



**TOWN OF**  
**WHITE CASTLE**

**L O U I S I A N A**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017**





# COMPREHENSIVE ANNUAL FINANCIAL REPORT

## TOWN OF WHITE CASTLE, LOUISIANA

For the fiscal year ended September 30, 2017



Prepared by

Town of White Castle  
Town Clerk's Office



# TOWN OF WHITE CASTLE, LOUISIANA

## TABLE OF CONTENTS

September 30, 2017

	<u>Exhibit</u>	<u>Page</u>
<b>INTRODUCTORY SECTION</b>		
Letter of Transmittal		v
GFOA Certificate of Achievement		ix
Principal Officials		x
Organizational Chart: Primary Government		xi
Organizational Chart: Town Clerk's Office		xii
<b>FINANCIAL SECTION</b>		
Independent Auditors' Report		1
Management's Discussion and Analysis		4
<b>Basic Financial Statements:</b>		
Government-wide Financial Statements:		
Statement of Net Position	A	17
Statement of Activities	A-1	18
Fund Financial Statements:		
Governmental Funds:		
Balance Sheets	A-2	19
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	A-3	20
Statements of Revenues, Expenditures, and Changes in Fund Balances	A-4	21
Reconciliation of the Statements of Revenues, Expenditures, and Changes in Fund Balances of the Governmental Funds to the Statement of Activities	A-5	22
Proprietary Funds:		
Statements of Net Position	A-6	23
Statements of Revenues, Expenses, and Changes in Net Position	A-7	24
Statements of Cash Flows	A-8	25
Notes to Financial Statements	A-9	27
<b>Required Supplementary Information:</b>		
General Fund:		
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget (GAAP Basis) and Actual	B	59

**TABLE OF CONTENTS (Continued)**

	<u><b>Exhibit</b></u>	<u><b>Page</b></u>
<b>Required Supplementary Information (Continued):</b>		
Notes to Required Supplementary Information	B-1	60
Schedule of Proportionate Share of Net Pension Liability	B-2	61
Schedule of Pension Contributions	B-3	62
Notes to Schedule of Proportionate Share of Net Pension Liability and Schedule of Pension Contributions	B-4	63
<b>Supplementary information:</b>		
Combining Balance Sheet - Nonmajor Governmental Funds	C	65
Combining Statement of Revenues, Expenditures, and Changes In Fund Balance - Nonmajor Governmental Funds	C-1	66
Individual Fund Statements:		
General Fund:		
Schedule of Departmental Expenditures - Budget (GAAP Basis) and Actual	C-2	67
Sinking Fund:		
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget (GAAP Basis) and Actual	C-3	70
Reserve Fund:		
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget (GAAP Basis) and Actual	C-4	71
Section 8 Fund :		
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget (GAAP Basis) and Actual	C-5	72
2008 Capital Project Fund:		
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget (GAAP Basis) and Actual	C-6	73
Schedule of Compensation, Benefits, and Other Payments to Agency Head	C-7	74
Schedule of Utility Customers	C-8	75
Schedule of Insurance in Force	C-9	76
<b>STATISTICAL SECTION (UNAUDITED)</b>		
Net Position By Component, Last Ten Fiscal Years	D-1	78
Changes in Net Position, Last Ten Fiscal Years	D-2	80
Governmental Activities Tax Revenues by Source, Last Ten Fiscal Years	D-3	82
Fund Balance of Governmental Funds, Last Ten Fiscal Years	D-4	83
Changes in Fund Balances of Governmental Funds, Last Ten Fiscal Years	D-5	84
Tax Revenues By Source, Governmental Funds, Last Ten Fiscal Years	D-6	86
Property Tax Rates and Tax Levies, Direct and Overlapping Governments, Last Ten Fiscal Years	D-7	87
Sales Tax Revenues, Last Ten Fiscal Years	D-8	88

## TABLE OF CONTENTS (Continued)

	<u>Exhibit</u>	<u>Page</u>
<b>STATISTICAL SECTION (UNAUDITED) (CONTINUED)</b>		
Taxable Sales by Category – General Sales and Use Tax, Last Ten Years	D-9	89
Ratios of Outstanding Debt by Type, Last Ten Fiscal Years	D-10	90
Composition of Direct and Overlapping Government Activities Debt	D-11	91
Legal Debt Margin Calculation, Last Ten Fiscal Years	D-12	92
Pledged Revenue Coverage, Last Ten Fiscal Years	D-13	93
Demographic and Economic Statistics, Last Ten Calendar Years	D-14	94
Principal Employers, Current and Ten Years Ago	D-15	95
Full-Time Equivalent City Government Employees by Function/Department, Last Ten Fiscal Years	D-16	96
Operating Indicators by Function/Program, Last Ten Fiscal Years	D-17	97
Capital Asset Statistics by Function/Program, Last Ten Fiscal Years	D-18	98
<b>SPECIAL INDEPENDENT AUDITORS' REPORTS</b>		
Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>		99
<b>SCHEDULE OF FINDINGS AND QUESTIONED COSTS</b>		101
<b>SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS</b>		108
<b>MANAGEMENT'S CORRECTIVE ACTION PLAN</b>		113
<b>SPECIAL ACKNOWLEDGEMENTS</b>		115





**TOWN OF  
WHITE CASTLE**

**INTRODUCTORY SECTION**





# Town Of White Castle, Louisiana

Gerald Jermarr Williams, Mayor • Mario D. Brown, Chief of Police • Monica A. Hamilton, Town Clerk  
Alderman: Shalanda L. Allen • Kipp Knight • Broderick Landry • Elliot Martin • Barbara O'Bear (Mayor Pro-Temp)

March 26, 2018

The Citizens,  
The Mayor,  
and Members of the Town Council  
Town of White Castle

Dear Citizens, Mayor, and Council:

Pursuant to Louisiana State Statutes, I hereby issue the Comprehensive Annual Financial Report (CAFR) for the Town of White Castle (the Town) for the year ended September 30, 2017. The Town Clerk's office prepared this report in accordance with Generally Accepted Accounting Principles (GAAP). We believe the data, as presented, is accurate in all material respects; that it is presented in a manner designed to set forth fairly the financial position and results of operations of the Town as measured by the financial activities of its various funds and the government-wide presentation; and that disclosures necessary to enable readers to gain an understanding of Town financial affairs have been included. Responsibility for the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with management of the Town.

