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TOWN OF WHITE CASTLE, LOUISIANA
FINANCIAL REPORT

September 30, 1999

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 MAR 0 1 2000

TOWN OF WHITE CASTLE, LOUISIANA

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INDEPENDENT AUDITORS' REPORT

The Honorable Mayor and
Members of the Board of Aldermen,
Town of White Castle, Louisiana

We have audited the accompanying general purpose financial statements and the combining, individual fund, and account group financial statements of the **TOWN OF WHITE CASTLE, LOUISIANA** as of and for the year ended September 30, 1999, as listed in the table of contents. These general purpose financial statements are the responsibility of the Town's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we 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. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the **TOWN OF WHITE CASTLE, LOUISIANA** as of September 30, 1999, and the results of its operations and cash flows of its proprietary fund types for the year then ended in conformity with generally accepted accounting principles. Also, in our opinion, the combining, individual fund, and account group financial statements referred to above, present fairly, in all material respects, the financial position of each of the individual funds and account groups of the Town of White Castle, Louisiana as of September 30, 1999, and the results of operations of such funds and the cash flows of individual proprietary fund types for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued reports dated November 24, 1999, on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole and on the combining and individual fund and account group financial statements. The accompanying financial information listed as schedules and statistical information in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements of the Town of White Castle, Louisiana. Schedules 1 & 2 are presented without audit. The statistical information has been subjected to the auditing procedures applied in the audit of the general purpose, combining and individual fund and account group financial statements and, in our opinion, is fairly presented in all material respects in relation to the financial statements of each of the respective individual funds and account groups taken as a whole.

Janeke Winkler, LLC

Certified Public Accountants

Baton Rouge, Louisiana
November 24, 1999

**TOWN OF WHITE CASTLE, LOUISIANA
ALL FUND TYPES AND ACCOUNT GROUPS**

COMBINED BALANCE SHEET

	Governmental Fund Types		
	General	Special Revenue	Debt Service
ASSETS			
Cash and cash equivalents	\$ 6,360	\$ 37,877	\$ 93,554
Investments, at cost	112,264	452,613	144,000
Accounts receivable, net	-	-	-
Due from other governments	30,098	56,037	-
Due from other funds	63,593	-	701
Prepaid insurance	-	-	-
Restricted cash	-	-	-
Inventories, at cost	-	-	-
General fixed assets	-	-	-
Fixed assets, net	-	-	-
Available in debt service fund	-	-	-
Amount to be provided for retirement of general long-term debt	-	-	-
Total assets	<u>\$ 212,315</u>	<u>\$ 546,527</u>	<u>\$ 238,255</u>
LIABILITIES			
Accounts payable	\$ 94,306	\$ -	-
Payroll and other accrued liabilities	10,989	-	-
Due to other funds	-	1,201	-
Customer deposits	-	-	-
Deferred revenue	-	13,918	-
Note payable	36,000	-	-
Current portion of long-term debt	-	-	-
Long-term debt	-	-	-
Total liabilities	<u>141,295</u>	<u>15,119</u>	<u>-</u>
FUND EQUITY			
Contributed capital			
From municipality	-	-	-
From parish	-	-	-
From federal grant	-	-	-
Investment in general fixed assets	-	-	-
Retained earnings			
Reserved - debt extinguishment	-	-	-
Reserved - property, repairs and replacement	-	-	-
Designated - subsequent year's expenses	-	-	-
Unreserved	-	-	-
Fund balance			
Reserved - debt service	-	-	238,255
Designated - subsequent year's expenditures	1,550	57,000	-
Undesignated	69,470	474,408	-
Total fund equity	<u>71,020</u>	<u>531,408</u>	<u>238,255</u>
Total liabilities and fund equity	<u>\$ 212,315</u>	<u>\$ 546,527</u>	<u>\$ 238,255</u>

Proprietary Fund Type	Account Groups		Totals (Memorandum Only)	
	General Fixed Assets	General Long-term Debt	1999	1998
Enterprise				
\$ 128,765	\$ -	\$ -	\$ 266,556	\$ 288,718
435,123	-	-	1,144,000	1,294,000
44,885	-	-	44,885	55,283
-	-	-	86,135	46,994
-	-	-	64,294	23,335
5,814	-	-	5,814	-
125,591	-	-	125,591	146,649
3,534	-	-	3,534	3,534
-	2,837,153	-	2,837,153	2,582,944
3,063,291	-	-	3,063,291	3,005,195
-	-	238,255	238,255	226,993
-	-	968,155	968,155	1,088,417
<u>\$ 3,807,003</u>	<u>\$ 2,837,153</u>	<u>\$ 1,206,410</u>	<u>\$ 8,847,663</u>	<u>\$ 8,762,062</u>
\$ 174,999	\$ -	\$ -	\$ 269,305	\$ 160,265
20,553	-	-	31,542	31,548
63,093	-	-	64,294	23,335
65,538	-	-	65,538	64,704
-	-	-	13,918	17,120
-	-	-	36,000	-
34,541	-	-	34,541	28,103
<u>1,153,363</u>	-	<u>1,206,410</u>	<u>2,359,773</u>	<u>2,378,873</u>
<u>1,512,087</u>	-	<u>1,206,410</u>	<u>2,874,911</u>	<u>2,703,948</u>
289,161	-	-	289,161	289,161
1,122,140	-	-	1,122,140	1,166,373
116,500	-	-	116,500	116,500
-	2,837,153	-	2,837,153	2,582,944
23,228	-	-	23,228	13,609
31,295	-	-	31,295	20,599
710	-	-	710	23,475
711,882	-	-	711,882	817,272
-	-	-	238,255	226,993
-	-	-	58,550	112,302
-	-	-	543,878	688,886
<u>2,294,916</u>	<u>2,837,153</u>	-	<u>5,972,752</u>	<u>6,058,114</u>
<u>\$ 3,807,003</u>	<u>\$ 2,837,153</u>	<u>\$ 1,206,410</u>	<u>\$ 8,847,663</u>	<u>\$ 8,762,062</u>

Notes on Exhibit A-6 are an integral part of this statement.

**TOWN OF WHITE CASTLE, LOUISIANA
ALL GOVERNMENTAL FUND TYPES**

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

For the year ended September 30, 1999

	Totals (Memorandum Only)		
	1999	1998	
REVENUES			
Taxes	\$ 49,685	\$ -	\$ 48,450
License and permits	59,101	-	57,184
Intergovernmental	127,711	648,226	817,837
Fines	57,088	-	53,657
Other	69,635	20,870	64,754
Total revenues	363,220	669,096	1,041,882
EXPENDITURES			
General government	395,007	-	260,509
Public safety	391,106	-	400,944
Streets and sanitation	146,859	-	133,642
Public health	29,792	42,309	64,158
Recreation	79,702	-	139,398
Capital projects	-	-	286,853
Debt service	-	189,166	186,793
Total expenditures	1,042,466	42,309	1,472,297
Excess (deficiency) of revenues over expenditures	(679,246)	626,787	(430,415)
OTHER FINANCING SOURCES (USES)			
Operating transfers in	653,500	-	939,656
Operating transfers out	-	(799,800)	(912,656)
Total other financing sources (uses)	653,500	(799,800)	27,000
Excess (deficiency) of revenues over expenditures and other sources (uses)	(25,746)	(173,013)	(403,415)
FUND BALANCE			
Beginning of year	96,766	704,421	1,570,026
Residual equity transfers	-	-	138,431
End of year	\$ 71,020	\$ 531,408	\$ 1,028,180

**TOWN OF WHITE CASTLE, LOUISIANA
ALL GOVERNMENTAL FUND TYPES**

**COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL**

For the year ended September 30, 1999

	General Fund			Special Revenue Fund		
	Budget	Actual	Variance favorable (unfavorable)	Budget	Actual	Variance favorable (unfavorable)
REVENUES						
Taxes	\$ 48,400	\$ 49,685	\$ 1,285	\$ -	\$ -	\$ -
License and permits	60,000	59,101	(899)	-	-	-
Intergovernmental	123,400	127,711	4,311	666,913	648,226	(18,687)
Fines	60,000	57,088	(2,912)	-	-	-
Other	60,750	69,635	(8,885)	25,500	20,870	(4,630)
Total revenues	<u>352,550</u>	<u>363,220</u>	<u>10,670</u>	<u>692,413</u>	<u>669,096</u>	<u>(23,317)</u>
EXPENDITURES						
General government	362,900	395,007	(32,107)	-	-	-
Public safety	430,276	391,106	39,170	-	-	-
Streets and sanitation	143,900	146,859	(2,959)	-	-	-
Public health	17,500	29,792	(12,292)	52,413	42,309	10,104
Recreation	73,000	79,702	(6,702)	-	-	-
Debt service	-	-	-	-	-	-
Total expenditures	<u>1,027,576</u>	<u>1,042,466</u>	<u>(14,890)</u>	<u>52,413</u>	<u>42,309</u>	<u>10,104</u>
Excess (deficiency) of revenues over expenditures	<u>(675,026)</u>	<u>(679,246)</u>	<u>(4,220)</u>	<u>640,000</u>	<u>626,787</u>	<u>(13,213)</u>
OTHER FINANCING SOURCES (USES)						
Operating transfers in	653,500	653,500	-	-	-	-
Operating transfers out	-	-	-	(797,302)	(799,800)	(2,498)
Total other financing sources (uses)	<u>653,500</u>	<u>653,500</u>	<u>-</u>	<u>(797,302)</u>	<u>(799,800)</u>	<u>(2,498)</u>
Excess (deficiency) of revenues over expenditures and other sources (uses)	<u>\$ (21,526)</u>	<u>(25,746)</u>	<u>\$ (4,220)</u>	<u>\$ (157,302)</u>	<u>(173,013)</u>	<u>\$ (15,711)</u>
FUND BALANCE						
Beginning of year		<u>96,766</u>			<u>704,421</u>	
End of year		<u>\$ 71,020</u>			<u>\$ 531,408</u>	

<u>Debt Service Fund</u>		
<u>Budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
\$ -	\$ -	\$ -
-	-	-
-	-	-
-	-	-
<u>4,800</u>	<u>9,128</u>	<u>4,328</u>
<u>4,800</u>	<u>9,128</u>	<u>4,328</u>
-	-	-
-	-	-
-	-	-
-	-	-
<u>187,895</u>	<u>189,166</u>	<u>(1,271)</u>
<u>187,895</u>	<u>189,166</u>	<u>(1,271)</u>
<u>(183,095)</u>	<u>(180,038)</u>	<u>3,057</u>
193,402	199,825	6,423
<u>(4,600)</u>	<u>(8,525)</u>	<u>(3,925)</u>
<u>188,802</u>	<u>191,300</u>	<u>2,498</u>
<u>\$ 5,707</u>	11,262	<u>\$ 5,555</u>
	<u>226,993</u>	
	<u>\$ 238,255</u>	

Notes on Exhibit A-6 are an integral part of this statement

**TOWN OF WHITE CASTLE, LOUISIANA
ALL PROPRIETARY FUND TYPES**

**COMBINED STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN RETAINED EARNINGS**

For the year ended September 30, 1999

	Totals	
	(Memorandum Only)	
	1999	1998
OPERATING REVENUES		
Charges for services	\$ 535,440	\$ 599,255
Penalties	18,899	20,629
Other	4,171	1,725
Total operating revenues	<u>558,510</u>	<u>621,609</u>
OPERATING EXPENSES		
Gas	80,381	103,318
Depreciation	150,508	149,195
Field	229,587	226,398
Administration	172,622	160,531
Total operating expenses	<u>633,098</u>	<u>639,442</u>
Operating loss	<u>(74,588)</u>	<u>(17,833)</u>
NON-OPERATING		
Interest income	23,853	26,165
Interest expense	(56,338)	(49,307)
Total non-operating	<u>(32,485)</u>	<u>(23,142)</u>
Loss before operating transfers	(107,073)	(40,975)
OPERATING TRANSFERS		
Operating transfers out	<u>(45,000)</u>	<u>(27,000)</u>
Net loss	(152,073)	(67,975)
Depreciation transferred to contributed capital	<u>44,233</u>	<u>44,310</u>
Net decrease in retained earnings	(107,840)	(23,665)
RETAINED EARNINGS		
Beginning balance	<u>874,955</u>	<u>898,620</u>
Ending balance	<u>\$ 767,115</u>	<u>\$ 874,955</u>

Notes on Exhibit A-6 are an integral part of this statement

**TOWN OF WHITE CASTLE, LOUISIANA
ALL PROPRIETARY FUND TYPES**

COMBINED STATEMENT OF CASH FLOWS

For the year ended September 30, 1999

	Totals (Memorandum Only)	
	1999	1998
CASH FLOWS FROM OPERATING ACTIVITIES		
Operating loss	\$ (74,588)	\$ (17,833)
Adjustments to operating income:		
Depreciation	150,508	149,195
Change in operating assets and liabilities:		
Accounts receivable	7,475	(6,974)
Inventories	-	3,105
Customer deposits	834	(99)
Prepaid insurance	(5,815)	7,386
Accounts payable and accrued expenses	72,759	51,998
Net cash provided by operating activities	<u>151,173</u>	<u>186,778</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Due to other funds	40,959	(127,285)
Operating transfers out	(45,000)	(27,000)
Net cash used by non-capital financing activities	<u>(4,041)</u>	<u>(154,285)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Contributed capital	-	138,431
Acquisition and construction of capital assets	(208,604)	(300,795)
Interest expense	(56,338)	(49,307)
Proceeds from water revenue bonds	54,000	119,800
Repayment of water revenue bonds	(1,981)	-
Proceeds from sewer revenue bonds	72,000	-
Repayment of sewer revenue bonds	(27,681)	(26,334)
Net cash used by capital activities	<u>(168,604)</u>	<u>(118,205)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of certificate of deposit, net	28,636	30,013
Interest income	23,853	26,165
Net cash provided by investing activities	<u>52,489</u>	<u>56,178</u>
Increase (decrease) in cash and cash equivalents	31,017	(29,534)
CASH AND CASH EQUIVALENTS, including restricted cash		
Beginning of period	<u>223,339</u>	<u>252,873</u>
End of period	<u>\$ 254,356</u>	<u>\$ 223,339</u>

Notes on Exhibit A-6 are an integral part of this statement.

TOWN OF WHITE CASTLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Statement Presentation

The financial statements of the Town of White Castle, Louisiana (the Town) have been prepared in conformity with generally accepted accounting principles as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. Proprietary funds apply Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails. The more significant accounting policies of the Town are described below.

Reporting Entity

For financial reporting purposes, the Town includes all funds and account groups that are controlled by or dependent on the Town's executive or legislative branches (the Mayor or the Board of Aldermen, respectively). Control by or dependence on the Town is determined on the basis of budget adoption, taxing authority, outstanding debts secured by revenues or general obligations of the Town, obligations of the Town to finance any deficits that may occur, or receipt of significant subsidies from the Town.

The following organization is not part of the Town and thus is excluded from the accompanying financial statements:

White Castle Housing Authority

White Castle Housing Authority's (the Authority) operating and capital expenditures, including debt service, are financed from federal grants and tenant rentals. The Town has no involvement in the determination of the Authority's budget, rental rates, or any obligation for the Authority's outstanding debt. Financial transactions between the Town and the Authority, reported in the accompanying financial statements, reflect contractual agreements between the parties for the provision of specific services by the Town for the Authority.

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 disclosure 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 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Accounting

The Town uses 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 of the Town are classified into two categories - governmental and proprietary. Each category, in turn, is divided into separate "fund types."

Governmental Fund Types

Governmental funds are those through which most governmental functions of the Town are financed. The acquisition, use, and balances of expendable financial resources and related liabilities of the Town are accounted for through governmental funds. Measurement is focused upon determining changes in financial position, rather than net income. The following are the governmental fund types of the Town:

General Fund - The 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.

Special Revenue Funds - Special revenue funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes.

Debt Service Funds - Debt service funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs.

Capital Projects Funds - Capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary Funds). During the year ended September 30, 1998 the capital project reported was completed; therefore individual fund financial statements are not presented.

Proprietary Fund Types

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. 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. Proprietary funds include:

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Enterprise Funds - Enterprise funds are used to account for utility operations that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs and expenses, including depreciation, of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

Account Groups

Account groups are used to establish accounting control and accountability for the Town's fixed assets and general long-term debt. The following are the account groups of the Town:

General Fixed Assets Account Group - This group of accounts represents a summary of the fixed assets of the Town. Capital expenditures are recorded as expenditures in the governmental fund types at the time of purchase and are subsequently recorded, at cost, for control purposes, in the general fixed assets account group.

In accordance with generally accepted accounting principles for governmental entities, depreciation is not recorded on general fixed assets.

General Long-Term Debt Account Group - This group of accounts represents a summary of the long-term debt of the Town.

Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

Governmental funds are maintained on the modified accrual basis of accounting. Revenues are recognized in the accounting period in which they become available (collectible within the current period) and measurable (amount can be determined). Expenditures are recognized in the accounting period in which the liability is incurred, if measurable, except for unmatured interest on general long-term debt which is recognized when due.

The modified accrual basis of accounting as applied to the major sources of revenue is as follows:

Ad valorem taxes and the related state revenue sharing (which is based on population and homesteads in the Town) are recorded in the year the taxes are assessed. Ad valorem taxes are assessed on a calendar year basis, become due on November 15th of each year, and become delinquent after December 31st. The taxes are generally collected in December of the current year and January and February of the following year.

State aid and grants are recorded as revenue when the Town is entitled to the funds, generally corresponding to when grant related costs are incurred by the Town.

Sales taxes are recognized when collected by the intermediary collecting government.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting (Continued)

Interest income on investments is recorded when investments mature and income is received.

All proprietary funds are accounted for on a flow of economic resources measurement focus and a determination of net income and capital maintenance. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. The proprietary funds use the accrual basis of accounting and apply applicable FASB pronouncements in accounting and reporting for its proprietary operations. Revenues are recognized when earned, and expenses are recognized at the time liabilities are incurred.

Cash and Cash Equivalents

A consolidated bank account has been established into which most monies are deposited and from which most disbursements are made. In addition, investment purchases are charged and maturities are deposited to the consolidated bank account. The purpose of this consolidation of bank accounts is to provide administrative efficiency and to maximize investment earnings. The account entitled "Cash and cash equivalents" is therefore composed of a fund's pro rata share of the cash balance in the consolidated cash account as well as its pro rata share of certificates of deposit with maturities of three months or less. Each fund shares pro rata the investment earnings according to its average cash balance.

In addition, separate accounts have been established for certain debt service funds as required by bond resolution and compliance laws. The Town also has an imprest account for disbursements of payroll.

