, cash management, federal financial reports, allowable costs/cost principles, and administrative requirements.

My procedures were limited to the applicable procedures described in the Office of Management and Budget's "Compliance Supplement for Single Audits of State and Local Governments." My procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on Town of Logansport, Louisiana's compliance with the requirements listed in the preceding paragraph. Accordingly, I do not express such an opinion.

With respect to the items tested, the results of those procedures disclosed no material instances of noncompliance with the requirements listed in the second paragraph of this report. With respect to items not tested, nothing came to my attention that caused me to believe that Town of Logansport, Louisiana, had not complied, in all material respects, with those requirements.

This report is intended for the information of management, the Board of Alderman, and applicable federal and state cognizant agencies. However, this report is a matter of public record and its distribution is not limited.



Certified Public Accountant
May 3, 1996