The Town financial statements have been audited by J. Walker & Company APC, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and the disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit that there was a reasonable basis for rendering an unmodified opinion that the Town's financial statements for the fiscal year ended September 30, 2017, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first document of the financial section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The Town's MD&A can be found immediately following the report of the independent auditors.

## **Profile of the Government**

The Town of White Castle was incorporated as a town in 1884. It is located in Iberville Parish (the Parish), on the Mississippi River. The Town currently occupies a land area of 0.8 square miles and serves an estimated population of 1,878 according to the U.S. Census as of 2010. The population reflects a reduction of 3% from the 2000 U.S. Census.

The Town follows the provisions of the Lawrason Act as provided by Louisiana Law. The Town has seven elected officials comprised of a Mayor, five Council members and a Chief of Police that are serving four year terms. Policy making and legislative authority are vested in a governing council consisting of five council members. The Council is responsible, among other things, for passing ordinances, adopting the budget and appointing committees. The Mayor is the chief executive officer of the Town. The Chief of Police is responsible for administration of the Town's law enforcement services. Finally, the Town Clerk is recommended by the Mayor and appointed by the Town Council.

The Town provides a full range of services to the public including infrastructure maintenance and construction, public safety, public utilities, social and recreational services, emergency preparedness, and general administrative services.

A determination of the financial reporting entity to be included in this CAFR is made through the application of criteria established by the Governmental Accounting Standards Board (GASB), Statement No. 14 as amended by GASB Statement No. 61. A complete explanation of the financial reporting entity is included in the Summary of Significant Accounting Policies in the Notes to the Financial Statements.

An explanation of the accounting policies of the Town is contained in the Notes to the Financial Statements. The basis of accounting, fund structure, and other significant information on financial policies are explained in detail in the Notes to the Financial Statements.

## **Budgetary Control**

The annual budget serves as the foundation for the Town's financial planning and control. The annual operating budget is proposed by the Mayor and enacted by the Town Council. The Town Council is required to adopt the final budgets no later than September 30<sup>th</sup> of each year. Budgets are adopted at the fund and department level. Budgetary transfers across department lines or between classes of lump sum appropriations require approval of the Town Council. Additional details on the budget process are explained in the Notes to the Financial Statements.

Budget-to-actual comparisons are provided in this report for the General Fund in Exhibits B and C-2. The Sinking Fund, Reserve Fund, Section 8 Fund, and Capital Project Fund budget-to-actual comparisons are presented on Exhibits C-3 through C-6.

The Town Clerk's office is entrusted with maintaining accounting systems for the Town in accordance with the best-recognized practices in governmental accounting. It keeps the records for, and exercises financial and budgetary control over, each Town department, office, and agency.

In developing and evaluating the accounting system of the Town, the Clerk's office considers the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding the safeguarding of assets against loss from an unauthorized use or disposition and the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of control should not exceed benefits likely to be derived and that the valuation of costs and benefits requires estimates and judgments by management.

As a recipient of federal and state financial assistance, the Town government is responsible for ensuring that adequate internal controls are in effect. All internal control evaluations occur within the framework described. The Town Clerk believes that the internal controls for the Town adequately safeguard assets and provide reasonable assurance of the proper recording of financial transactions.

## **FACTORS AFFECTING FINANCIAL CONDITION**

### **Economic Condition and Outlook**

White Castle is located in the Baton Rouge metropolitan area. The City of Baton Rouge is the state capital and the closest large Metropolitan Statistical Area (MSA) to New Orleans. The Baton Rouge metropolitan area has experienced vast development over the last few decades, experiencing a growth of approximately 33% since the year 2000.

White Castle is located on the Mississippi River in the southeast region of the State of Louisiana (State) and in Iberville Parish (Parish). The Town participates in a parish-wide sales tax which is collected throughout the Parish and shared with the Parish incorporated municipalities on a pro-rata basis based on population. The largest sales tax payers in the Parish are companies involved in the petrochemical and energy sectors. Products range from refined chemicals, household products and plastic materials. These industries provide the majority of the jobs within the Town. The taxes paid by the local industries are significant to the overall Parish tax base and local economy. Because of an increase in capital acquisition and proposed construction in the petrochemical industry, the Town expects to maintain a stable level of sales tax collections through 2018. Furthermore, the agricultural industry has a significant impact to the Town since this industry is supported by the Town's labor force.

General sales and use tax revenues in 2017 for operations of the Town were approximately \$2.3 million, which represents 22% growth over the last five years. The general sales and use tax plays a significant role in financing the operations of the General Fund, representing more than 82% of available resources.

During 2017, the Town had employed labor of approximately 800 with an unemployment rate of 8% and a current median household income of \$40,405 and age of 33.

The Town provides some source of housing to the Baton Rouge MSA with 800 household units with a median value of \$89,000. Other important industries include government, construction, transportation, real estate and retail trade.

## **Major Initiatives in 2017**

The Town is in the process of constructing sidewalks throughout the Town with budgeted projects costs of approximately \$350,000, funded through grants. Additionally, recreational parks and trails are incorporated in the capital projects budget with estimated project costs of \$242,000. The Town anticipates these initiatives to be concluded over the fiscal year 2018.

## **LONG-TERM FINANCIAL PLANNING**

As mentioned above, the Town has planned to complete the construction of sidewalks by fiscal year 2018. This project, referred to as Safe Routes to School, will be utilized by both students and residents alike. The Town believes the implementation of these sidewalks not only provides citizens of the Town an additional means of transportation, but a great community resource as well.

## **ACKNOWLEDGMENTS**

The preparation of this report could not have been accomplished without the dedicated services of a highly qualified staff. I also acknowledge the thorough, professional, and timely manner in which the audit was conducted by our independent auditors, J. Walker & Company APC, and our financial and accounting consultants, Faulk & Winkler, LLC. We also thank the Town's management and Council for their support of excellence in financial reporting and fiscal integrity.