Investments

Investments, which are time certificates of deposit with maturities in excess of three months, are stated at cost, which is market value.

Inventories

Inventories are stated at cost that approximates market value, using the first-in, first-out method.

Accounts Receivable

Uncollectible amounts due for ad valorem taxes and other receivables are recognized as bad debts through the use of an allowance account or are directly charged off at the time information becomes available which indicates that the particular receivable is not collectible. In governmental fund types, the uncollectible amount is charged directly to the revenue reported. On the other hand, in proprietary fund types, the uncollectible amount is recognized as a bad debt expense.

Restricted Cash

Restricted cash on the balance sheet of the enterprise funds represents (1) amounts which have been designated to meet unexpected contingencies for property repairs and replacements, (2) funds held for customer deposits and (3) funds held for retirement of sewer revenue bonds.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

General Fixed Assets

General fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction are reflected as expenditures in governmental funds, and the related assets are reported in the general fixed assets account group at historical cost. Property acquired through donations is recorded at its estimated fair value.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are expensed. Improvements are capitalized.

Public domain ("infrastructure") general fixed assets consisting of roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems are not capitalized, as these assets are immovable and of value only to the government.

Depreciation has not been provided on general fixed assets, nor has interest been capitalized.

Property, Plant, Equipment and Depreciation - Proprietary Funds

Property, plant and equipment used by the proprietary funds are stated at cost. Interest costs incurred during construction periods are capitalized. Depreciation has been provided over the estimated useful lives of the assets using the straight-line method. The estimated useful lives are as follows:

Distribution systems	5 - 50 years
Meters	5 years
Machinery, equipment and vehicles	5 years

Compensated Absences

All full time employees of the Town are entitled to annual vacation and sick leave with pay. Vacation leave entitlement does not carry over from one year to another. Employees are able to accrue unused sick leave without limitation; however, the Town is only liable to pay an employee who was employed by the Town prior to January 1, 1982, any unused sick leave not to exceed (60) days upon retirement. Vacation and sick leave payments are included in expenditures for governmental fund types when the payments are made to employees; the estimated commitment for compensated absences for governmental funds is reported in the general long-term debt account group.

The Town's policy is to present on an accrual basis in its proprietary funds the amount of earned but unused sick leave estimated to be payable upon retirement.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**Reserves and Designations of Equity**

Some portions of fund balance and/or retained earnings are reserved to indicate that a portion of equity is legally restricted to a specific future use and is not available for appropriation or expenditure.

Designated portions of fund balance and/or retained earnings indicate tentative future spending plans, which may be changed and are subject to subsequent authorization before expenditures can be made. The Town has made the following reserves and designations of equity: (a) *Reserved for debt service* is that portion of fund balance which will be used for the payment of general long-term debt principal and interest, (b) *Designated for subsequent year's expenditures* is that portion of fund balance which has been earmarked to make up the following years' budgets, and (c) *Reserved property, repairs and replacement* is that portion of retained earnings to be used for the future acquisition and repairs of property and equipment.

Transfers

Advances between funds that are not expected to be repaid are accounted for as transfers. In those cases where repayment is expected, the advances are accounted for through the various interfund accounts.

Budget Policy and Budgetary Accounting

A proposed budget is prepared and submitted to the Mayor and Board of Aldermen prior to the beginning of each fiscal year. A budget summary and notice of a public hearing is published with the public hearing being conducted prior to the commencement of the budget year.

The annual operating budget, prepared on the accrual basis, covers the general, special revenue, debt service funds, capital projects and enterprise funds. At the end of the fiscal year, unexpended appropriations automatically lapse. Budget amendments are approved by the Board of Aldermen and are included in the financial statements.

The financial transactions of the debt service funds are comparable to the budgeted revenues, expenditures and other financing sources (uses) adopted by the Board of Aldermen. Accordingly, individual budget comparisons are not presented in this financial report.

In connection with budget preparation, a portion of the unreserved fund balance of an individual fund may be designated for expenditures of the subsequent year. Such designation represents the extent to which the fund balance is used to balance the subsequent year's operating budget of that fund, as reflected in the legally adopted budget.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Comparative Total Data

Comparative data for the prior year have been presented in certain accompanying financial statements to provide an understanding of changes in the Town's financial position and operations.

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.

Statement of Cash Flows

For purposes of the statement of cash flows, liquid investments of the enterprise funds, including restricted assets, with a maturity of three months or less are considered to be cash equivalents.

NOTE 2 - CASH AND INVESTMENTS

The Town may invest in United States bonds, treasury notes, or certificates of deposit of state banks organized under the laws of Louisiana and national banks having their principal office in the State of Louisiana or other qualifying federally insured investments.

At year end, the Town's cash and related investment balances, including restricted cash, totaled \$1,536,147 and the related bank balances were \$1,567,320. The bank balances at year end were secured by federal depository insurance of \$200,000 and by collateral held by custodial banks in the Town's name.

The collateral pledged at September 30, 1999, was in the form of statutory approved investments as follows:

	Value	
	<u>Par</u>	<u>Market</u>
U.S. Agency	<u>\$ 1,710,472</u>	<u>\$ 1,694,984</u>

NOTE 3 - DUE FROM OTHER GOVERNMENTS

Due from other governments at September 30, 1999, consists of the following:

Parish of Iberville, Louisiana - Sales Tax	\$ 56,037
Local housing Authority	19,934
U.S. Department of Justice	<u>10,164</u>
Total	<u>\$ 86,135</u>

NOTE 4 - AD VALOREM TAXES

For the year ended September 30, 1999, taxes of 7.0 mills for the general fund were levied on property with assessed valuations totaling \$3,341,910; taxes levied were \$23,862.

NOTE 5 - FIXED ASSETS

General Fixed Assets

A summary of changes in general fixed assets for the year ended September 30, 1999, is as follows:

	<u>Beginning of Year</u>	<u>Net Additions</u>	<u>End of Year</u>
Land	\$ 252,266	\$ 36,000	\$ 288,266
Buildings and improvements	1,121,636	188,310	1,309,946
Improvements other than buildings	359,170	-	359,170
Equipment and vehicles	<u>649,872</u>	<u>29,899</u>	<u>879,771</u>
Totals	<u>\$ 2,582,944</u>	<u>\$ 254,209</u>	<u>\$ 2,837,153</u>

Proprietary Fund Fixed Assets

A summary of changes in proprietary fund fixed assets for the year ended September 30, 1999, is as follows:

	<u>Beginning of Year</u>	<u>Net Additions</u>	<u>End of Year</u>
Land	\$ 40,588	\$ -	\$ 40,588
Distribution systems	4,257,461	352,972	4,610,433
Meters	71,544	-	71,544
Machinery, equipment and vehicles	82,798	22,988	105,786
Construction in progress	<u>317,756</u>	<u>(167,356)</u>	<u>150,400</u>
Total assets	4,770,147	<u>\$ 208,604</u>	4,978,751
Less accumulated depreciation	<u>(1,764,952)</u>		<u>(1,915,460)</u>
Totals - net	<u>\$ 3,005,195</u>		<u>\$ 3,063,291</u>

NOTE 6 - NOTE PAYABLE

The note payable is due November 1999. The note is secured by cash accounts. The note has an interest rate of 5.05%.

NOTE 7 - LONG-TERM DEBT

Debt Outstanding

The following is a summary of long-term debt transactions of the Town for the year ended September 30, 1999:

	<u>Beginning of Year</u>	<u>Additions</u>	<u>Retirements</u>	<u>End of Year</u>
General				
Public improvement bonds	\$ 1,030,000	\$ -	\$ 85,000	\$ 945,000
Certificates of Indebtedness	277,000	-	24,000	253,000
Accumulated sick pay benefits	<u>8,410</u>	<u>-</u>	<u>-</u>	<u>8,410</u>
	1,315,410	-	109,000	1,206,410
Enterprise Fund				
Revenue bonds	<u>1,091,566</u>	<u>126,000</u>	<u>29,662</u>	<u>1,187,904</u>
Totals	<u>\$ 2,406,976</u>	<u>\$ 126,000</u>	<u>\$ 138,662</u>	<u>\$ 2,394,314</u>

Long-term debt payable at September 30, 1999, is comprised of the following:

General Long-Term Debt

Public Improvement Bonds

\$1,440,000 Public Improvement Bonds secured by a pledge and dedication of the 2/3% sales and use tax levied and collected by the Parish of Iberville and allocated to the Town, due in annual installments through March 1, 2007; interest varying from at 6.0% - 6.5%.

\$ 945,000

Certificates of Indebtedness

\$300,000 Certificates of Indebtedness secured by a pledge and dedication of annual revenues, due in annual installments through June 1, 2007; interest at 6%

253,000

Accumulated Sick Pay Benefits 8,410

Enterprise Fund

Revenue Bonds

\$1,077,500 Sewer Revenue Bonds secured by a pledge and dedication of sewer revenues, due in monthly installments through May 25, 2019; interest at 5%.

944,085

NOTE 7 - LONG-TERM DEBT

Debt Outstanding

The following is a summary of long-term debt transactions of the Town for the year ended September 30, 1999:

	<u>Beginning of Year</u>	<u>Additions</u>	<u>Retirements</u>	<u>End of Year</u>
General				
Public improvement bonds	\$ 1,030,000	\$ -	\$ 85,000	\$ 945,000
Certificates of Indebtedness	277,000	-	24,000	253,000
Accumulated sick pay benefits	<u>8,410</u>	<u>-</u>	<u>-</u>	<u>8,410</u>
	1,315,410	-	109,000	1,206,410
Enterprise Fund				
Revenue bonds	<u>1,091,566</u>	<u>126,000</u>	<u>29,662</u>	<u>1,187,904</u>
Totals	<u>\$ 2,406,976</u>	<u>\$ 126,442</u>	<u>\$ 139,104</u>	<u>\$ 2,394,314</u>

Long-term debt payable at September 30, 1999, is comprised of the following:

General Long-Term Debt

Public Improvement Bonds

\$1,440,000 Public Improvement Bonds secured by a pledge and dedication of the 2/3% sales and use tax levied and collected by the Parish of Iberville and allocated to the Town, due in annual installments through March 1, 2007; interest varying from at 6.0% - 6.5%.

\$ 945,000

Certificates of Indebtedness

\$300,000 Certificates of Indebtedness secured by a pledge and dedication of annual revenues, due in annual installments through June 1, 2007; interest at 6%

253,000

Accumulated Sick Pay Benefits

8,410

Enterprise Fund

Revenue Bonds

\$1,077,500 Sewer Revenue Bonds secured by a pledge and dedication of sewer revenues, due in monthly installments through May 25, 2019; interest at 5%.

944,085

NOTE 7 - LONG-TERM DEBT (CONTINUED)

Enterprise Fund (Continued)

Revenue Bonds (Continued)

\$72,000 advanced on \$98,000 authorized Sewer Revenue Rehabilitation Bonds secured by a pledge and dedication of sewer revenues, due in monthly installments through June 25, 2039; interest at 4.5% 72,000

\$173,800 advanced on \$230,000 authorized Water Revenue Bonds secured by a pledge and dedication of water revenues, due in monthly installments through March 20, 2038; interest at 4.75% 171,819

Total long-term debt \$ 2,394,314

Debt Service Requirements to Maturity

The annual requirements to amortize debt outstanding at September 30, 1999, including interest payments of \$1,022,835 are as follows:

<u>Year</u>	<u>General Long Term Debt</u>		<u>Enterprise Fund</u>		<u>Total</u>
	<u>Public Improvement Bonds</u>	<u>Certificates of Indebtedness</u>	<u>Sewer Revenue Bonds</u>	<u>Water Revenue Bonds</u>	
2000	\$ 147,700	\$ 41,180	\$ 76,976	\$ 12,972	\$ 278,828
2001	151,855	40,620	80,980	12,972	286,427
2002	150,448	41,000	80,980	12,972	285,400
2003	148,620	41,260	80,980	12,972	283,832
2004	151,200	40,400	80,980	12,972	285,552
2005 - 2038	<u>462,250</u>	<u>121,200</u>	<u>1,193,267</u>	<u>211,983</u>	<u>1,988,700</u>
	<u>\$1,212,073</u>	<u>\$ 325,660</u>	<u>\$ 1,594,163</u>	<u>\$ 276,843</u>	<u>\$ 3,408,739</u>

Normally, debt issues are not retired prior to their maturity. For accounting purposes, interest coupons issued in connection with the sale of various bond issues become obligations/expenditures of the Town only with the passage of time, and they represent fixed and determinable obligations which must be retired from future revenues.

NOTE 7 - LONG-TERM DEBT (CONTINUED)

The following table indicates unmatured interest outstanding at September 30, 1999, and the amounts which can be presumed to be required in future years for retirement of both outstanding debt and interest of the general long-term debt account group which will become due and payable over the remaining life of the various debt issues:

	Amount to be provided for General Long- Term Debt	Unmatured Interest Coupons	<u>Total</u>
Public improvement bonds to be retired from proceeds of sales tax	\$ 722,344	\$ 267,073	\$ 989,417
Certificate of Indebtedness to be retired from excess revenues	237,401	72,660	310,061
Accumulated sick pay benefits to be retired from excess revenues	<u>8,410</u>	<u>-</u>	<u>8,410</u>
Totals	<u>\$ 968,155</u>	<u>\$ 339,733</u>	<u>\$ 1,307,888</u>

Interest expense for this debt as of September 30, 1999, was \$130,999.

Bond Restrictions

Sales Tax Bonds

Under the terms of the indenture authorizing the issuance of Public Improvement Bonds - Series 1992, proceeds of the 2/3% sales and use tax, collected by the Parish of Iberville, and allocated to the Town, are pledged and dedicated for the establishment and maintenance of the following bond funds:

1. A Public Improvement Bond - Series 1992 Sinking Fund is to be used for the payment of the principal and interest on outstanding bonds as they become due and payable. Monthly payments are to be equal to the sum of one-sixth of interest falling due on the next interest payment date and one-twelfth of principal falling due on the next principal payment date.
2. A Public Improvement Bond - Series 1992 Sales Tax Bond Reserve Fund is to be used solely for the purpose of paying principal and interest on bonds payable from the Bond Sinking Fund, as to which there would otherwise be default. Requirements for establishment of the Fund have been met and no further payments are to be made.

NOTE 7 - LONG-TERM DEBT (CONTINUED)

Certificates of Indebtedness

In accordance with the terms of the indenture authorizing the issuance of the certificates of indebtedness, excess revenues are used for the establishment of the 1997 certificates of indebtedness sinking fund. The sinking fund is used for the payment of principal and interest on outstanding debt as it becomes due and payable. Monthly payments are equal to the sum of one-sixth of interest becoming due on the next interest payment date and one-twelfth of principal becoming due on the next principal payment date.

Sewer Revenue Bonds

In accordance with the indenture governing Sewerage Utility Fund Revenue Bonds, Series 1994 and 1999, cash is periodically deposited into accounts administered by a trustee bank. These bonds are a direct liability of the Sewerage Enterprise Fund to be serviced by the earnings from the Fund. Deposits are made to these trust accounts in accordance with the requirements of each.

1. The Sewer System Revenue Fund requires all revenue derived from its operations to be deposited in a bank that is a member of the Federal Deposit Insurance Corporation as long as any of the bonds are outstanding. Required transfers are made on a monthly basis to designated trust accounts. In addition, the Series 1999 Bonds require the use of a separate construction account.
2. The Sewer Revenue Bond Fund requires monthly fund transfers from the Sewer System Revenue Fund to provide payment of the next maturing interest and principal of the revenue bonds.
3. The Sewer Revenue Bond Reserve Fund requires monthly transfers of \$338 until \$80,980 has been accumulated. This fund is restricted to payment of principal and interest in case of default.
4. The Sewer Depreciation and Contingency Fund requires monthly transfers of \$323. The Fund is restricted to payments for unusual or extraordinary maintenance, repairs, replacement, and extensions and improvements that will either enhance its revenue producing capacity or provide improved service. It will also be used to pay principal and interest if there are not sufficient funds in the Sewer Revenue Bond Fund, or Sewer Revenue Bond Reserve Fund. Upon completion of the construction of the improvements financed with the Series 1999 Bonds, the monthly transfer will be \$346.

The Town of White Castle has complied with the above conditions.

NOTE 7 - LONG-TERM DEBT (CONTINUED)

Water Revenue Bonds

In accordance with the indenture governing Water Utility Fund Revenue Bonds, cash is deposited into accounts administered by a trustee bank. These bonds are a direct liability of the Water Enterprise Fund to be serviced by the earnings from the Fund. Deposits are made to these trust accounts in accordance with the requirements of each.

1. The Water Revenue Fund requires all revenue derived from the operation of the system be deposited into the Revenue Fund. Required transfers are made on a monthly basis to designated trust accounts.
2. The Water Revenue Bond and Interest Sinking Fund requires monthly transfers from the Water Revenue Fund to provide payment of the next maturing interest and principal of the revenue bonds. The first debt service payment is due April 20, 1999.
3. The Water Revenue Bond Reserve Fund requires monthly transfers of \$46 - \$55 until \$12,972 has been accumulated. This Fund is restricted to payment of principal and interest in case of default.
4. The Water Depreciation and Contingency Fund requires monthly transfers of \$124. The Fund is established to care for extensions, additions, improvements, renewals and replacements necessary to properly operate the system. Such payments into the Fund are to continue over the life of the bonds.

The Town of White Castle has complied with the above restrictions.

NOTE 8 - DEDICATED REVENUES

Proceeds of the Iberville Parish sales and use tax were dedicated to the following purposes as of September 30, 1999:

Opening, constructing, paving, and improving streets, sidewalks, roads and alleys; constructing bridges; purchasing or constructing water works, sewers, drains, drainage canals, pumping plants, sewerage disposal works, light and power plants, gas plants, halls, jails, fire department stations, hospitals, auditoriums, public parks, natatoriums, libraries, docks, wharves, river terminals and other public buildings, including the necessary equipment and furnishings thereof; or for any one or more such purposes.

Consistent with this dedication, transfers from the Sales Tax Fund are being used to retire the Public Improvement Bonds - Series 1992. See Note 6.