Respectfully submitted,



Gerald "Jemarr" Williams, Mayor



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**Town of White Castle  
Louisiana**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**September 30, 2016**

*Christopher P. Morill*

Executive Director/CEO

**TOWN OF WHITE CASTLE  
PRINCIPAL OFFICIALS  
SEPTEMBER 30, 2017**

**MAYOR**

Gerald “Jermarr” Williams

**COUNCIL MEMBERS**

Barbara O’Bear

Kipp V. Knight

Elliot Martin

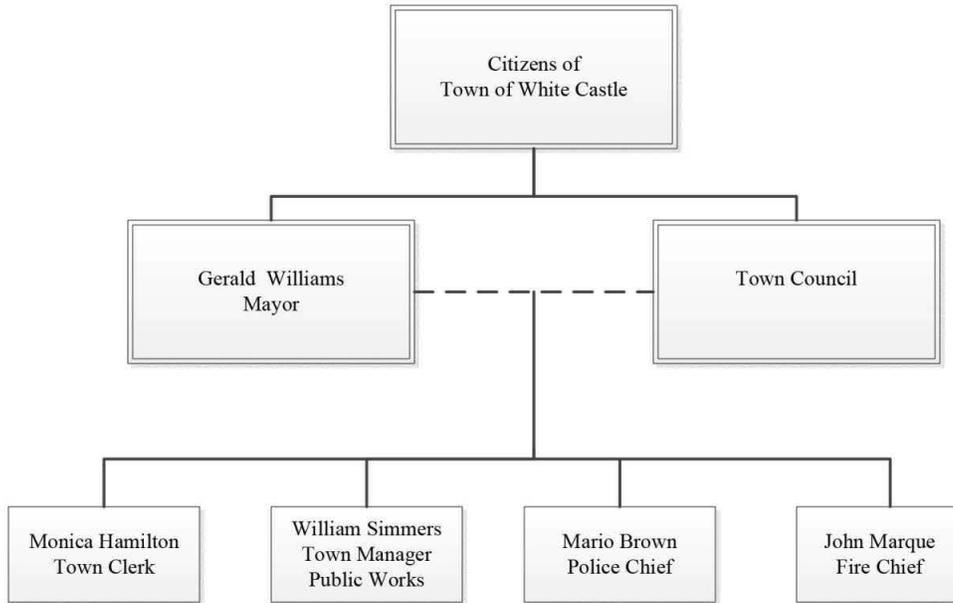
Shalanda Lewis Allen

Broderick Christoff Landry

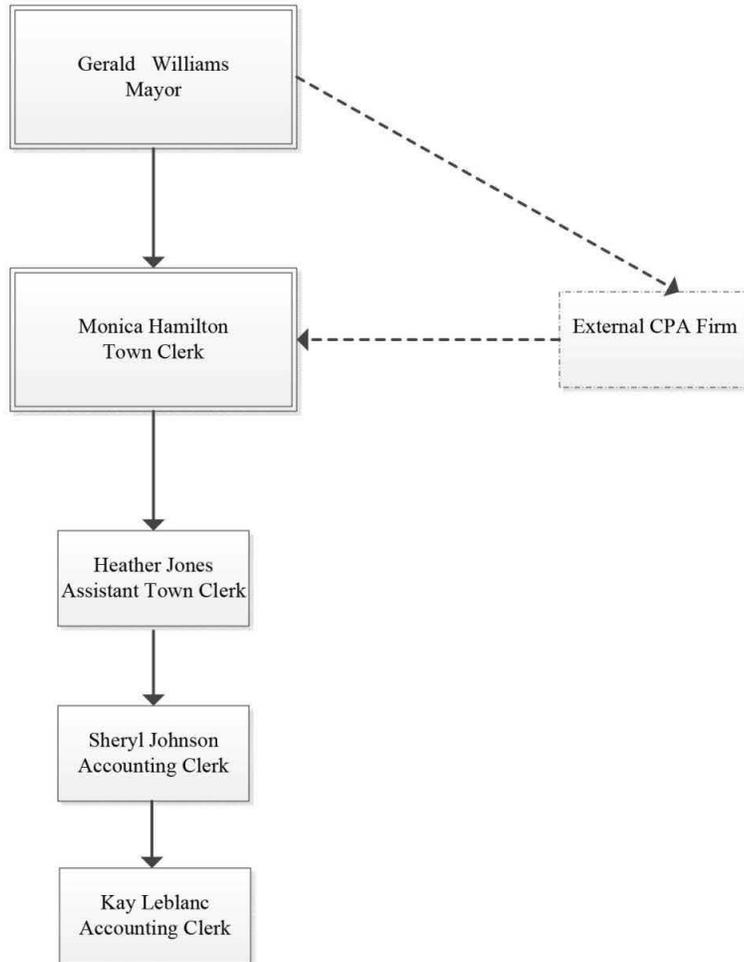
**CHIEF OF POLICE**

Mario Brown

**TOWN OF WHITE CASTLE  
ORGANIZATIONAL CHART  
PRIMARY GOVERNMENT**



**TOWN OF WHITE CASTLE  
ORGANIZATIONAL CHART  
TOWN CLERK'S OFFICE**





**TOWN OF  
WHITE CASTLE**

**FINANCIAL SECTION**





# J. WALKER & COMPANY<sup>APC</sup>

ACCOUNTANTS AND ADVISORS

## INDEPENDENT AUDITORS' REPORT

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

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund, and the aggregate remaining fund of the Town of White Castle, Louisiana, as of and for the year ended September 30, 2017, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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#### MEMBER OF:

AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the Town of White Castle, Louisiana, as of September 30, 2017, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, beginning on page 4, and budgetary comparison information on pages 59, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of White Castle, Louisiana's basic financial statements. The accompanying schedule of compensation, benefits and other payments to agency head or chief executive officer and schedule of compensation paid to the members of the board of aldermen, found on pages 74 and 56 respectively, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual non-major fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual non-major fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.