NOTE 9 - SEGMENTS OF ENTERPRISE ACTIVITIES

Three services, gas, water, and sewerage, are provided by the Town and are financed by user charges. The significant financial data for the year ended September 30, 1999, for those services are as follows:

	<u>Gas Utility</u>	<u>Waterworks Utility</u>	<u>Sewerage Utility</u>	<u>Total</u>
Operating revenues	\$ 223,240	\$ 138,218	\$ 197,052	\$ 558,510
Depreciation	9,697	23,627	117,184	150,508
Operating income (loss)	2,670	(21,380)	(55,878)	(74,588)
Operating transfers out	(45,000)	-	-	(45,000)
Net loss	(33,009)	(22,398)	(96,666)	(152,073)
Assets	303,804	789,172	2,714,027	3,807,003
Property and equipment:				
Additions	6,015	47,524	155,065	208,604
Long-term debt	-	171,819	1,016,085	1,187,904
Net working capital	140,292	133,520	51,123	324,935
Total equity	199,232	564,367	1,531,317	2,294,916

NOTE 10 - PENSION AND RETIREMENT PLANS (CONTINUED)

Social Security System

The employees of the Town are covered under the Federal Insurance Contributions Act (Social Security). The Town's contributions were \$40,547 and taxable payroll was \$505,177 for the year ended September 30, 1999.

Municipal Employees' Retirement System of Louisiana

Plan Description – Substantially all employees of the Town are members of the Municipal Employees' Retirement System of Louisiana (System), a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees. The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All employees of the Town are members of Plan B.

All permanent employees working at least 35 hours per week who are paid wholly or in part from Town funds are eligible to participate in the System. Under Plan B, employees who retire at or after age 60 with at least 10 years of creditable service or at or after age 55 with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 2 percent of their final-average salary multiplied for each year of creditable service. Furthermore, employees with at least one year of creditable service but less than 30 years, may take early retirement benefits commencing at or after age 60, with basic benefits reduced 3 percent for each year retirement precedes age 62. In any case, retirement benefit

NOTE 10 - PENSION AND RETIREMENT PLANS (CONTINUED)

paid under Plan B cannot exceed \$70 per month multiplied by total years of creditable service. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above and do not withdraw their employee contributions may retire at the ages specified above and receive the benefit accrued to their date of termination.

The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Municipal Employees' Retirement System, 7937 Office Park Boulevard, Baton Rouge, Louisiana 70809, or by calling (225) 925-4810.

Funding Policy: Under Plan B, members are required by state statute to contribute 5.0 percent of their annual covered salary and the Town is required to contribute at an actuarially determined rate. The current rate was 3.75 - 4.50 percent of annual covered payroll during the year ended September 30, 1999. Contributions to the System also include one-fourth of one percent of the ad valorem taxes shown to be collectible by the tax rolls of each parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the Town are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year.

The Town's contributions to the system under Plan B for the year ended June 30, 1999, was \$10,944.

Municipal Police Employees' Retirement System

Plan Description - Police department employees of the Town are members of the Municipal Police Employees' Retirement System (System), a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees.

All permanent full-time police officers who are paid wholly or in part from Town police department funds are required to participate in the System.

Under the plan, officers who retire at or after age 55 with at least 12 years of creditable service or at or after age 50 with at least 20 years of creditable service or any age with at least 25 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3 and 1/3 percent of their final-average salary multiplied for each year of creditable service not to exceed 100% of final salary. The System also provides death and disability benefits. Benefits are established or amended by state statute.

NOTE 10 - PENSION AND RETIREMENT PLANS (CONTINUED)

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Municipal Police Employees' Retirement System, 8401 United Plaza Boulevard, Suite 270, Baton Rouge, Louisiana 70809-7017, or by calling (225) 929-7411.

Funding Policy: Under the Plan, members are required by state statute to contribute 7.5 percent of their annual covered salary and the Town is required to contribute at an actuarially determined rate. The current rate is 9.0 percent of annual covered payroll. The contribution requirements of plan members and the Town are established and may be amended by state statute. As established by state statute, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year.

The Town's contributions to the system under the Plan for the year ended June 30, 1999, as \$16,401.

NOTE 11 - INTERFUND RECEIVABLE AND PAYABLE BALANCES

Interfund balances at September 30, 1999, were as follows:

	Interfund	
	Receivable	Payable
General Fund		
Gas Utility Fund	\$ 21,391	\$ -
Waterworks Utility Fund	20,851	-
Sewerage Utility Fund	20,851	-
Section 8 Fund	500	-
Sales Tax Fund		
1992 Sinking Fund	-	701
1992 Sinking Fund		
Sales Tax Fund	701	-
Section 8		
General Fund	-	500
Enterprise Funds		
Gas Utility Fund		
General Fund	-	21,391
Waterworks Utility Fund		
General Fund	-	20,851
Sewerage Utility Fund		
General Fund	-	20,851
	\$ 64,294	\$ 64,294

NOTE 12 - INTERFUND TRANSFERS

Operating Transfers

Operating transfers for the year ended September 30, 1999, were as follows:

	Transfers	
	In	Out
General Fund:		
Sales Tax Fund	\$ 608,500	\$ -
Gas Utility Fund	45,000	-
Sales Tax Fund:		
General Fund	-	608,500
1992 Sinking Fund	-	150,493
1997 Sinking Fund	-	40,807
Debt Service Funds:		
1992 Sinking Fund	159,018	-
1992 Reserve Fund	-	8,525
1997 Sinking Fund	40,807	-
Enterprise Fund:		
Gas Utility fund	-	45,000
	<u>\$ 853,325</u>	<u>\$ 853,325</u>

NOTE 13 - COMPENSATION TO GOVERNING BODY

The Town compensated its Mayor and members of the Board of Aldermen as follows:

Mayor	
Maurice Brown	\$ 9,006
Board of Aldermen	
Barbara O'Bear	4,805
John Desselles	4,805
Ernest Allen	4,805
Leonard Johnson	3,511
Garnell Young	3,511
Steve Doiron	1,109
Harold Schexnayder	1,109
	<u>\$ 32,661</u>

NOTE 14 - COMMITMENTS AND CONTINGENCIES

Contractual

At September 30, 1999, the Town's commitments resulting from construction and engineering contracts was approximately \$121,000.

Sewer Revenue Bonds

On June 25, 1998, the Town entered into a loan agreement with the U.S. Department of Agriculture which authorized the issuance of indebtedness of \$98,000 for capital improvements to the Town's sewerage system. In addition, the U.S. Department of Agriculture has approved \$138,000 of grant funding for this capital improvement project.

NOTE 14 - COMMITMENTS AND CONTINGENCIES (CONTINUED)

Sewer Revenue Bonds (Continued)

During the year ended September 30, 1999, the Town received \$72,000 in proceeds from debt issuance. The Town expects to expend the remaining balance of \$26,000 in debt and \$138,000 in grant funding during the subsequent fiscal year.

Water Revenue Bonds

On September 8, 1997, the Town entered into a loan agreement with the Farmers Home Administration, which authorized the issuance of indebtedness of \$230,000 payable over 40 years at 4.75% per annum. The debt is for the rehabilitation of the Town's water tank and system.

As of September 30, 1999, the Town had received \$173,800 in proceeds from this debt issuance. The remaining balance of \$56,200 is scheduled to be received by the Town during the subsequent fiscal year.

Litigation

A suit arising from operation of the police department has been filed against the Town. The case is covered by insurance; however, the ultimate effect of such litigation cannot be ascertained at this time. It is the opinion of Town management that the ultimate resolution of such litigation will not have a material effect on the financial position of the Town. The Town is vigorously defending this matter.

Various other suits and claims arising in the ordinary course of operations are pending against the Town. The majority of the cases are either covered by insurance or other defenses; however, the ultimate effect of such litigation cannot be ascertained at this time. It is the opinion of the Town's management that the ultimate resolution of such litigation will not have a material effect on the financial position of the Town.

Grants

The Town receives Federal, State and local grants for specific purposes that are subject to audit by grantor agencies. Such audits could lead to requests for reimbursement to the grantor agency for expenditures disallowed under terms of the grant. It is the opinion of Town management that the Town's compliance with the terms of grants will result in no disallowed costs.

Risk Management

The Town is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets, errors and omissions; injuries to employees; and natural disasters for which the Town carries commercial insurance. There were no major changes in insurance coverage from the prior year and settlements have not exceeded coverage in the past three years.

NOTE 15 - YEAR 2000 ISSUE

The Year 2000 issue is the result of shortcomings in many electronic data processing systems and other electronic equipment that may adversely affect the government's operations for the fiscal year ending September 30, 2000.

The Town of White Castle has completed an inventory of computer systems and other electronic equipment that may be affected by the Year 2000 issue and that are necessary to conducting Town operations. The Town has identified such systems as being financial reporting, payroll, and utility operations.

The Town has completed the changes needed to these systems to be Year 2000 compliant. At September 30, 1999, the Town expended approximately \$3,000 for this project.

Because of the unprecedented nature of the Year 2000 issue, its effects and the success of related remediation efforts will not be fully determinable until the Year 2000 and thereafter. Management cannot assure that the Town is or will be Year 2000 ready, that the Town's remediation efforts will be successful in whole or in part, or that parties with whom the Town does business will be Year 2000 ready.

GENERAL FUND

The General Fund is used to account for all financial resources except those required to be accounted for in another fund.

**TOWN OF WHITE CASTLE, LOUISIANA
GENERAL FUND**

BALANCE SHEET

September 30, 1999

	1999	1998
ASSETS		
Cash and cash equivalents	\$ 6,360	\$ 20,596
Investments, at cost	112,264	122,556
Due from other governments	30,098	-
Due from other funds	63,593	22,634
Total assets	\$ 212,315	\$ 165,786
LIABILITIES		
Accounts payable	\$ 94,306	\$ 55,789
Payroll and related payables	10,989	13,231
Note payable	36,000	-
Total liabilities	141,295	69,020
FUND BALANCE		
Designated - subsequent year's expenditures	1,550	-
Undesignated	69,470	96,766
Total fund balance	71,020	96,766
Total liabilities and fund balance	\$ 212,315	\$ 165,786

Notes on Exhibit A-6 are an integral part of this statement.

**TOWN OF WHITE CASTLE, LOUISIANA
GENERAL FUND**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL**

For the year ended September 30, 1999

	1999			1998 Actual
	Budget	Actual	Variance - favorable (unfavorable)	
REVENUES				
Taxes				
Ad valorem	\$ 23,300	\$ 23,862	\$ 562	\$ 22,752
Public utility franchise	20,000	20,712	712	20,655
Cable T.V. franchise	5,100	5,111	11	5,043
License and permits	60,000	59,101	(899)	57,184
Intergovernmental				
Tobacco	11,000	10,998	(2)	10,998
Recreation	54,100	52,831	(1,269)	28,500
Beer	5,100	5,855	755	5,875
Video poker	18,000	15,250	(2,750)	18,046
Fire insurance	11,400	11,407	7	5,402
Local housing authority	14,000	19,934	5,934	17,274
COPS grant	9,800	11,436	1,636	-
Fines	60,000	57,088	(2,912)	53,657
Other				
Lease and royalty	5,850	5,513	(337)	4,473
Interest	500	5,175	4,675	895
Insurance proceeds	43,400	43,397	(3)	-
Miscellaneous	11,000	15,550	4,550	5,207
Total revenues	\$ 352,550	\$ 363,220	\$ 10,670	\$ 255,961

(Continued)

**TOWN OF WHITE CASTLE, LOUISIANA
GENERAL FUND**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL**

For the year ended September 30, 1999

	1999			1998 Actual
	Budget	Actual	Variance - favorable (unfavorable)	
EXPENDITURES				
General government	\$ 362,900	\$ 395,007	\$ (32,107)	\$ 260,509
Public safety	430,276	391,106	39,170	400,944
Streets and sanitation	143,900	146,859	(2,959)	133,642
Public health	17,500	29,792	(12,292)	12,358
Recreation	73,000	79,702	(6,702)	139,398
Total expenditures	<u>1,027,576</u>	<u>1,042,466</u>	<u>(14,890)</u>	<u>946,851</u>
Excess of expenditures over revenues	(675,026)	(679,246)	(4,220)	(690,890)
OTHER FINANCING SOURCES				
Operating transfers in	<u>653,500</u>	<u>653,500</u>	-	<u>658,500</u>
Excess of expenditures over revenues and other financing source	<u>\$ (21,526)</u>	<u>(25,746)</u>	<u>\$ (4,220)</u>	<u>(32,390)</u>
FUND BALANCE				
Beginning of year		<u>96,766</u>		<u>129,156</u>
End of year		<u>\$ 71,020</u>		<u>\$ 96,766</u>

Notes on Exhibit A-6 are an integral part of this statement.

**TOWN OF WHITE CASTLE, LOUISIANA
GENERAL FUND**

**STATEMENT OF DEPARTMENTAL EXPENDITURES -
BUDGET (GAAP BASIS) AND ACTUAL**

For the year ended September 30, 1999

	1999		Variance - favorable (unfavorable)	1998 Actual
	Budget	Actual		
GENERAL GOVERNMENT				
Salaries	\$ 25,000	\$ 31,380	\$ (6,380)	\$ 29,575
Payroll taxes	3,000	3,852	(852)	3,709
Municipal retirement	1,500	2,113	(613)	1,545
Employee's insurance	16,000	3,577	12,423	22,250
Insurance	30,000	39,761	(9,761)	38,109
Accounting	25,000	23,806	1,194	21,971
Legal	35,000	31,881	3,119	33,168
General fixed assets	152,000	150,757	1,243	17,234
Maintenance - building	7,500	32,994	(25,494)	14,377
Publishing	5,200	6,427	(1,227)	13,065
Office supplies	2,500	2,609	(109)	3,974
Dues and subscriptions	2,900	3,700	(800)	2,308
Coroner	2,500	2,955	(455)	3,170
Telephone	6,300	5,650	650	5,098
Travel	24,000	25,271	(1,271)	22,893
Printing	1,600	1,198	402	736
Council on Aging	5,800	6,477	(677)	7,096
Commissioners	1,500	1,500	-	1,500
Drug testing	900	985	(85)	831
Maintenance contracts	3,000	2,530	470	4,262
Appraisals	500	400	100	500
Debt service	-	1,105	(1,105)	-
Other	11,200	14,079	(2,879)	13,138
Total general government	<u>362,900</u>	<u>395,007</u>	<u>(32,107)</u>	<u>260,509</u>
RECREATION				
Capital outlay	71,800	71,810	(10)	138,270
Utilities	1,200	2,035	(835)	1,128
Materials and supplies	-	5,857	(5,857)	-
Total recreation	<u>73,000</u>	<u>79,702</u>	<u>(6,702)</u>	<u>139,398</u>
PUBLIC HEALTH	<u>\$ 17,500</u>	<u>\$ 29,792</u>	<u>\$ (12,292)</u>	<u>\$ 12,358</u>

**TOWN OF WHITE CASTLE, LOUISIANA
GENERAL FUND**

**STATEMENT OF DEPARTMENTAL EXPENDITURES -
BUDGET (GAAP BASIS) AND ACTUAL**

For the year ended September 30, 1999

	1999		Variance - favorable (unfavorable)	1998 Actual
	Budget	Actual		
PUBLIC SAFETY				
Police				
Salaries	\$ 265,500	\$ 236,775	\$ 28,725	\$ 245,776
Payroll taxes	22,050	19,531	2,519	19,997
Municipal retirement	12,000	17,295	(5,295)	11,861
Employee's insurance	50,000	41,660	8,340	31,394
General fixed assets	28,001	23,601	4,400	19,774
Maintenance - vehicle	8,100	8,058	42	15,436
Insurance	9,600	-	9,600	4,641
Field supplies	750	4,844	(4,094)	4,017
Clothing	1,800	1,407	393	3,247
Printing	1,200	995	205	608
Jail house	2,000	2,329	(329)	2,573
Drug testing	300	292	8	769
Maintenance - building	375	519	(144)	427
Vehicle fuel	8,000	9,284	(1,284)	6,827
Dues and subscriptions	200	159	41	210
Travel	1,000	2,893	(1,893)	4,365
Telephone	5,200	5,985	(785)	3,056
Maintenance contracts	550	509	41	265
Other	3,350	3,512	(162)	8,996
Total police	419,976	379,648	40,328	384,239
Volunteer fire				
Truck and equipment	8,500	10,106	(1,606)	14,929
Vehicle fuel	1,100	890	210	1,213
Telephone	700	462	238	563
Total volunteer fire	10,300	11,458	(1,158)	16,705
Total public safety	\$ 430,276	\$ 391,106	\$ 39,170	\$ 400,944

**TOWN OF WHITE CASTLE, LOUISIANA
GENERAL FUND**

**STATEMENT OF DEPARTMENTAL EXPENDITURES -
BUDGET (GAAP BASIS) AND ACTUAL**

For the year ended September 30, 1999

	1999		Variance - favorable (unfavorable)	1998 Actual
	Budget	Actual		
STREETS AND SANITATION				
Salaries	\$ 65,000	\$ 69,290	\$ (4,290)	\$ 59,565
Employee's insurance	16,700	15,162	1,538	10,479
Payroll taxes	5,400	5,287	113	4,713
Municipal retirement	1,500	1,615	(115)	1,379
Insurance	4,800	-	4,800	1,098
Maintenance - equipment	2,700	1,394	1,306	3,703
Maintenance - street	4,000	910	3,090	638
Maintenance - vehicle	2,000	2,154	(154)	3,355
Utilities	38,000	46,045	(8,045)	44,362
Vehicle fuel	2,100	2,225	(125)	2,019
Chemicals	1,500	1,064	436	1,556
Drug testing	200	100	100	176
Other	-	1,613	(1,613)	599
Total streets and sanitation	<u>143,900</u>	<u>146,859</u>	<u>(2,959)</u>	<u>133,642</u>
Total expenses	<u>\$ 1,027,576</u>	<u>\$ 1,042,466</u>	<u>\$ (14,890)</u>	<u>\$ 946,851</u>

Notes on Exhibit A-6 are an integral part of this statement.

SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account
for specific revenues
that are legally restricted to
expenditure for specified purposes.

**TOWN OF WHITE CASTLE, LOUISIANA
SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET**

September 30, 1999

	<u>Sales Tax</u> <u>Fund</u>	<u>Section 8</u>	<u>Total</u>	
			<u>1999</u>	<u>1998</u>
ASSETS				
Cash and cash equivalents	\$ 23,459	\$ 14,418	\$ 37,877	\$ 109,864
Investments, at cost	452,613	-	452,613	563,685
Interest receivable	-	-	-	2,200
Due from other governments	56,037	-	56,037	46,993
	<u>532,109</u>	<u>14,418</u>	<u>546,527</u>	<u>722,742</u>
Total assets	<u>\$ 532,109</u>	<u>\$ 14,418</u>	<u>\$ 546,527</u>	<u>\$ 722,742</u>
LIABILITIES				
Due to other funds	\$ 701	\$ 500	\$ 1,201	\$ 1,201
Deferred income	-	13,918	13,918	17,120
	<u>701</u>	<u>14,418</u>	<u>15,119</u>	<u>18,321</u>
Total liabilities	<u>701</u>	<u>14,418</u>	<u>15,119</u>	<u>18,321</u>
FUND BALANCE				
Designated - subsequent year's expenditures	57,000	-	57,000	112,302
Undesignated	474,408	-	474,408	592,119
	<u>531,408</u>	<u>-</u>	<u>531,408</u>	<u>704,421</u>
Total fund balance	<u>531,408</u>	<u>-</u>	<u>531,408</u>	<u>704,421</u>
Total liabilities and fund balance	<u>\$ 532,109</u>	<u>\$ 14,418</u>	<u>\$ 546,527</u>	<u>\$ 722,742</u>

Notes on Exhibit A-6 are an integral part of this statement

**TOWN OF WHITE CASTLE, LOUISIANA
SPECIAL REVENUE FUNDS**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES**

For the year ended September 30, 1999

	Sales Tax		Total	
	Fund		Section 8	1999
REVENUES				
Intergovernmental				
Iberville Parish sales tax	\$ 606,273	\$ -	\$ 606,273	\$ 680,745
HUD receipts	-	41,953	41,953	50,997
Other				
Interest	20,514	356	20,870	41,850
Total revenues	<u>626,787</u>	<u>42,309</u>	<u>669,096</u>	<u>773,592</u>
EXPENDITURES				
Public health				
Rent and utility assistance	-	38,237	38,237	45,290
Administrative	-	4,072	4,072	6,010
Audit	-	-	-	500
Total expenditures	<u>-</u>	<u>42,309</u>	<u>42,309</u>	<u>51,800</u>
Excess of revenues over expenditures	626,787	-	626,787	721,792
OTHER FINANCING USES				
Operating transfers out	<u>(799,800)</u>	<u>-</u>	<u>(799,800)</u>	<u>(904,131)</u>
Excess of expenditures and other financing uses over revenues	(173,013)	-	(173,013)	(182,339)
FUND BALANCE				
Beginning of year	704,421	-	704,421	1,025,191
Residual equity transfer	<u>-</u>	<u>-</u>	<u>-</u>	<u>(138,431)</u>
End of year	<u>\$ 531,408</u>	<u>\$ -</u>	<u>\$ 531,408</u>	<u>\$ 704,421</u>

Notes on Exhibit A-6 are an integral part of this statement.

**TOWN OF WHITE CASTLE, LOUISIANA
SALES TAX FUND**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL**

For the year ended September 30, 1999

	1999		Variance - favorable (unfavorable)	1998 Actual
	Budget	Actual		
REVENUES				
Intergovernmental				
Iberville Parish sales tax	\$ 615,000	\$ 606,273	\$ (8,727)	\$ 680,745
Other				
Interest	25,000	20,514	(4,486)	41,047
Total revenues	640,000	626,787	(13,213)	721,792
OTHER FINANCING USES				
Operating transfers out	(797,302)	(799,800)	(2,498)	(904,131)
Excess of other finances uses over revenues	\$ (157,302)	(173,013)	\$ (15,711)	(182,339)
FUND BALANCE				
Beginning of year		704,421		886,760
Residual equity transfer		-		(138,431)
End of year		\$ 531,408		\$ 704,421

Notes on Exhibit A-6 are an integral part of this statement.

TOWN OF WHITE CASTLE, LOUISIANA
SECTION 8

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL**

For the year ended September 30, 1999

	1999		Variance - favorable (unfavorable)	1998 Actual
	Budget	Actual		
REVENUES				
Intergovernmental HUD receipts	\$ 51,913	\$ 41,953	\$ (9,960)	\$ 50,997
Other Interest	500	356	(144)	803
Total revenues	<u>52,413</u>	<u>42,309</u>	<u>(10,104)</u>	<u>51,800</u>
EXPENDITURES				
Public health Rent and utility assistance	44,940	38,237	6,703	45,290
Administrative	5,973	4,072	1,901	6,010
Audit	1,500	-	1,500	500
Total expenditures	<u>52,413</u>	<u>42,309</u>	<u>10,104</u>	<u>51,800</u>
Excess of revenues over expenditures	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>-</u>
FUND BALANCE				
Beginning of year		<u>-</u>		<u>-</u>
End of year		<u>\$ -</u>		<u>\$ -</u>

Notes on Exhibit A-6 are an integral part of this statement.

DEBT SERVICE FUNDS

Debt Service Funds are used to account for
the accumulation of resources for,
and the payment of,
general long-term debt principal and interest.

**TOWN OF WHITE CASTLE, LOUISIANA
DEBT SERVICE FUNDS**

COMBINING BALANCE SHEET

September 30, 1999

	Public Improvement Bonds Sales Tax Bonds		Certificates of Indebtedness	Total	
	1992 Sinking Fund	1992 Reserve Fund	1997 Sinking Fund	1999	1998
ASSETS					
Cash and cash equivalents	\$ 77,955	\$ -	\$ 15,599	\$ 93,554	\$ 81,568
Investments, at cost	-	144,000	-	144,000	144,000
Interest receivable	-	-	-	-	724
Due from other funds	701	-	-	701	701
Total assets	\$ 78,656	\$ 144,000	\$ 15,599	\$ 238,255	\$ 226,993
FUND BALANCE					
Reserved - debt service	\$ 78,656	\$ 144,000	\$ 15,599	\$ 238,255	\$ 226,993

**TOWN OF WHITE CASTLE, LOUISIANA
DEBT SERVICE FUNDS**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES**

For the year ended September 30, 1999

	Public Improvement Bonds Sales Tax Bonds		Certificates of Indebtedness	Total	
	1992 Sinking Fund	1992 Reserve Fund	1997 Sinking Fund	1999	1998
REVENUES					
Other					
Interest	\$ -	\$ 8,525	\$ 603	\$ 9,128	\$ 9,713
EXPENDITURES					
Debt service					
Principal retirement	85,000	-	24,000	109,000	103,000
Interest and fiscal charges	63,546	-	16,620	80,166	83,793
Total expenditures	148,546	-	40,620	189,166	186,793
Excess (deficiency) of revenues over expenditures	(148,546)	8,525	(40,017)	(180,038)	(177,080)
OTHER FINANCINGS SOURCES (USES)					
Operating transfers in	159,018	-	40,807	199,825	197,632
Operating transfers out	-	(8,525)	-	(8,525)	(8,525)
Total other financing sources (uses)	159,018	(8,525)	40,807	191,300	189,107
Excess of revenues over expenditures and other financing sources (uses)	10,472	-	790	11,262	12,027
FUND BALANCE					
Beginning of year	68,184	144,000	14,809	226,993	214,966
End of year	\$ 78,656	\$ 144,000	\$ 15,599	\$ 238,255	\$ 226,993

Notes on Exhibit A-6 are an integral part of this statement

PROPRIETARY (ENTERPRISE) FUNDS

Proprietary (Enterprise) Funds are used to account for operations that are similar to private business enterprises. The intent is that the costs of providing services to the general public on a continuing basis be financed through user charges.

**TOWN OF WHITE CASTLE, LOUISIANA
ENTERPRISE FUNDS**

COMBINING BALANCE SHEET

September 30, 1999

	Gas			Waterworks		Sewerage		Total	
	Utility Fund	Utility Fund	Utility Fund	Utility Fund	Utility Fund	Utility Fund	Utility Fund	1999	1998
ASSETS									
CURRENT ASSETS									
Cash and cash equivalents	\$ 9,160	\$ 7,431	\$ 112,174	\$ 128,765	\$ 76,690				
Investments, at cost	176,731	141,441	116,951	435,123	463,759				
Accounts receivable, net	16,149	12,427	16,309	44,885	52,359				
Prepaid insurance	1,938	1,938	1,938	5,814	-				
Inventories, at cost	1,730	1,804	-	3,534	3,534				
Total current assets	205,708	165,041	247,372	618,121	596,342				
RESTRICTED ASSETS, cash									
	39,156	47,818	38,617	125,591	146,649				
FIXED ASSETS, net	58,940	576,313	2,428,038	3,063,291	3,005,195				
Total assets	\$ 303,804	\$ 789,172	\$ 2,714,027	\$ 3,807,003	\$ 3,748,186				

LIABILITIES

CURRENT

Accounts payable	\$ 26,597	\$ 3,685	\$ 144,717	\$ 174,999	\$ 104,476
Payroll and related payables	15,032	685	467	16,184	15,934
Due to other funds	21,391	20,851	20,851	63,093	22,134
Other accrued liabilities	2,396	1,383	590	4,369	2,383
Current portion of long-term debt	-	4,917	29,624	34,541	28,103
Total current liabilities	65,416	31,521	196,249	293,186	173,030
Payable from restricted assets					
Customer deposits	39,156	26,382	-	65,538	64,704
Long-term debt	-	166,902	986,461	1,153,363	1,063,463
Total liabilities	104,572	224,805	1,182,710	1,512,087	1,301,197

CAPITAL

CONTRIBUTIONS

From municipality	-	289,161	-	289,161	289,161
From parish	-	-	1,122,140	1,122,140	1,166,373
From federal grant	-	116,500	-	116,500	116,500

RETAINED EARNINGS

Reserved - debt extinguishment	-	836	22,392	23,228	13,609
Reserved - property, repairs and replacement	-	8,442	22,853	31,295	20,599
Designated - subsequent year's expenditures	710	-	-	710	23,475
Unreserved	198,522	149,428	363,932	711,882	817,272
Total capital	199,232	564,367	1,531,317	2,294,916	2,446,989

Total liabilities and capital

\$ 303,804	\$ 789,172	\$ 2,714,027	\$ 3,807,003	\$ 3,748,186
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**TOWN OF WHITE CASTLE, LOUISIANA
ENTERPRISE FUNDS**

**COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN RETAINED EARNINGS**

For the year ended September 30, 1999

	Gas	Waterworks	Sewerage	Total	
	Utility Fund	Utility Fund	Utility Fund	1999	1998
OPERATING REVENUES					
Charges for services	\$ 203,640	\$ 136,821	\$ 194,979	\$ 535,440	\$ 599,255
Penalties	18,899	-	-	18,899	20,629
Other	701	1,397	2,073	4,171	1,725
Total operating revenues	<u>223,240</u>	<u>138,218</u>	<u>197,052</u>	<u>558,510</u>	<u>621,609</u>
OPERATING EXPENSES					
Gas	80,381	-	-	80,381	103,318
Depreciation	9,697	23,627	117,184	150,508	149,195
Field	79,655	84,949	64,983	229,587	226,398
Administration	50,837	51,022	70,763	172,622	160,531
Total operating expenses	<u>220,570</u>	<u>159,598</u>	<u>252,930</u>	<u>633,098</u>	<u>639,442</u>
Operating income (loss)	<u>2,670</u>	<u>(21,380)</u>	<u>(55,878)</u>	<u>(74,588)</u>	<u>(17,833)</u>
NON-OPERATING					
Interest income	9,321	7,360	7,172	23,853	26,165
Interest expense	-	(8,378)	(47,960)	(56,338)	(49,307)
Total non-operating	<u>9,321</u>	<u>(1,018)</u>	<u>(40,788)</u>	<u>(32,485)</u>	<u>(23,142)</u>
Income (loss) before operating transfers	11,991	(22,398)	(96,666)	(107,073)	(40,975)
OPERATING TRANSFERS					
Operating transfers out	<u>(45,000)</u>	<u>-</u>	<u>-</u>	<u>(45,000)</u>	<u>(27,000)</u>
Net loss	(33,009)	(22,398)	(96,666)	(152,073)	(67,975)
Depreciation transferred to contributed capital	-	-	44,233	44,233	44,310
Net decrease in retained earnings	(33,009)	(22,398)	(52,433)	(107,840)	(23,665)
RETAINED EARNINGS					
Beginning balance	<u>232,241</u>	<u>181,104</u>	<u>461,610</u>	<u>874,955</u>	<u>898,620</u>
Ending balance	<u>\$ 199,232</u>	<u>\$ 158,706</u>	<u>\$ 409,177</u>	<u>\$ 767,115</u>	<u>\$ 874,955</u>

Notes on Exhibit A-6 are an integral part of this statement

**TOWN OF WHITE CASTLE, LOUISIANA
ENTERPRISE FUNDS**

Exhibit E-2

COMBINING STATEMENT OF CASH FLOWS

For the year ended September 30, 1999

	Gas Utility Fund	Waterworks Utility Fund	Sewerage Utility Fund	Totals
	1999	1999	1999	1998
CASH FLOWS FROM OPERATING ACTIVITIES				
Operating income (loss)	\$ 2,670	\$ (21,380)	\$ (55,878)	\$ (17,833)
Adjustments to operating income:				
Depreciation	9,697	23,627	117,184	149,195
Change in operating assets and liabilities:				
Accounts receivable	2,597	2,012	2,866	7,475
Inventories	-	-	-	3,105
Customer deposits	155	679	-	834
Prepaid insurance	(1,939)	(1,938)	(1,938)	(5,815)
Accounts payable and accrued expenses	(4,848)	(48,670)	126,277	72,759
Net cash provided (used) by operating activities	<u>8,332</u>	<u>(45,670)</u>	<u>188,511</u>	<u>151,173</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES				
Due to other funds	13,893	13,533	13,533	40,959
Operating transfers out	(45,000)	-	-	(45,000)
Net cash provided (used) by non-capital financing activities	<u>(31,107)</u>	<u>13,533</u>	<u>13,533</u>	<u>(154,285)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Contributed capital	-	-	-	138,431
Acquisition and construction of capital assets	(6,015)	(47,524)	(155,065)	(300,795)
Interest expense	-	(8,378)	(47,960)	(56,338)
Proceeds from water revenue bonds	-	54,000	-	54,000
Repayment of water revenue bonds	-	(1,981)	-	(1,981)
Proceeds from sewer revenue bonds	-	-	72,000	72,000
Repayment of sewer revenue bonds	-	-	(27,681)	(27,681)
Net cash used by capital activities	<u>(6,015)</u>	<u>(3,883)</u>	<u>(158,706)</u>	<u>(118,205)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Sale (purchase) of certificate of deposit	(118)	(8,767)	37,521	30,013
Interest income	9,321	7,360	7,172	26,165
Net cash provided (used) by investing activities	<u>9,203</u>	<u>(1,407)</u>	<u>44,693</u>	<u>56,178</u>
Increase (decrease) in cash	<u>(19,587)</u>	<u>(37,427)</u>	<u>88,031</u>	<u>(29,534)</u>
CASH AND CASH EQUIVALENTS, including restricted cash				
Beginning of period	<u>67,903</u>	<u>92,676</u>	<u>62,760</u>	<u>252,873</u>
End of period	<u>\$ 48,316</u>	<u>\$ 55,249</u>	<u>\$ 150,791</u>	<u>\$ 223,339</u>

TOWN OF WHITE CASTLE, LOUISIANA
ENTERPRISE FUNDS

COMBINING STATEMENT OF OPERATING EXPENSES

For the year ended September 30, 1999

EXPENSE	Gas	Waterworks	Sewerage	Total	
	Utility Fund	Utility Fund	Utility Fund	1999	1998
Gas	\$ 80,381	\$ -	\$ -	\$ 80,381	\$ 103,318
Depreciation	9,697	23,627	117,184	150,508	149,195
Field					
Salaries	55,507	51,088	24,777	131,372	119,730
Payroll taxes	5,052	4,886	2,724	12,662	12,223
Municipal retirement	2,388	2,547	1,388	6,323	4,439
Employees' insurance	-	-	4,986	4,986	5,754
Maintenance - equipment	-	7,994	10,262	18,256	10,403
Chemical	2,618	11,128	9,418	23,164	43,242
Truck	-	-	-	-	191
Field supplies	9,110	5,593	4,082	18,785	18,399
Uncollectible	-	1,425	-	1,425	1,169
Oxidation pond	-	-	1,205	1,205	1,115
Engineering	2,000	-	5,205	7,205	3,430
Drug testing	25	282	-	307	275
Other	2,955	6	936	3,897	6,028
Total field	79,655	84,949	64,983	229,587	226,398
Administration					
Salaries	12,360	12,000	12,000	36,360	36,360
Employee benefits	9,339	6,111	-	15,450	7,917
Insurance	11,551	11,721	10,579	33,851	43,617
Office supplies	728	704	733	2,165	969
Uncollectible	2,270	-	1,400	3,670	3,464
Computer service	665	665	665	1,995	2,112
Utilities	870	7,096	22,819	30,785	31,097
Telephone	1,689	1,689	2,397	5,775	6,355
Fuel	1,007	91	152	1,250	1,467
Printing	44	44	44	132	780
Dues and subscriptions	-	75	75	150	150
Travel	-	980	632	1,612	939
Vehicle maintenance	2,751	2,483	8,571	13,805	6,998
Professional	7,563	7,363	10,696	25,622	18,306
Total administration	50,837	51,022	70,763	172,622	160,531
Total operating expenses	\$ 220,570	\$ 159,598	\$ 252,930	\$ 633,098	\$ 639,442

Notes on Exhibit A-6 are an integral part of this statement

GENERAL LONG-TERM DEBT ACCOUNT GROUP

This account group is used to account for unmatured general long-term liabilities of the Town except for those in the proprietary funds.

TOWN OF WHITE CASTLE, LOUISIANA
COMBINING STATEMENT OF GENERAL LONG-TERM DEBT

September 30, 1999

	Public	Improvement Bond	Certificates		Sick Pay		Totals
	Sales Tax	of	Indebtedness	Benefits	1999	1998	
	Bonds - 1992	Indebtedness	Benefits	1999	1998		
AMOUNT AVAILABLE AND TO BE PROVIDED FOR THE PAYMENT OF GENERAL LONG-TERM DEBT							
Amount available in debt service funds for debt retirement	\$	222,656	\$ 15,599	\$ -	\$ 238,255		\$ 226,993
Amount to be provided for general long-term debt		<u>722,344</u>	<u>237,401</u>	<u>8,410</u>		<u>968,155</u>	<u>1,088,417</u>
Total available and to be provided	\$	<u>945,000</u>	<u>\$ 253,000</u>	<u>\$ 8,410</u>	<u>\$ 1,206,410</u>		<u>\$ 1,315,410</u>
GENERAL LONG-TERM DEBT PAYABLE							
Bond payable, certificates of indebtedness and accrued sick pay benefits	\$	<u>945,000</u>	<u>\$ 253,000</u>	<u>\$ 8,410</u>	<u>\$ 1,206,410</u>		<u>\$ 1,425,072</u>

Notes on Exhibit A-6 are an integral part of this statement.