The schedules of compensation are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedules of compensation are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 26, 2018, on our consideration of the Town of White Castle, Louisiana's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Town of White Castle, Louisiana's internal control over financial reporting and compliance.

*J. Walker & Company, APC*

Lake Charles, Louisiana

March 26, 2018



## TOWN OF WHITE CASTLE, LOUISIANA

### MANAGEMENT'S DISCUSSION AND ANALYSIS

Our analysis of the Town of White Castle's (the Town) financial performance provides an overview of the Town's financial activities for the fiscal year ended September 30, 2017. Please read it in conjunction with the Town's financial statements, which begin on page 17. The Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes, and currently known facts.

### FINANCIAL HIGHLIGHTS

The Town completed the fiscal year in a stable financial position and approaches 2018 with funding that provides a means to address community needs. A major initiative of the Town is to provide basic services, including law enforcement, street maintenance, drainage, and utility services. Significant aspects of the Town's financial well-being as of and for the year ended September 30, 2017 are detailed throughout this analysis. Significant highlights are as follows:

- Assets and deferred outflows of the Town exceeded its liabilities and deferred inflows by approximately \$7.6 million at the close of the year. Of this amount, \$1.9 million (unrestricted net position) may be used to meet the Town's ongoing obligations to citizens and creditors.
- As of September 30, 2017, the Town's governmental funds reported combined fund balances of approximately \$2.6 million. Additionally, approximately \$2 million of this fund balance is unassigned.
- At year end the Town's proprietary funds reported net position of approximately \$2.9 million, \$2,000 which was unrestricted.

### USING THIS ANNUAL REPORT

This discussion and analysis is intended to serve as an introduction to the Town's basic financial statements, which consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other required supplementary information in addition to the basic financial statements.

**Government-wide financial statements.** The government-wide financial statements are designed to provide readers with a broad overview of the Town's finances in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the Town's assets, deferred outflows, liabilities, and deferred inflows, with the difference among them reported as net position. Increases or decreases in net position over time may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

The *statement of activities* presents information showing how the Town's net position changed during the year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods.

Both of the government-wide financial statements distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the Town include public safety, streets and sanitation, public health, recreation, and general administration. The business-type activities of the Town include water, gas and sewer services. The government-wide financial statements can be found on Exhibits A and A-1 of this report.

**Fund financial statements.** A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town can be divided into two categories: governmental funds and proprietary funds.

*Governmental funds* are used to account for essentially the same functions reported as governmental activities in the government-wide statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financial requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. The basic governmental fund financial statements can be found on Exhibits A-2 and A-4 of this report.

The Town maintains five individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statements of revenues, expenditures and changes in fund balances for the General Fund and the Sinking Fund which the Town considers to be major funds.

The Town adopts an annual budget for its general fund as required by law. Budgetary comparison statements have been provided for the General Fund to demonstrate compliance with the budget and is shown on Exhibit B.

The second category of funds is *proprietary funds*. Town maintains three proprietary funds to report the same functions presented as business-type activities in the government-wide statements. The Town uses proprietary funds to account for its water, gas and sewer operations.

Proprietary funds provide the same type of information as government-wide statements, but in more detail. The proprietary funds financial statements provide separate information for the Gas, Water and Sewer Funds, all of which are considered to be major funds of the Town. The basic proprietary fund financial statements can be found on Exhibits A-6 through A-8 of this report.

**Notes to the Financial Statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes can be found on Exhibit A-9 of this report.

**Other Information.** In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Town's budgetary comparison schedules for its major governmental funds and information regarding the Town's proportionate share in public pension plans. The required supplementary information can be found on Exhibits B through B-4 of this report.

Governmental funds that are considered nonmajor are presented in the combining nonmajor fund balance sheet and nonmajor fund combining statements of revenues, expenditures, and changes in fund balances at Exhibits C and C-1.

Additionally, a detailed budgetary comparison for the General Fund is provided and can be found on Exhibit C-2, whereas budgetary comparisons for the Reserve and Sinking Funds, the Section 8 Fund, and the 2008 Capital Project Fund can be found at Exhibits C-3 through C-6.

Information regarding the mayor's compensation is presented on Exhibit C-7. Additionally, utility systems customer information, along with information regarding the Town's insurance in force, can be found on Exhibits C-8 and C-9, respectively.

### **Government-Wide Financial Analysis**

As mentioned earlier, changes in net position may serve over time as a useful indicator of a government's financial position. In the case of the Town, assets and deferred outflows exceeded liabilities and deferred inflows by approximately \$7.6 million at the close of the fiscal year, a decrease of approximately \$211,000 from the prior year.

(Continued)

The summary of net position table below focuses on the net position of the Town's governmental and business-type activities.

Net Position September 30, 2017 and 2016 (in thousands)						
	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Current and other assets	\$ 2,884	\$ 2,961	\$ 555	\$ 757	\$ 3,439	\$ 3,718
Capital assets	<u>5,099</u>	<u>5,007</u>	<u>3,076</u>	<u>3,220</u>	<u>8,175</u>	<u>8,227</u>
Total assets	<u>7,983</u>	<u>7,968</u>	<u>3,631</u>	<u>3,977</u>	<u>11,614</u>	<u>11,945</u>
Deferred outflows of resources	<u>491</u>	<u>351</u>	<u>66</u>	<u>79</u>	<u>557</u>	<u>430</u>
Total assets and deferred outflows of resources	<u>\$ 8,474</u>	<u>\$ 8,319</u>	<u>\$ 3,697</u>	<u>\$ 4,056</u>	<u>\$ 12,171</u>	<u>\$ 12,375</u>
Current and other liabilities	\$ 285	\$ 108	\$ 126	\$ 293	\$ 411	\$ 401
Noncurrent liabilities	<u>3,461</u>	<u>3,367</u>	<u>637</u>	<u>767</u>	<u>4,098</u>	<u>4,134</u>
Total liabilities	<u>3,746</u>	<u>3,475</u>	<u>763</u>	<u>1,060</u>	<u>4,509</u>	<u>4,535</u>
Deferred inflows of resources	<u>49</u>	<u>25</u>	<u>21</u>	<u>12</u>	<u>70</u>	<u>37</u>
Net position:						
Net investment in capital assets	3,533	3,363	2,687	2,709	4,923	4,757
Restricted	528	523	224	217	752	740
Unrestricted	<u>618</u>	<u>933</u>	<u>2</u>	<u>58</u>	<u>1,917</u>	<u>2,306</u>
Total net position	<u>4,679</u>	<u>4,819</u>	<u>2,913</u>	<u>2,984</u>	<u>7,592</u>	<u>7,803</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 8,474</u>	<u>\$ 8,319</u>	<u>\$ 3,697</u>	<u>\$ 4,056</u>	<u>\$ 12,171</u>	<u>\$ 12,375</u>