SUPPLEMENTARY FINANCIAL INFORMATION

TOWN OF WHITE CASTLE, LOUISIANA
SCHEDULE OF SUPPLEMENTARY INFORMATION
SEWERAGE CUSTOMERS

September 30, 1999
(Without Audit)

Records maintained by the Town of White Castle indicated there were 815 customers serviced by the Sewer Utility Fund at September 30, 1999.

At September 30, 1999, the aging of accounts receivable for the Enterprise Funds were as follows:

Current	\$ 41,040
31-60 days	2,422
Over 60 days	<u>1,423</u>
	<u>\$ 44,885</u>

During the fiscal year ended September 30, 1999, the Town processed 111,340 gallons of sludge through the sewer treatment system.

TOWN OF WHITE CASTLE, LOUISIANA

SCHEDULE OF INSURANCE IN FORCE

September 30, 1999
(Without Audit)

Issuer	Kind of Insurance	Property Covered/Address	Insurance	Expiration Date
LA Municipal Risk Management Agent	Automobile	14 Automobiles	\$ 500,000	May 1, 2001
	Commercial General Liability	Premises Ops. General	500,000	May 1, 2001
		Products & Completed Ops	500,000	May 1, 2001
		Medical Payments	10,000/per accident	May 1, 2001
		Fire Legal Liability	50,000/per occurrence	May 1, 2001
	Law enforcement liability	Enforcement officers	500,000	May 1, 2001
	Public officials' errors & omissions liability	Public officials' errors & omissions	500,000	May 1, 2001
Worker's Compensation	Eligible employees	statutory	May 1, 2001	
Allstate Insurance	Commercial Property	Sewage plant, 31540 Hwy 405	860,000	October 10, 2000
		Computers	7,800	October 10, 2000
	Fire and extended coverage	ICM Building, 33060 Bowie St.	47,800	October 10, 2000
		ICM Building contents	5,000	
		Water tower, 33060 Bowie St	197,820	October 10, 2000
		Water treatment building	45,000	
	Fire and extended coverage	Contents	65,000	
		Shed	1,000	
	Fire and extended coverage	Town Hall / Fire Station		
		32535 Bowie St.	200,000	October 10, 2000
	Fire and extended coverage	Contents	43,500	
		Jail house, 32535 Rear Bowie	100,000	October 10, 2000
	Fire and extended coverage	Jail house contents	30,000	
		Fire station 32055 Hwy 405	69,300	October 10, 2000
Fire and extended coverage	Fire station contents	5,000		
	Council on Aging Building			
Fire and extended coverage	55050 Latino St	124,000	October 10, 2000	
	Contents	10,000		
Fire and extended coverage	Building, 32515 Bowie St.	300,000	October 10, 2000	
	Contents	25,000		
Fire and extended coverage	Sewage station, 54940 Cambre St.	70,000	October 10, 2000	
Fire and extended coverage	Sewage station, 33440 Bowie St.	95,000	October 10, 2000	
Fire and extended coverage	Sewage station, 34050 Bowie St.	35,000	October 10, 2000	
Commercial inland marine	Gas generator	52,000	October 10, 2000	
	Radio tower with antenna	9,300		
	Diesel generator	10,000		
Commercial property	Community Center, 32635 Bowie St.	360,000	October 10, 2000	
Daigle Insurance	Named employees bond	Employees	25,000	August 18, 2000
	Public employee honesty bond	Alderman	25,000	September 13, 2000
	Commercial bonds	Police	10,000	June 10, 2002

SPECIAL INDEPENDENT AUDITORS' REPORTS



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

The Honorable Mayor and
Members of the Board of Aldermen,
Town of White Castle, Louisiana

We have audited the general purpose and the combining, individual fund and account groups financial statements of the **TOWN OF WHITE CASTLE, LOUISIANA**, as of and for the year ended September 30, 1999, and have issued our report thereon dated November 24, 1999. We conducted our audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

Compliance

As part of obtaining reasonable assurance about whether the **TOWN OF WHITE CASTLE, LOUISIANA**'s general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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 our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the **TOWN OF WHITE CASTLE, LOUISIANA**'s internal control over financial reporting to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting, that, in our judgment, could adversely affect the entity's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements 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. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses.

However, the reportable conditions described below involving internal control over financial reporting are also considered to be material weaknesses as defined above.

SEGREGATION OF DUTIES

Observation: There is not sufficient segregation of duties to have effective internal control. The findings result from the small size of the Town, which is served by a limited accounting system. These limitations allow no opportunity for meaningful segregation of duties.

Recommendation: No action recommended.

Management's corrective action plan: We concur with the finding.

FINES

Observation: The Town's police department collects funds associated with fines. As collected, the funds are forwarded to the Town's administration department for deposit. The Town's police department maintains documentation to support the receipt of these funds. Based on our review of fine collection documentation, we discovered the following:

- Several employees of the police department were collecting fine payments.
- Cash collections were accepted in the payment of fines.
- Partial payments on fines were maintained at the Town Hall until the fine is paid in full. The funds were not deposited on a daily basis.
- The accounting system used by the Police Department did not include all fine collections made. The automated system maintained was incomplete. On the other hand, manual records agreed with recorded amounts in the general ledger.

During the year ended September 30, 1999, the Town enacted a resolution, which required the collection of fines solely by the Chief of Police secretary and prohibited the collection of fines partially or by cash payments. The policy was violated based on the observations found. As a result, the revised procedure as implemented did not resolve the reportable condition. This is a prior year finding.

Recommendation: We have the following recommendations concerning financial reporting of fines:

- Fine assessment and collection records are maintained accurately by utilizing computer software, to include the preparation of monthly revenue reconciliation to reported amounts in the financial statements, ticket issuance records, and outstanding fines for appropriate collection measures.
- Partial payment collections are deposited on a daily basis.
- Fine collection is conducted by authorized individual only.

Management's corrective action plan: Management of the Town will review the finding with the Chief of Police and stress adherence to the Board's policy for fine collection. In addition, the use of the automated system will be required in the subsequent year with periodic reconciliation to recorded amounts in the Town's financial statements. Finally, the Town will modify its fine collection policy to allow for the acceptance of partial payment receipts, which are to be authorized at the discretion of the Mayor and/or Court Magistrate.

This report is intended solely for the information of management, the Board of Aldermen, and the Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties.

Jank & Winkler, LLC
Certified Public Accountants

Baton Rouge, Louisiana
November 24, 1999

TOWN OF WHITE CASTLE, LOUISIANA

SCHEDULE OF PRIOR YEAR FINDINGS

For the year ended September 30, 1999

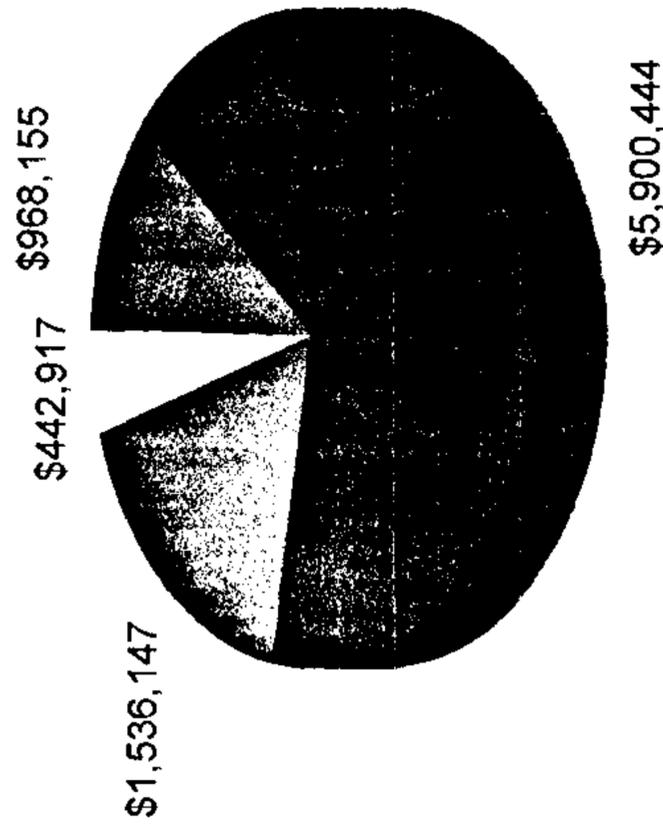
98-1 - Illegal payments

During the year ended September 30, 1998, the Town made commission payments to the Chief of Police for traffic tickets issued. The Town subsequently discontinued this practice. As a result, this matter is resolved.

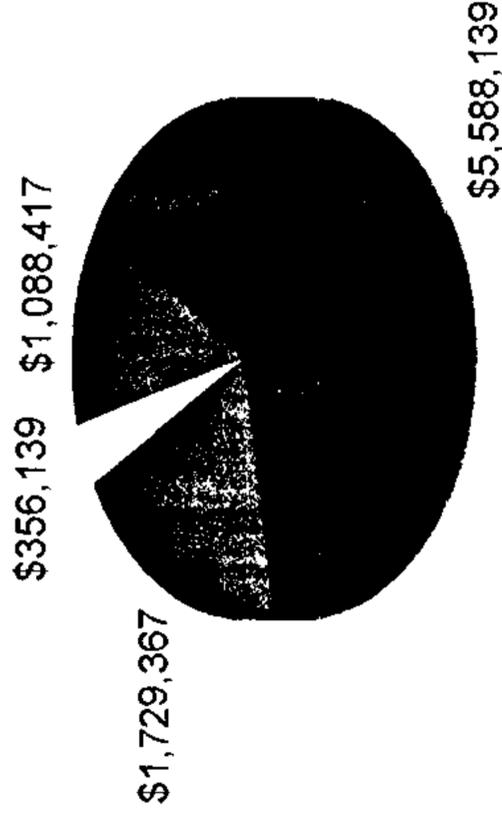
STATISTICAL INFORMATION

TOWN OF WHITE CASTLE, LOUISIANA

TOTAL ASSETS



SEPTEMBER 30, 1999



SEPTEMBER 30, 1998

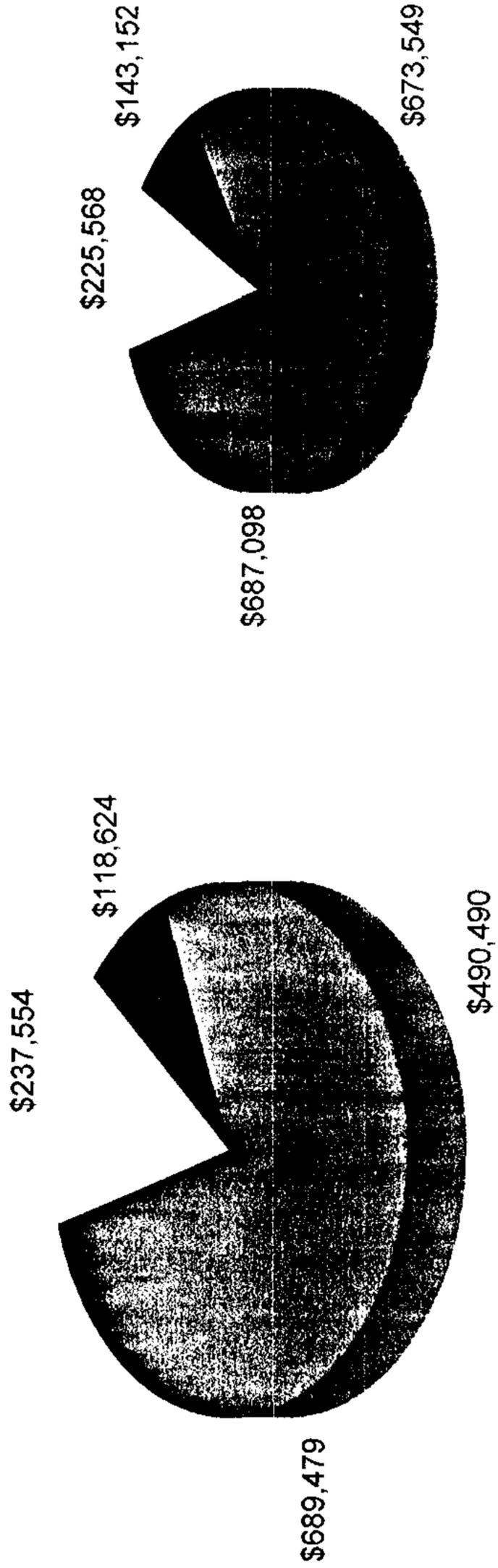
<ul style="list-style-type: none"> ■ FIXED ASSETS ■ OTHER 	<ul style="list-style-type: none"> ■ CASH & INVESTMENTS ■ UNFUNDED DEBT RETIREMENT
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TOTAL ASSETS = \$ 8,847,663

TOTAL ASSETS = \$ 8,762,062

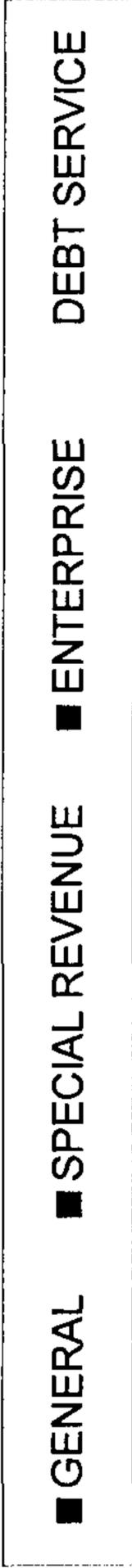
TOWN OF WHITE CASTLE, LOUISIANA

CASH AND INVESTMENTS



SEPTEMBER 30, 1999

SEPTEMBER 30, 1998

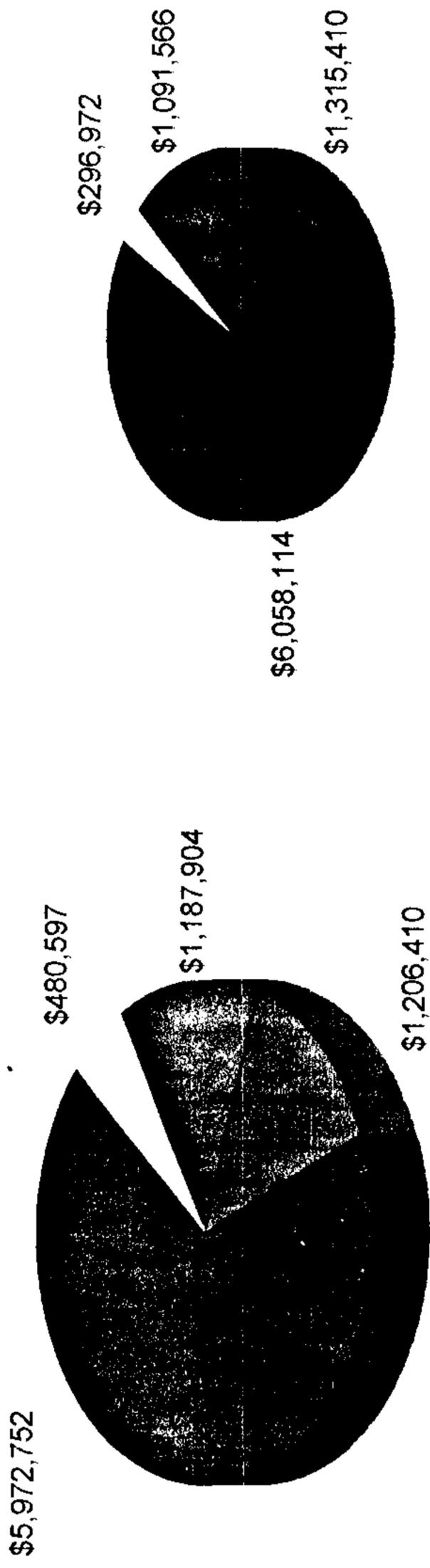


TOTAL CASH & INVESTMENTS = \$ 1,536,147

TOTAL CASH & INVESTMENTS = \$ 1,729,367

TOWN OF WHITE CASTLE, LOUISIANA

LIABILITIES AND FUND EQUITY



SEPTEMBER 30, 1999

SEPTEMBER 30, 1998

CURRENT LIABILITIES

SEWER AND WATER REV BONDS

GEN LT DEBT

FUND EQUITY

TOTAL LIABILITIES = \$ 2,874,911

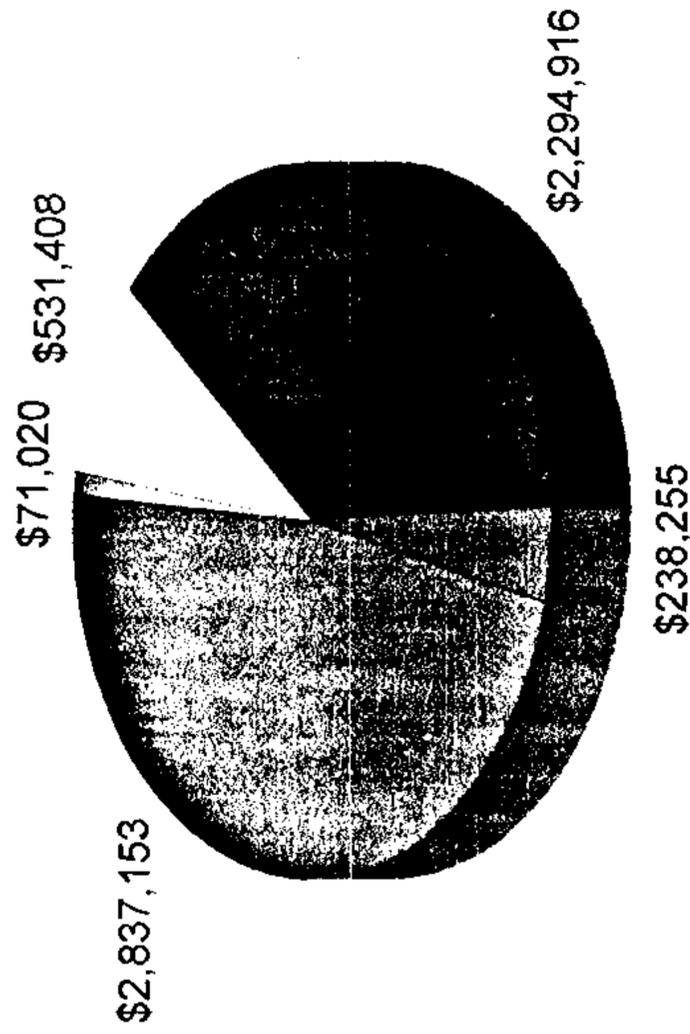
TOTAL LIABILITIES = \$ 2,703,948

TOTAL FUND EQUITY = \$ 5,972,752

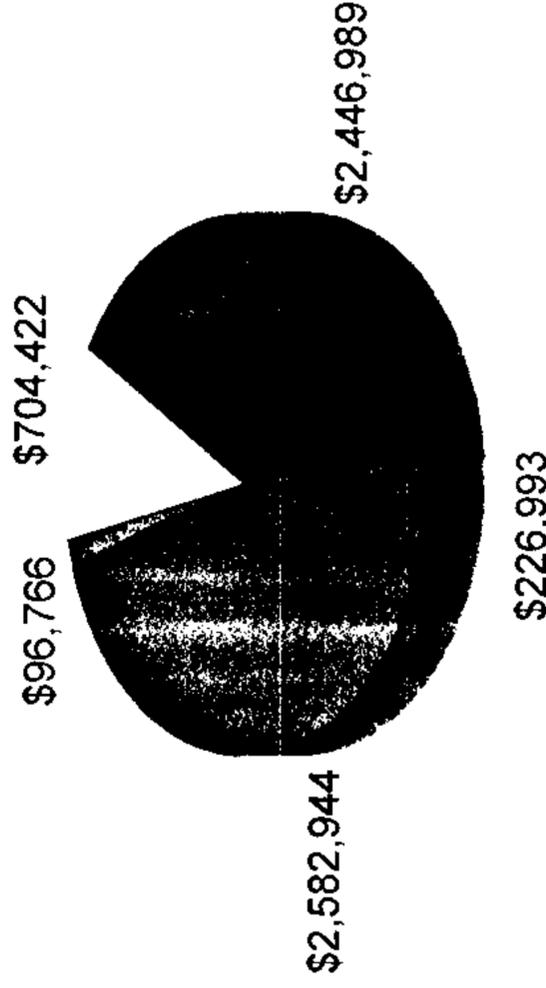
TOTAL FUND EQUITY = \$ 6,058,114

TOWN OF WHITE CASTLE, LOUISIANA

FUND EQUITY



SEPTEMBER 30, 1999



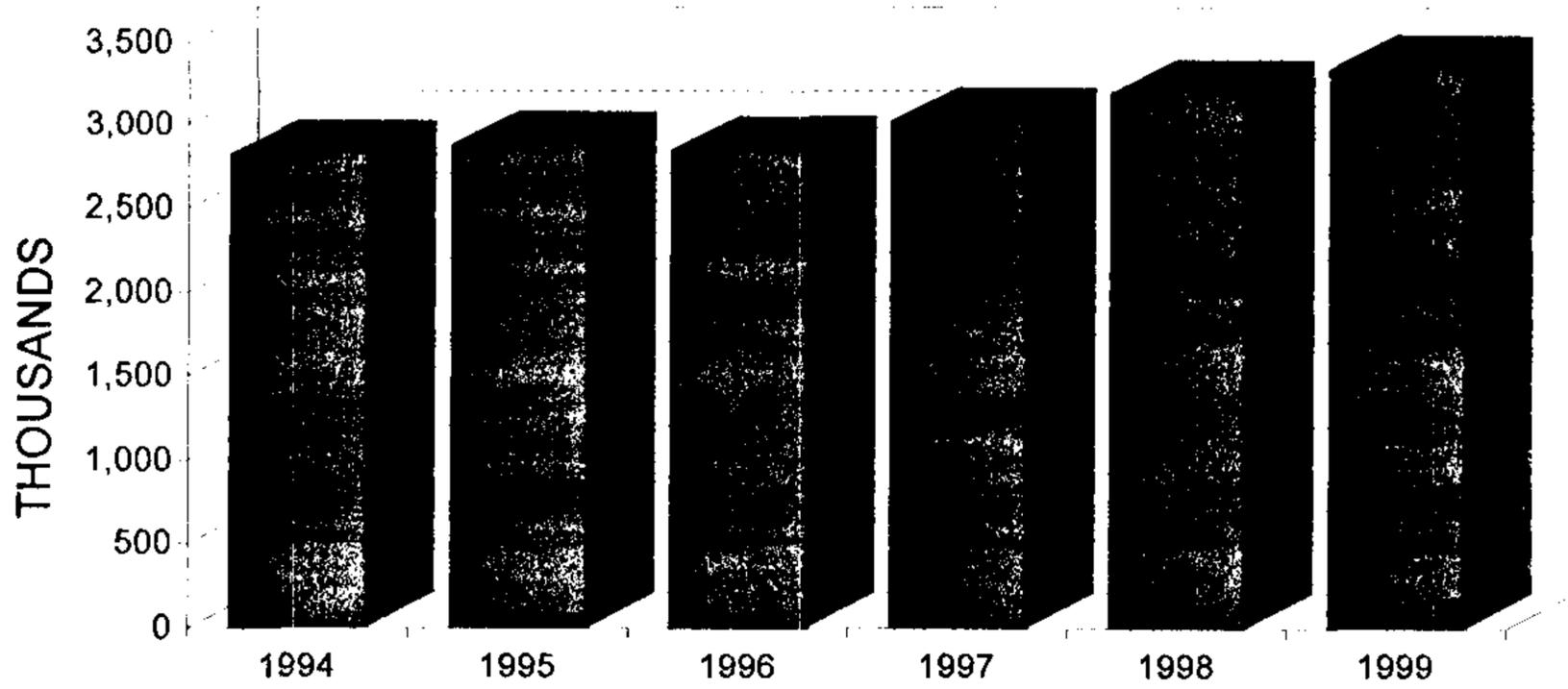
SEPTEMBER 30, 1998

- | | | |
|--------------|-------------------|--------------------|
| ■ ENTERPRISE | ■ DEBT SERVICE | ■ GEN FIXED ASSETS |
| ■ GENERAL | ■ SPECIAL REVENUE | |