At the end of the prior and current fiscal years the Town had positive balances in all three categories of net position for governmental activities as well as for its separate governmental funds, sewer utility fund, and gas utility fund.

The largest classification of the Town's net position as of September 30, 2017 (65%) reflects those net position invested in capital assets (e.g., land, buildings, improvements, streets, equipment, vehicles, utility systems and furniture and fixtures), less any related outstanding debt used to acquire those assets. This same classification of net position was also the largest portion of the Town's net position as of September 30, 2016 (61%).

In 2016, the Town's governmental activities issued revenue refunding bonds to refund a previous bond issuance that was allocated between the Town's governmental and business-type activities. The portion of debt held in the Town's governmental activities that was used to fund the acquisition of capital assets in the Town's business type activities is excluded from the calculation of the Town's net investment in capital assets for governmental activities. However, this portion of debt is included in the calculation of net investment in capital assets for the Town's primary government. See Note 1 and Note 6 in the notes to the financial statements for more information.

The \$1.9 million in unrestricted net position of the Town at the end of fiscal 2017 represents the accumulated results of operations.

Unrestricted net position of governmental activities decreased during the year by approximately 33%, or \$315,000, this decrease is correlated to the increase in net investment in capital assets, as the Town placed new assets into service and began making payments on debt that was issued in the prior year. Furthermore, unrestricted net position for business-type activities decreased by approximately 290%, or \$56,000. Collectively, the business-type activities experienced a net decrease in net position of approximately \$56,000 for the year ended September 30, 2017.

(Continued)

The results of this year's operations for the government as a whole are reported in the statement of activities, which is summarized below:

Changes in Net Position  
For the years ended September 30, 2017 and 2016  
(in thousands)

	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
Revenues:						
Program revenues:						
Charges for services	\$ 217	\$ 164	\$ 768	\$ 773	\$ 985	\$ 937
Operating grants and contributions	60	79	-	-	60	79
Capital grants and contributions	78	26	-	-	78	26
General revenues:						
Ad valorem	32	32	-	-	32	32
Sales taxes	2,250	2,442	-	-	2,250	2,442
Other taxes	52	47	-	12	52	59
Other general revenues	32	64	26	-	58	64
Total revenues	<u>2,721</u>	<u>2,854</u>	<u>794</u>	<u>785</u>	<u>3,515</u>	<u>3,639</u>
Functions/Program Expenses:						
General government	715	913	-	-	715	913
Public safety	731	626	-	-	731	626
Streets and sanitation	627	509	-	-	627	509
Public health	61	79	-	-	61	79
Recreation	245	203	-	-	245	203
Gas	-	-	346	333	346	333
Waterworks	-	-	519	556	519	556
Sewerage	-	-	380	368	380	368
Interest	102	123	-	-	102	123
Total expenses	<u>2,481</u>	<u>2,453</u>	<u>1,245</u>	<u>1,257</u>	<u>3,726</u>	<u>3,710</u>
Increase (decrease) in net position before transfers	240	401	(451)	(472)	(211)	(71)
Transfers	<u>(380)</u>	<u>(1,487)</u>	<u>380</u>	<u>1,487</u>	<u>-</u>	<u>-</u>
Change in net position	(140)	(1,086)	(71)	1,015	(211)	(71)
Beginning net position	<u>4,819</u>	<u>5,905</u>	<u>2,984</u>	<u>1,969</u>	<u>7,803</u>	<u>7,874</u>
Ending net position	<u>\$ 4,679</u>	<u>\$ 4,819</u>	<u>\$ 2,913</u>	<u>\$ 2,984</u>	<u>\$ 7,592</u>	<u>\$ 7,803</u>

**Financial Analysis of Town’s Most Significant Funds**

The Town uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Analysis of the Town’s major funds begins on page 19. The fund financial statements provide detailed information about only the most significant funds and thus not the Town as a whole. Some funds are required to be established by state law or by bond covenants. In addition, the Town Council establishes other funds to control and manage resources for particular purposes or to meet legal responsibilities for using certain taxes, grants, and other money. The Town’s two kinds of funds, governmental and proprietary, use different accounting bases.

**Governmental funds** - Most of the Town’s basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the year-end balances that are available the subsequent year. These funds are reported using the *modified accrual* basis of accounting, which measures cash and other financial assets that can readily be converted to cash. As such, the governmental fund statements provide a detailed short-term view of the Town’s general government operations and the basic services it provides. Governmental fund information helps users determine whether there are more or fewer financial resources that can be expended in the near future to finance the Town’s programs. The relationship and differences between governmental *activities* (reported in the statement of net position and the statement of activities) and governmental *funds* (reported in the balance sheet and statement of revenues, expenditures, and changes in fund balance) are described in a reconciliation after the fund financial statements.