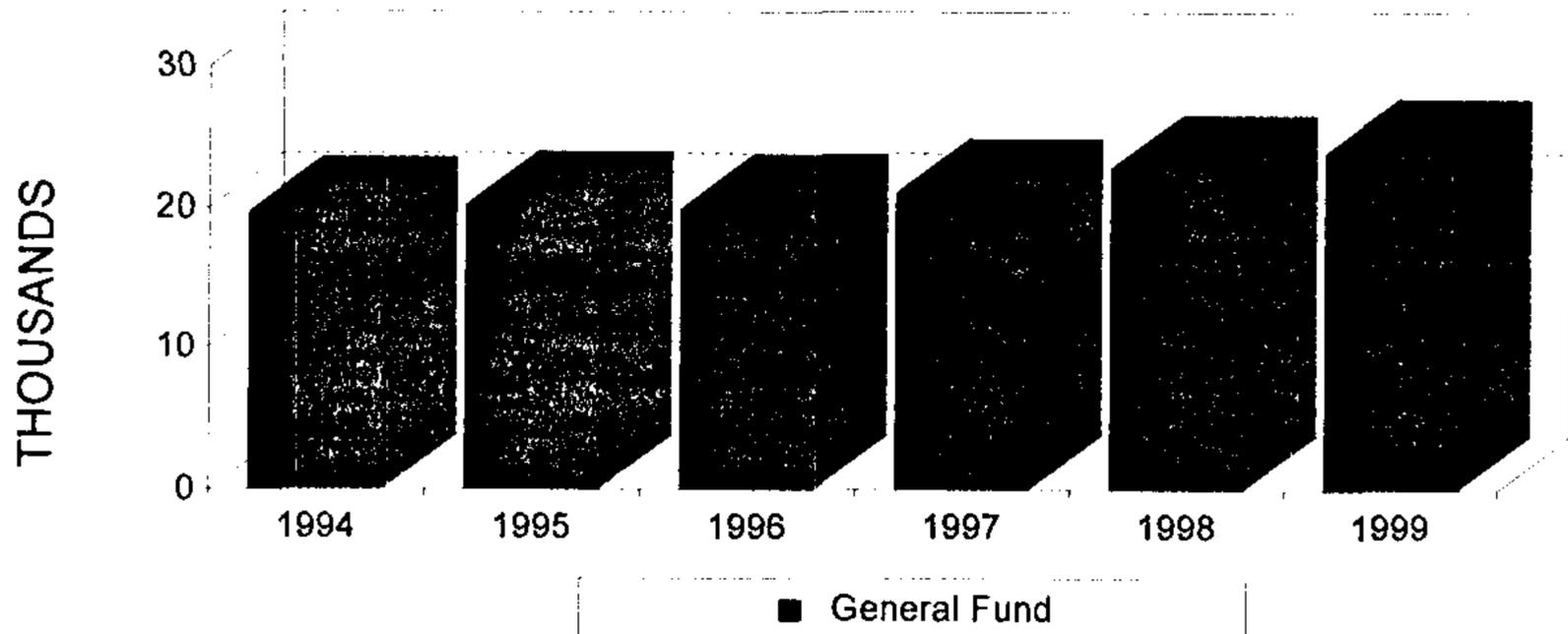
TOTAL FUND EQUITY = \$ 5,972,752

TOTAL FUND EQUITY = \$ 6,058,114

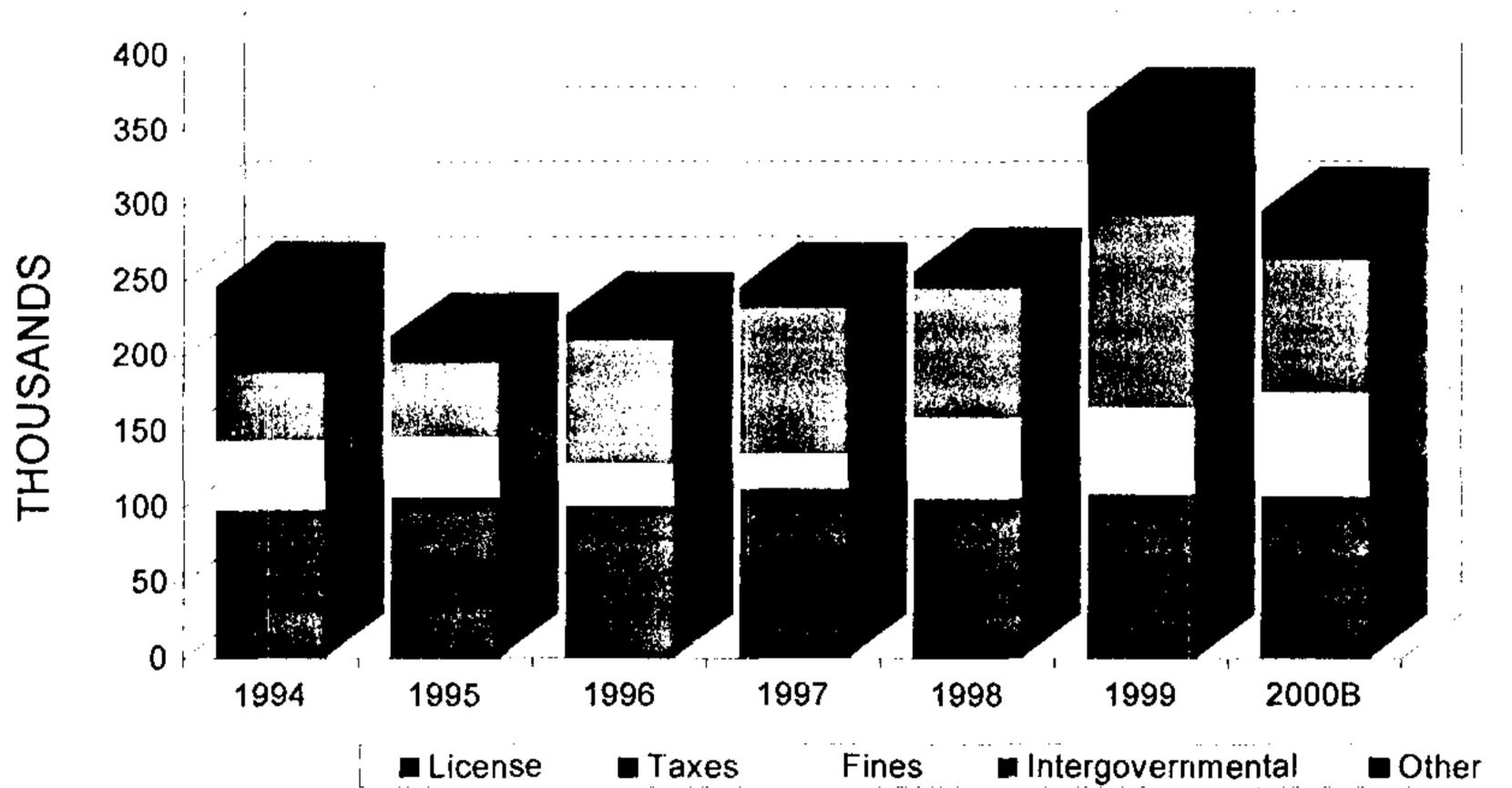
TAXABLE ASSESSED VALUE OF PROPERTY TOWN OF WHITE CASTLE, LOUISIANA



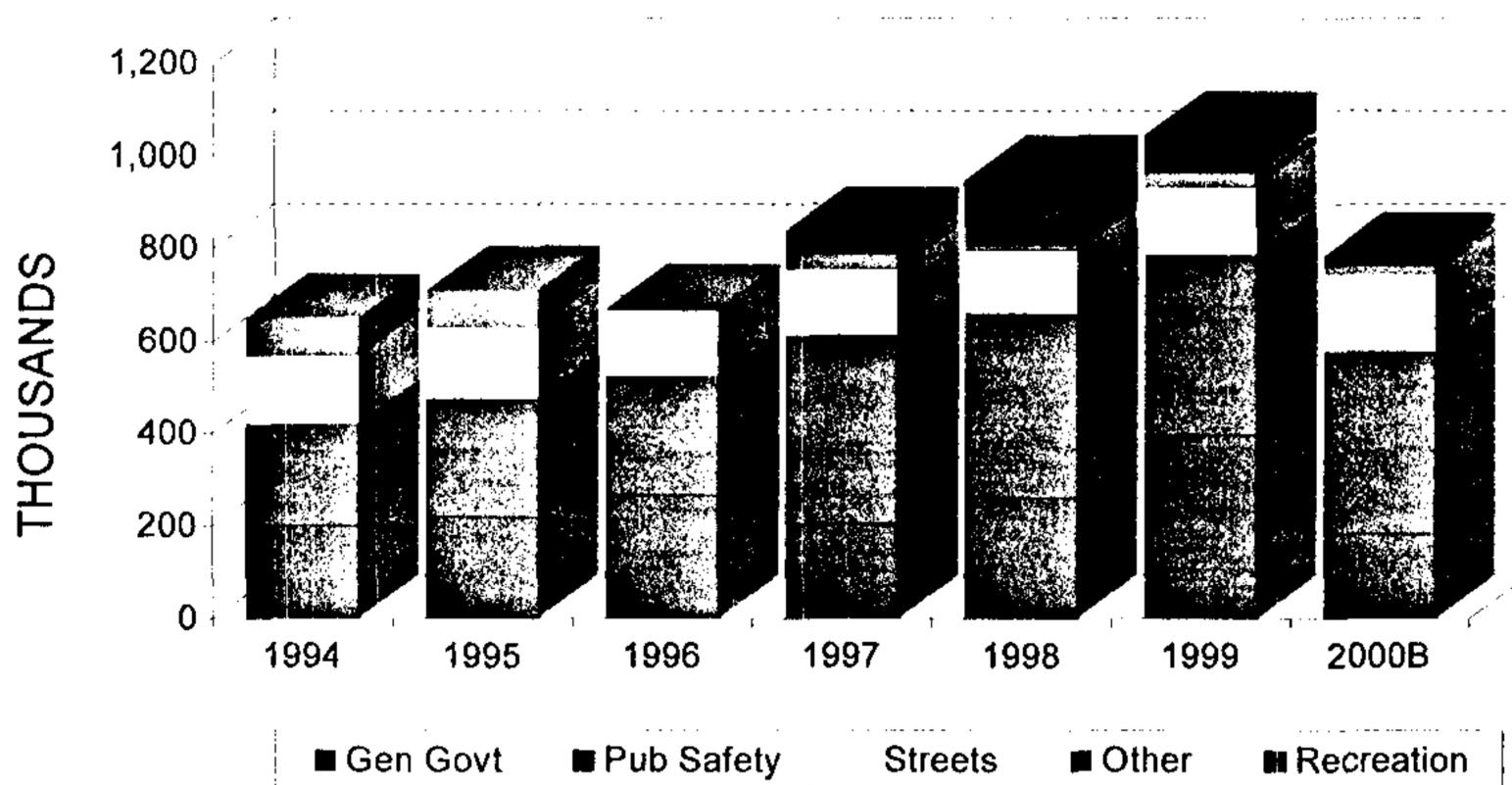
PROPERTY TAXES - ASSESSED TOWN OF WHITE CASTLE, LOUISIANA



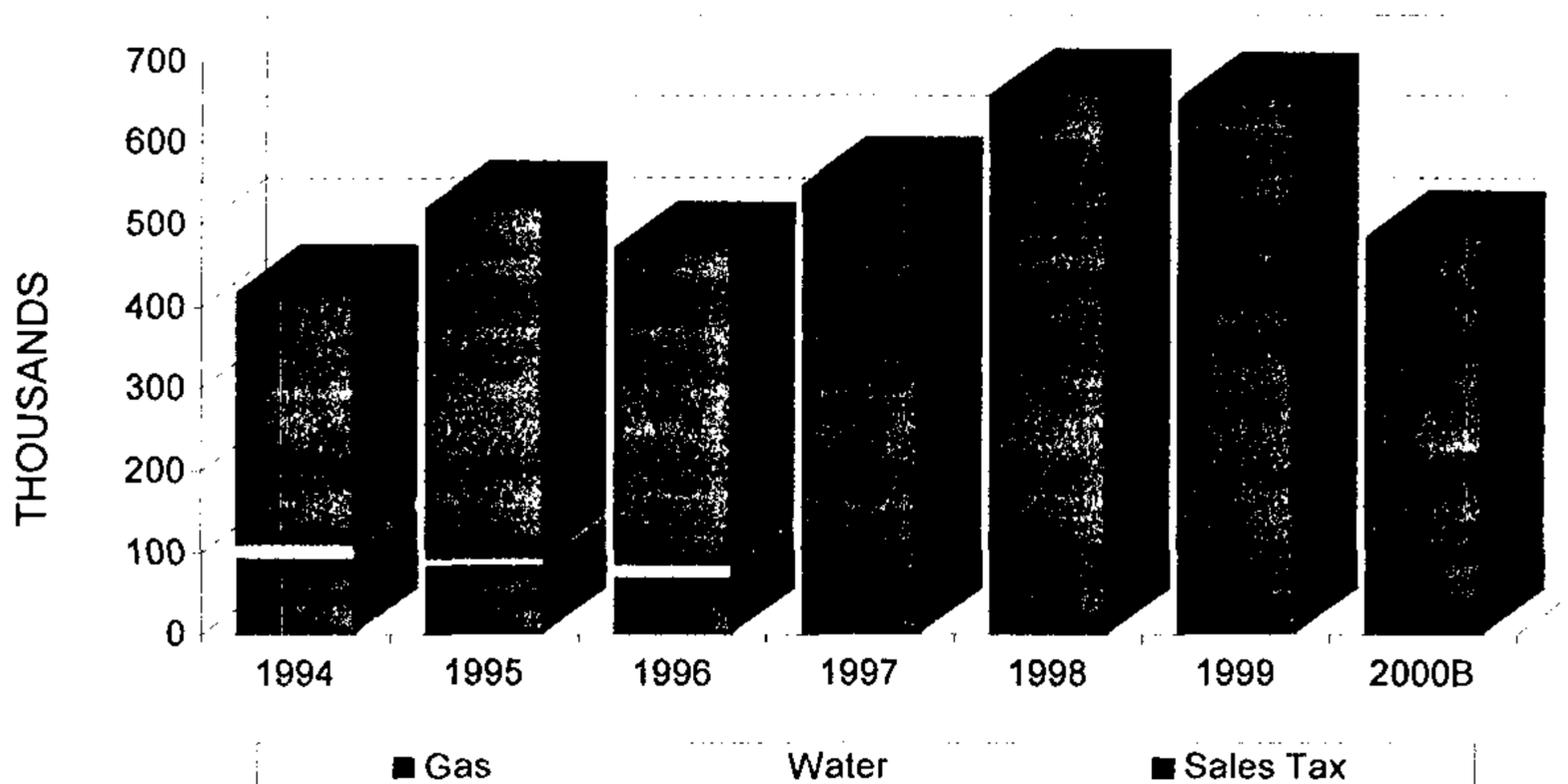
GENERAL FUND REVENUES TOWN OF WHITE CASTLE, LOUISIANA



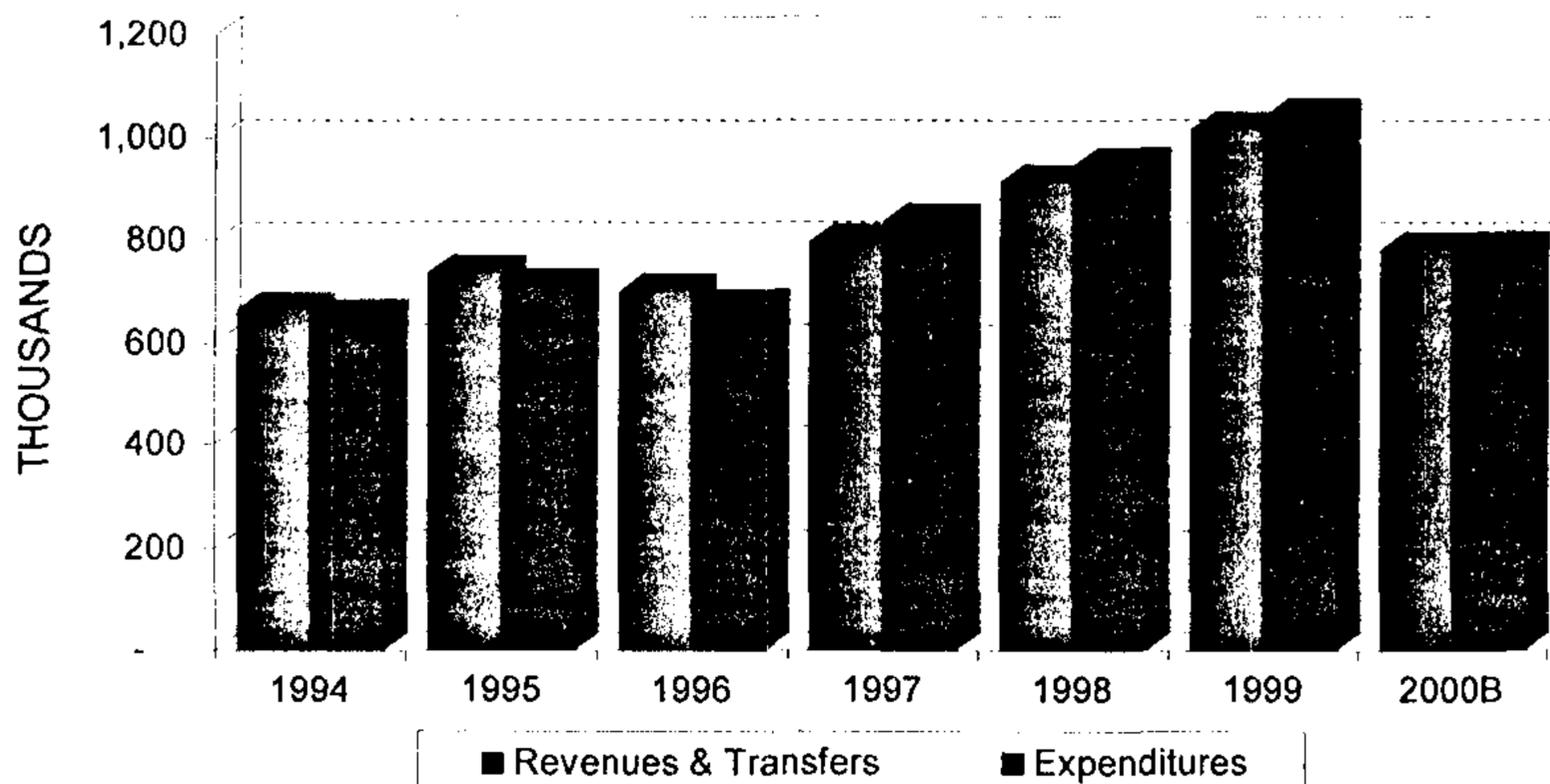
GENERAL FUND EXPENDITURES TOWN OF WHITE CASTLE, LOUISIANA



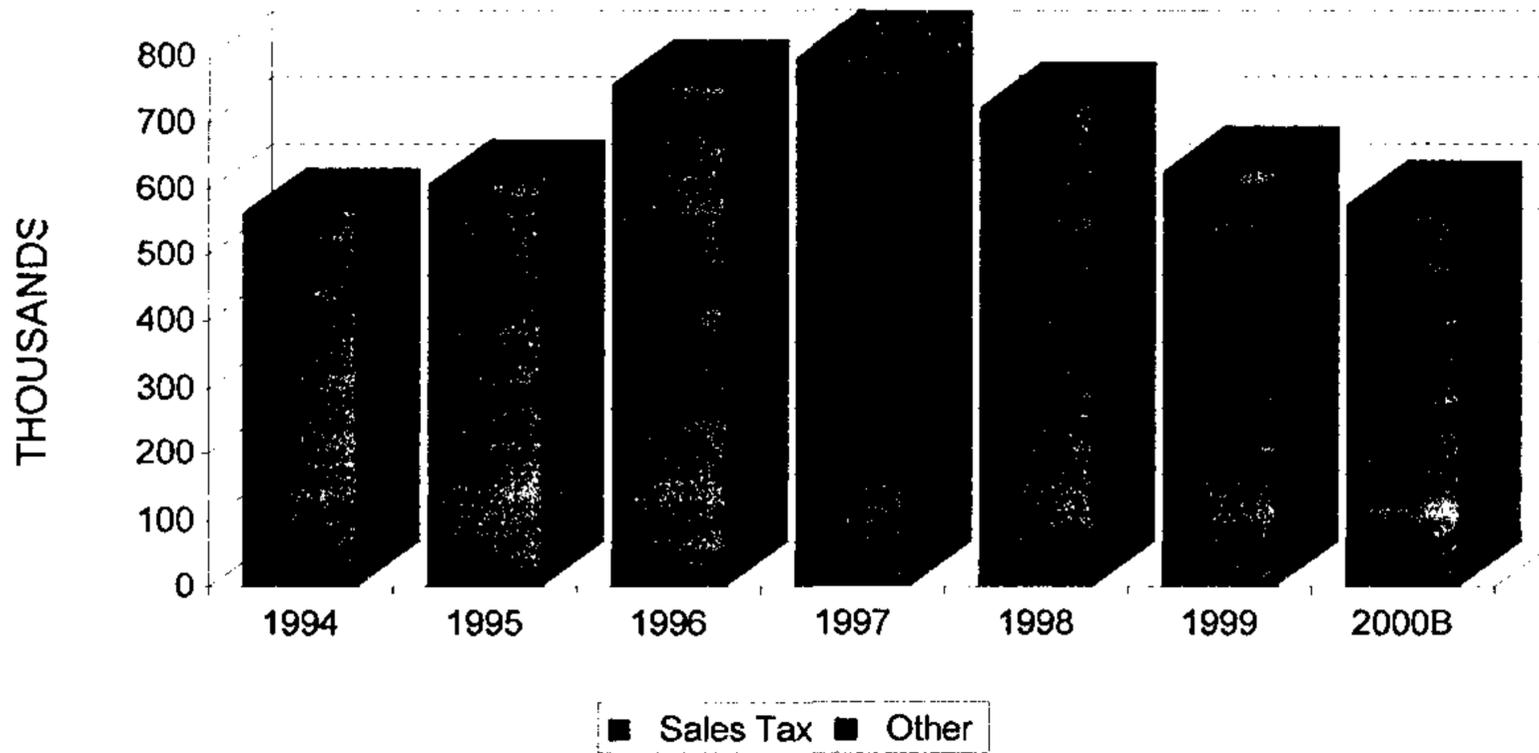
TRANSFERS TO GENERAL FUND TOWN OF WHITE CASTLE, LOUISIANA



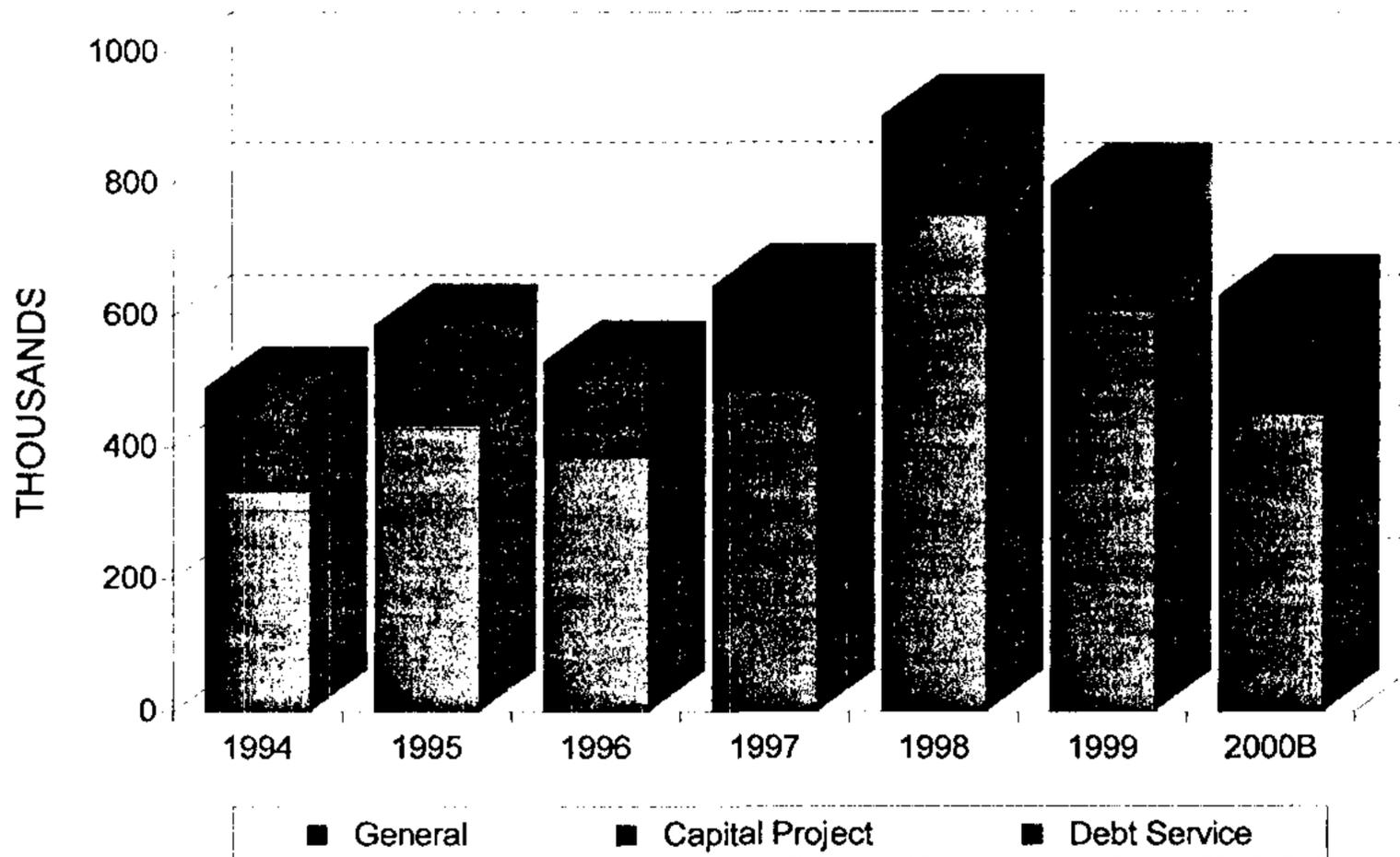
GENERAL FUND INFLOWS & OUTFLOWS TOWN OF WHITE CASTLE, LOUISIANA



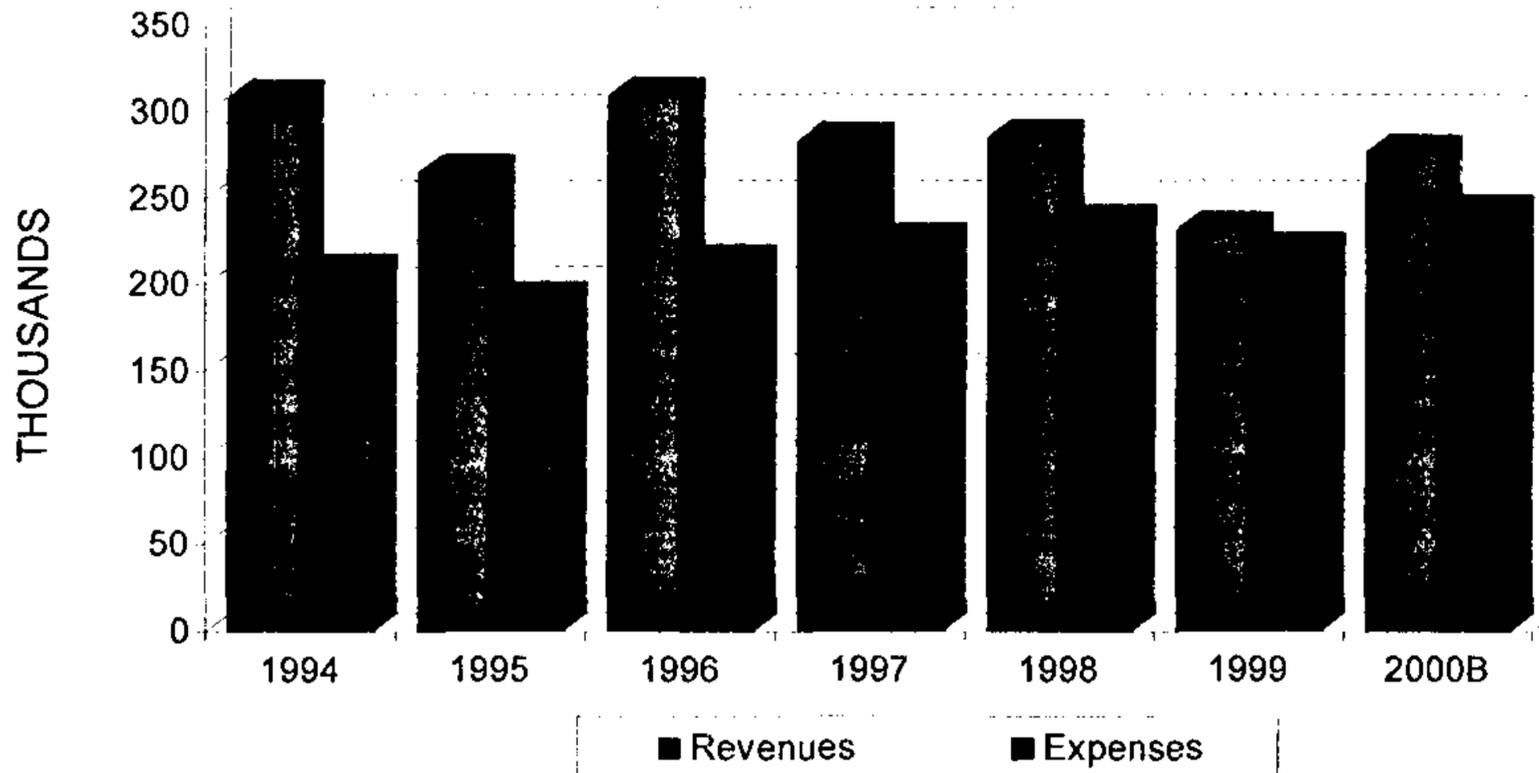
SALES TAX REVENUES TOWN OF WHITE CASTLE, LOUISIANA



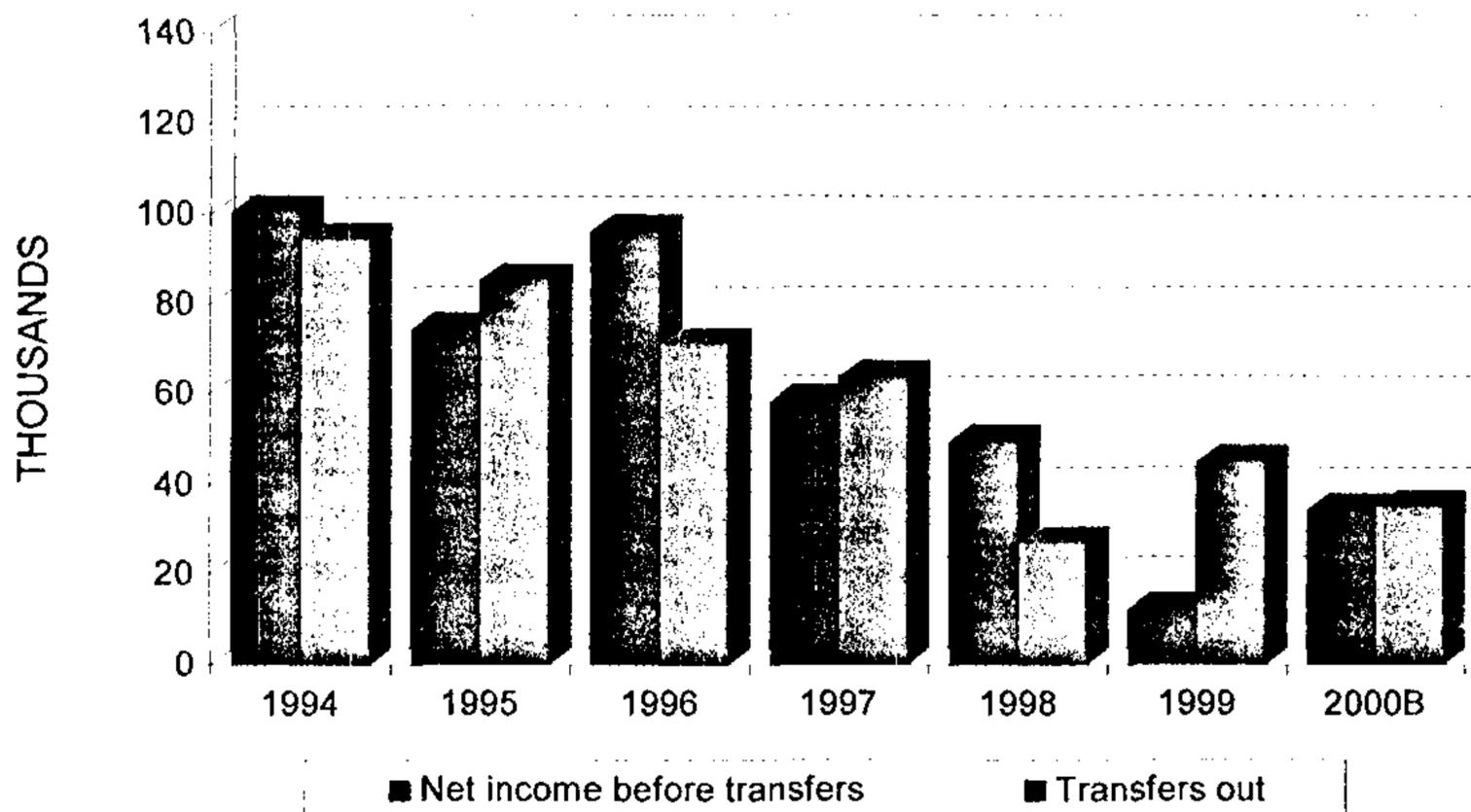
SALES TAX TRANSFERS OUT TOWN OF WHITE CASTLE, LOUISIANA



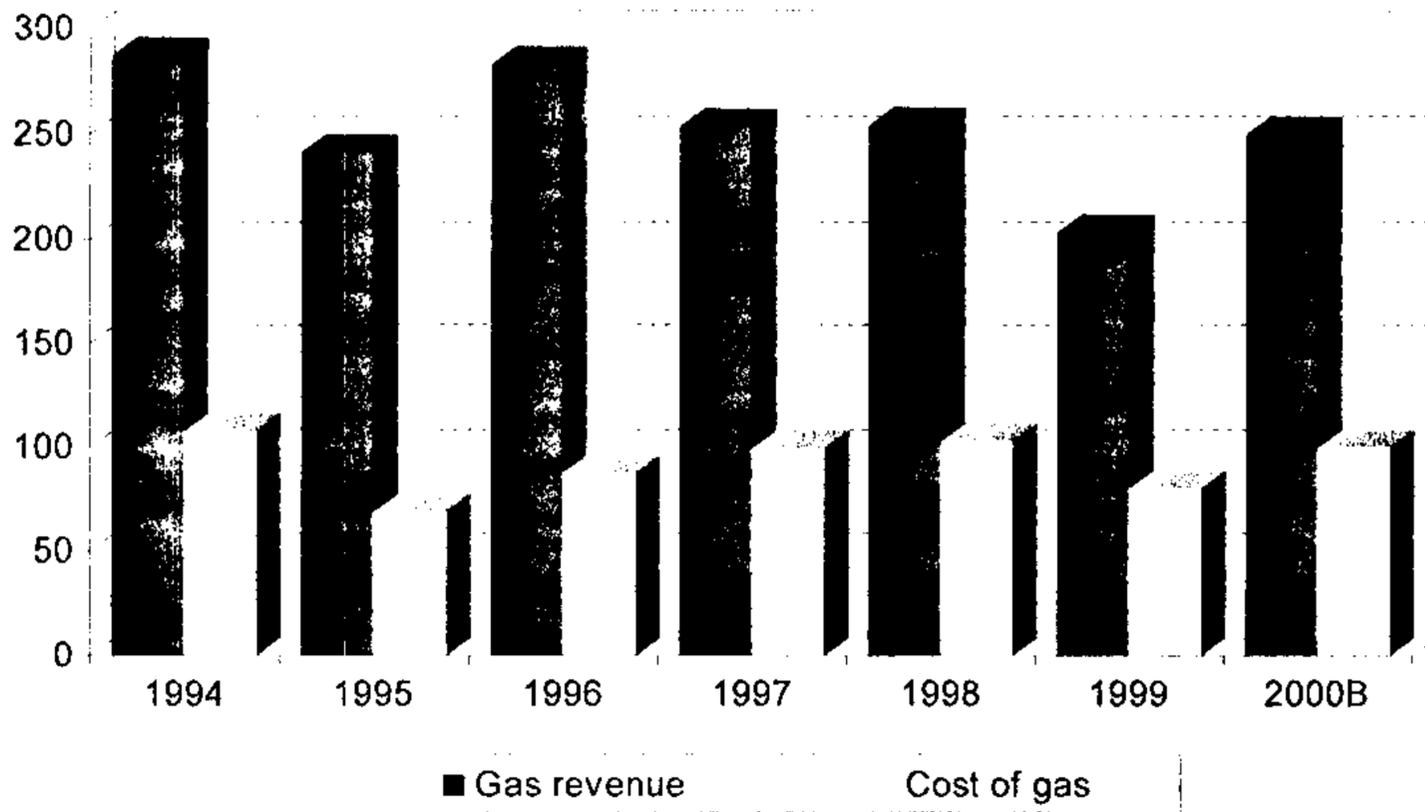
GAS FUND REVENUES & EXPENSES TOWN OF WHITE CASTLE, LOUISIANA



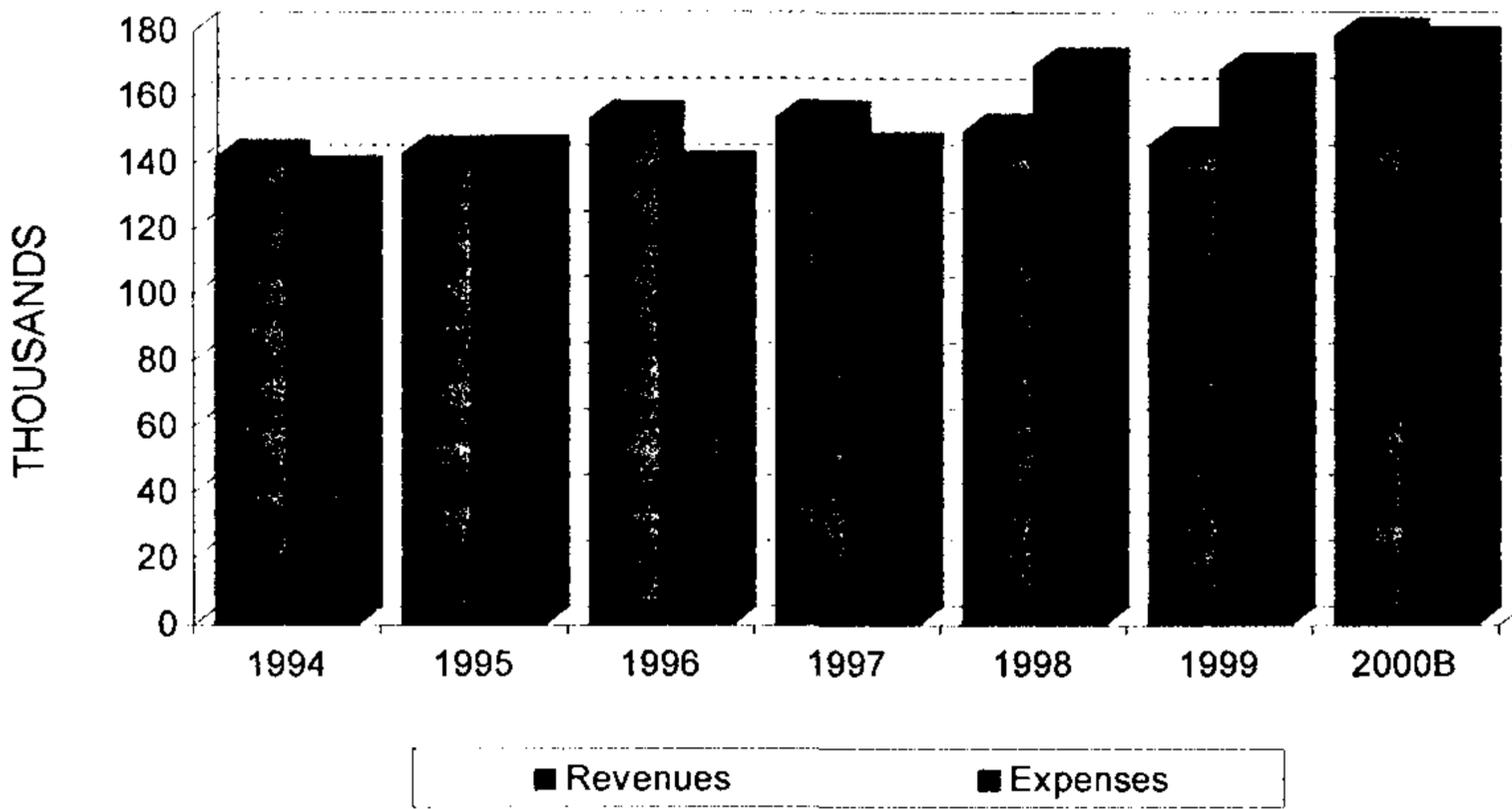
GAS FUND NET INCOME & TRANSFERS TOWN OF WHITE CASTLE, LOUISIANA



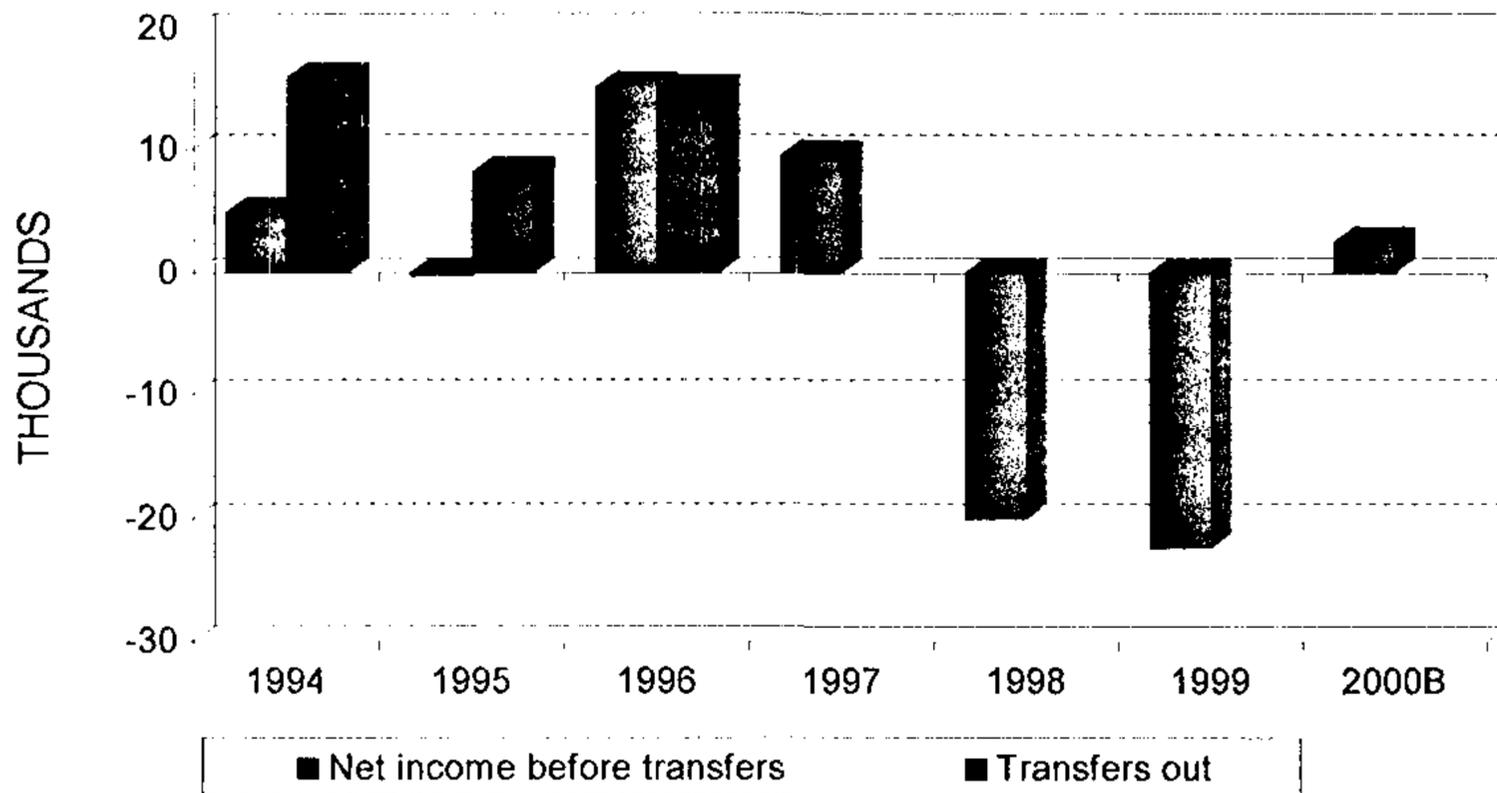
GAS REVENUE & COST OF GAS TOWN OF WHITE CASTLE, LOUISIANA



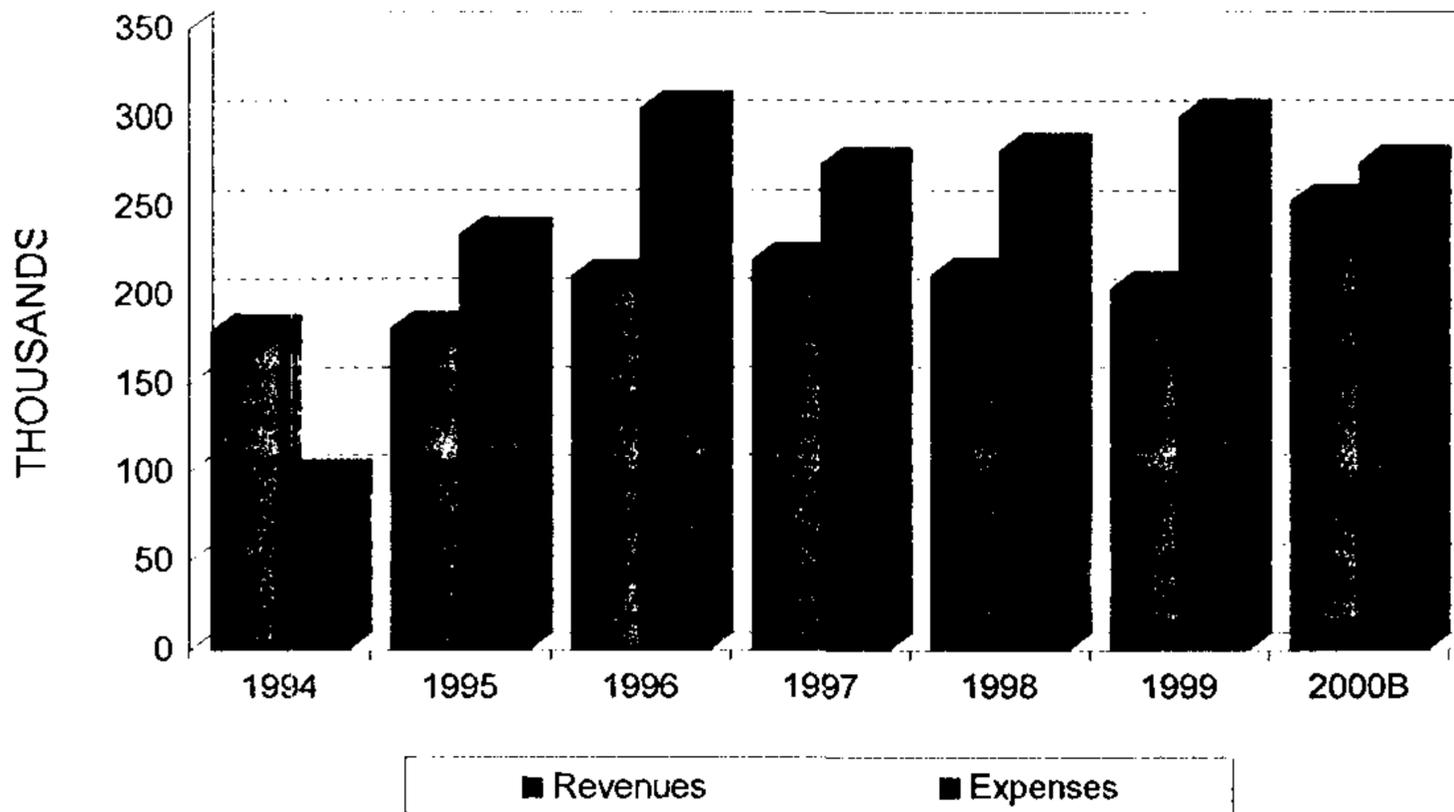
WATER FUND REVENUES & EXPENSES TOWN OF WHITE CASTLE, LOUISIANA



WATER FUND NET INCOME & TRANSFERS OUT TOWN OF WHITE CASTLE, LOUISIANA



SEWER FUND REVENUES & EXPENSES TOWN OF WHITE CASTLE, LOUISIANA



SEWER FUND NET INCOME & TRANSFERS OUT TOWN OF WHITE CASTLE, LOUISIANA