**General Governmental Functions**

The general government operations of the Town are accounted for in the General Fund, Special Revenue Fund, Debt Service Funds, and the Capital Project Fund. The following table shows a summary of general governmental operations for 2017 by fund type.  
(in thousands)

	2017				2016	
	General Fund	Special Revenue Fund	Debt Service Funds	Capital Project Fund	Totals	Totals
Revenues and other financing sources	\$ 2,698	\$ 60	\$ 179	\$ -	\$ 2,937	\$ 5,721
Expenditures and other financing uses	2,407	60	176	-	2,643	3,745
Transfers, net	<u>(558)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(558)</u>	<u>(1,488)</u>
Change in fund balance	<u>\$ (267)</u>	<u>\$ -</u>	<u>\$ 3</u>	<u>\$ -</u>	<u>\$ (264)</u>	<u>\$ 488</u>

Before transfers to other governmental and enterprise funds, the Town’s General fund experienced an excess of revenues over expenditures. This excess is primarily related to sales and use tax, which is later transferred into other funds. Likewise, the Sinking fund received transfers in to fund debt service payments.

Overall, revenues and other financing sources of the Town's governmental fund types for 2017 decreased by approximately \$2.8 million, expenditures and other financing uses decreased by approximately \$1.1 million, and net transfers increased by approximately \$472,000 resulting in a decrease in fund balance of approximately 264,000. This decrease in fund balance was less than the prior year's increase in fund balance of \$488,000, largely due to the issuance of refunding bonds during 2016.

Sources of general governmental revenues for all governmental funds are summarized in the table below.

Source of Revenue	(in thousands)			
	2017		2016	
	Revenue	Percent	Revenue	Percent
Taxes	\$ 2,321	86	\$ 2,515	88
Licenses and permits	77	3	94	3
Intergovernmental	151	6	134	5
Miscellaneous	157	5	100	4
Total	<u>\$ 2,706</u>	<u>100%</u>	<u>\$ 2,843</u>	<u>100%</u>

The Town's governmental activities are largely supported by tax revenues, which are recorded in the General fund, representing 86% of the total governmental revenues in 2017, which increased by approximately \$194,000 (or 8%) during the current year due primarily to decreases in sales tax revenues.

Expenditures in the Town's General fund increased by approximately \$431,000 due to increased capital outlay and debt service expenditures in 2017. The Town's Sinking fund expenditures decreased by approximately \$101,000 due to a reduction in debt service amounts. Overall, expenditures of the governmental funds decreased by approximately \$281,000 in 2017. The decrease in expenditures is correlated with capital outlay projects. Expenditures for all governmental funds by each major function are summarized below.

Function	(in thousands)			
	2017		2016	
	Expenditure	Percent	Expenditure	Percent
General government	\$ 633	24	\$ 690	30
Public safety	619	23	594	25
Streets and sanitation	451	17	336	14
Public health	60	2	80	3
Recreation	81	3	39	2
Debt service	249	10	282	12
Capital outlay	550	21	311	14
Total	<u>\$ 2,643</u>	<u>100%</u>	<u>\$ 2,332</u>	<u>100%</u>

**Proprietary Funds** - The Town's proprietary funds provide the same information reported in the government-wide financial statements as business-type activities but in a different format. Unrestricted net position of Waterworks and Gas decreased for the year ended September 30, 2017. Additionally, Gas, Water and Sewer experienced operating losses as summarized in the table below.

	(in thousands)			
	2017		2016	
	Total	Percent	Total	Percent
<b><u>Operating revenues:</u></b>				
Gas	\$ 252	32	\$ 236	30
Waterworks	243	31	237	31
Sewerage	293	37	305	39
Total revenues	<u>788</u>	<u>100</u>	<u>778</u>	<u>100</u>
<b><u>Operating expenses:</u></b>				
Gas	347	28	333	29
Waterworks	507	42	473	41
Sewerage	368	30	354	30
Total expenses	<u>1,222</u>	<u>100</u>	<u>1,160</u>	<u>100</u>
Net operating loss	<u>\$ (434)</u>	<u>(55)</u>	<u>\$ (382)</u>	<u>(50)</u>

### **General Fund Budgetary Highlights**

Differences between the General Fund original budget and the final budget are shown on Exhibit B. Revenue projections were amended to increase sales tax revenues by \$555,000 and reduce grant revenue by \$359,000. Actual total revenues were approximately \$400,000 less than the final budget, primarily due to a decrease in sales tax received.

Regarding expenditures, the original budget of the Town was amended to decrease the appropriation for capital outlay expenditures and to increase the appropriations for general government and streets and sanitation. The decrease in capital outlay expenditures from the original budget of approximately \$231,000 was the result of expected postponement of capital outlay projects.

## CAPITAL ASSET AND DEBT ADMINISTRATION

### Capital Assets

At the end of 2017 the Town had approximately \$8,175,000 invested in a broad range of capital assets including streets, heavy equipment for street and drainage maintenance, vehicles, computer equipment, office furniture, land, buildings, park facilities, gas and water distribution systems, and sewer treatment systems. This amount represents a net decrease of \$52,000, or 1% over the prior fiscal year. The 2017 additions in the governmental and business type activities were approximately \$550,000 and \$68,000, respectively. Additions included the purchase of equipment and vehicles, as well as improvements to the Community Center and Splash Park. During 2017, depreciation expense for the governmental and business type activities were approximately \$458,000 and 213,000, respectively.

	in thousands (net of depreciation)					
	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Land	\$ 321	\$ 310	\$ 41	\$ 41	\$ 362	\$ 351
Construction in progress	103	51	-	-	103	51
Buildings and systems	918	886	2,947	3,144	3,865	4,030
Equipment and vehicles	468	508	88	35	556	543
Improvements other than buildings	121	155	-	-	121	155
Infrastructure	<u>3,168</u>	<u>3,097</u>	<u>-</u>	<u>-</u>	<u>3,168</u>	<u>3,097</u>
 Total assets, net of depreciation	 <u>\$ 5,099</u>	 <u>\$ 5,007</u>	 <u>\$ 3,076</u>	 <u>\$ 3,220</u>	 <u>\$ 8,175</u>	 <u>\$ 8,227</u>

The Town's fiscal year 2017 capital budget included purchases for police and governmental vehicles. More detailed information about the Town's capital assets is presented in Note 5 to the financial statements.

## Debt

On September 30, 2017, the Town had \$4,098,000 in outstanding debt, compared to \$4,135,000 on September 30, 2016, a decrease of 1%, as shown in the following table.

(in thousands)

	Governmental		Business-type		Total	
	Activities		Activities			
	2017	2016	2017	2016	2017	2016
Public improvement bonds	\$2,645	\$2,727	\$ 50	\$ 98	\$2,695	\$2,825
Premium on bond issuance	29	31	-	-	29	31
Installment purchase agreements	190	200	-	-	190	200
Legal claims	-	13	-	-	-	13
Net pension liability	578	379	223	238	801	617
Revenue bonds	-	-	338	414	338	414
Accrued sick leave	19	17	26	18	45	35
	<u>\$3,461</u>	<u>\$3,367</u>	<u>\$ 637</u>	<u>\$ 768</u>	<u>\$4,098</u>	<u>\$4,135</u>

More detailed information about the Town's long-term liabilities is presented in Note 6 and Note 7 to the financial statements.

### **ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

The Town's elected and appointed officials considered many factors when setting the 2018 budget and tax rates. One of those factors is the current local, state and national economies.

The following indicators were taken into account when adopting the General Fund budget for 2018. Amounts available for appropriation in the General Fund are \$2.7 million, an increase over the final 2017 budget of \$200,000, or 8%. Property taxes, licensing fees, sales taxes, franchise taxes and utility taxes are expected to remain consistent for the General Fund. Grant revenues are expected to increase by \$370,000 for anticipated capital grants. The Town will use these revenues to finance programs currently offered. Budgeted expenditures are expected to be \$2.7 million, an increase of \$353,000, primarily related to capital projects related to streets that will be financed through capital grants. If these estimates are realized, the General Fund's fund balance is expected to remain the same.

## **OTHER INFORMATION**

### **Contacting The Town's Financial Management**

This financial report is designed to provide the Town's citizens, taxpayers, customers, granting agencies, investors, and creditors with a general overview of the Town's finances and to show accountability for the money it receives. If you have questions about this report or need additional financial information, please contact the Town's Finance Office at (225) 545-3012 or P.O. Box 488, White Castle, Louisiana 70788.

#### **Town Council**

Kipp V. Knight

Shalanda Lewis Allen

Elliot Martin

Broderick Christoff Landry

Barbara O'Bear





**TOWN OF  
WHITE CASTLE**

**BASIC FINANCIAL STATEMENTS**



## TOWN OF WHITE CASTLE, LOUISIANA

## STATEMENT OF NET POSITION

September 30, 2017

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 1,628,367	\$ 324,364	\$ 1,952,731
Investments - certificate of deposit	370,940	31,566	402,506
Accounts receivable, net	20,742	151,079	171,821
Due from other governments	350,371	-	350,371
Prepaid insurance	38,671	28,835	67,506
Internal balances	292,000	(292,000)	-
Inventories	-	13,478	13,478
Restricted cash	182,936	297,847	480,783
Capital assets:			
Non depreciable	425,284	40,588	465,872
Depreciable, net	<u>4,673,809</u>	<u>3,034,997</u>	<u>7,708,806</u>
Total assets	7,983,120	3,630,754	11,613,874
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows related to pension liability	288,718	65,946	354,664
Deferred outflows related to debt refunding	<u>202,571</u>	<u>-</u>	<u>202,571</u>
Total deferred outflows of resources	<u>491,289</u>	<u>65,946</u>	<u>557,235</u>
Total assets and deferred outflows of resources	<u>\$ 8,474,409</u>	<u>\$ 3,696,700</u>	<u>\$ 12,171,109</u>
<b>LIABILITIES</b>			
Accounts payable	\$ 198,414	\$ 18,484	\$ 216,898
Payroll and other accrued liabilities	56,313	30,340	86,653
Contracts payable - retainage	30,500	-	30,500
Unearned revenue	-	2,737	2,737
Customer deposits	-	73,866	73,866
Long-term payables:			
Due within one year	171,663	135,123	306,786
Due in more than one year	2,711,185	278,915	2,990,100
Net pension liability	<u>578,421</u>	<u>223,361</u>	<u>801,782</u>
Total liabilities	<u>3,746,496</u>	<u>762,826</u>	<u>4,509,322</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension liability	34,296	20,848	55,144
Other	<u>14,533</u>	<u>-</u>	<u>14,533</u>
Total deferred inflows of resources	<u>48,829</u>	<u>20,848</u>	<u>69,677</u>
<b>NET POSITION</b>			
Net investment in capital assets	3,533,002	2,687,112	4,922,614
Restricted for:			
Debt service	242,242	96,500	338,742
Capital projects	285,515	127,481	412,996
Unrestricted	<u>618,325</u>	<u>1,933</u>	<u>1,917,758</u>
Total net position	<u>4,679,084</u>	<u>2,913,026</u>	<u>7,592,110</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 8,474,409</u>	<u>\$ 3,696,700</u>	<u>\$ 12,171,109</u>

Notes on Exhibit A-9 are an integral part of this statement.

## TOWN OF WHITE CASTLE, LOUISIANA

## STATEMENT OF ACTIVITIES

For the year ended September 30, 2017

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
<b>Primary government:</b>							
Governmental activities:							
General government	\$ 715,352	\$ 83,926	\$ -	\$ -	\$ (631,426)	\$ -	\$ (631,426)
Public safety	730,803	122,346	-	-	(608,457)	-	(608,457)
Streets and sanitation	626,918	-	-	-	(626,918)	-	(626,918)
Public health	60,491	-	60,480	-	(11)	-	(11)
Recreation	245,367	10,870	-	77,813	(156,684)	-	(156,684)
Interest on long-term debt	101,914	-	-	-	(101,914)	-	(101,914)
Total governmental activities	<u>2,480,845</u>	<u>217,142</u>	<u>60,480</u>	<u>77,813</u>	<u>(2,125,410)</u>	<u>-</u>	<u>(2,125,410)</u>
Business-type activities:							
Gas	346,602	239,798	-	-	-	(106,804)	(106,804)
Waterworks	519,255	235,402	-	-	-	(283,853)	(283,853)
Sewerage	379,625	292,800	-	-	-	(86,825)	(86,825)
Total business-type activities	<u>1,245,482</u>	<u>768,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(477,482)</u>	<u>(477,482)</u>
Total primary government	<u>\$3,726,327</u>	<u>\$ 985,142</u>	<u>\$ 60,480</u>	<u>\$ 77,813</u>	<u>(2,125,410)</u>	<u>(477,482)</u>	<u>(2,602,892)</u>
General revenues:							
Taxes:							
Ad valorem					31,765	-	31,765
Sales and use					2,249,482	-	2,249,482
Franchise					37,353	-	37,353
Video poker					12,674	-	12,674
Other					2,450	-	2,450
Grants and contribution not restricted to specific programs					14,963	26,263	41,226
Investment earnings					16,862	33	16,895
Transfers					(380,000)	380,000	-
Total general revenues and transfers					<u>1,985,549</u>	<u>406,296</u>	<u>2,391,845</u>
Change in net position					(139,861)	(71,186)	(211,047)
<b>NET POSITION</b>							
Beginning of year					<u>4,818,945</u>	<u>2,984,212</u>	<u>7,803,157</u>
Ending of year					<u>\$ 4,679,084</u>	<u>\$ 2,913,026</u>	<u>\$7,592,110</u>

Notes on Exhibit A-9 are an integral part of this statement.

## TOWN OF WHITE CASTLE, LOUISIANA

BALANCE SHEETS  
GOVERNMENTAL FUNDS

September 30, 2017

	<u>General</u>	<u>Sinking Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 1,040,645	\$ 2,155	\$ 14,533	\$ 1,057,333
Investments - certificates of deposit	370,940	-	-	370,940
Account receivable, net	20,742	-	-	20,742
Due from other governments	350,371	-	-	350,371
Due from other funds	405,000	122,000	-	527,000
Prepaid insurance	38,671	-	-	38,671
Restricted cash	86,530	142,184	523,834	752,548
Total assets	<u>\$ 2,312,899</u>	<u>\$ 266,339</u>	<u>\$ 538,367</u>	<u>\$ 3,117,605</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 196,992	\$ -	\$ -	\$ 196,992
Contracts payable - retainage	30,500	-	-	30,500
Payroll and other accrued liabilities	28,897	-	-	28,897
Due to other funds	-	235,000	-	235,000
Total liabilities	<u>256,389</u>	<u>235,000</u>	<u>-</u>	<u>491,389</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Other	-	-	14,533	14,533
<b>FUND BALANCE</b>				
Nonspendable	38,671	-	-	38,671
Restricted for:				
Debt service	-	31,339	238,319	269,658
Capital projects	-	-	285,515	285,515
Unassigned	2,017,839	-	-	2,017,839
Total fund balance	<u>2,056,510</u>	<u>31,339</u>	<u>523,834</u>	<u>2,611,683</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 2,312,899</u>	<u>\$ 266,339</u>	<u>\$ 538,367</u>	<u>\$ 3,117,605</u>

Notes on Exhibit A-9 are an integral part of this statement.

**TOWN OF WHITE CASTLE, LOUISIANA**

**RECONCILIATION OF THE GOVERNMENTAL FUNDS  
BALANCE SHEETS TO THE STATEMENT OF NET POSITION**

September 30, 2017

Total net position reported for governmental activities in the statement of net position are different because:

Total fund balances - governmental funds (Exhibit A-2)	\$	2,611,683
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds, net of accumulated depreciation		5,099,093
Deferred outflows used in governmental activities that are not financial resources and, therefore, are not reported in the governmental funds.		
Deferred outflows related to loss on refunded debt		202,571
Long-term liabilities (e.g. bonds, leases), are not due and payable in the current period and, therefore, are not reported in the governmental funds.		
Deferred outflows related to pension liability	288,718	
Accrued interest payable	(27,416)	
Net pension liability	(578,421)	
Deferred inflows related to pension liability	(34,296)	
Premium on bond issuance	(28,452)	
Bonds payable, installment purchase agreements, and claims and judgements	(2,835,139)	
Compensated absences payable	(19,257)	<u>(3,234,263)</u>
Net position of governmental activities (Exhibit A)	\$	<u>4,679,084</u>

Notes on Exhibit A-9 are an integral part of this statement.

## TOWN OF WHITE CASTLE, LOUISIANA

STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS

For the year ended September 30, 2017

	<b>General Fund</b>	<b>Sinking Fund</b>	<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>REVENUES</b>				
Taxes	\$ 2,321,050	\$ -	\$ -	\$ 2,321,050
Intergovernmental	90,487	-	60,480	150,967
License and permits	76,564	-	-	76,564
Fines	122,346	-	-	122,346
Other	<u>34,324</u>	<u>713</u>	<u>57</u>	<u>35,094</u>
Total revenues	<u>2,644,771</u>	<u>713</u>	<u>60,537</u>	<u>2,706,021</u>
<b>EXPENDITURES</b>				
Current function				
General government	633,023	-	-	633,023
Public safety	618,938	-	-	618,938
Streets and sanitation	451,345	-	-	451,345
Public health	-	-	60,491	60,491
Recreation	80,507	-	-	80,507
Debt service:				
Principal	63,000	82,035	-	145,035
Interest	9,875	93,938	-	103,813
Capital outlay	<u>549,960</u>	<u>-</u>	<u>-</u>	<u>549,960</u>
Total expenditures	<u>2,406,648</u>	<u>175,973</u>	<u>60,491</u>	<u>2,643,112</u>
Excess (deficiency) of revenues over expenditures	<u>238,123</u>	<u>(175,260)</u>	<u>46</u>	<u>62,909</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	178,000	-	178,000
Proceeds from installment purchase agreements	52,633	-	-	52,633
Transfers out	<u>(558,000)</u>	<u>-</u>	<u>-</u>	<u>(558,000)</u>
Total other financing sources (uses)	<u>(505,367)</u>	<u>178,000</u>	<u>-</u>	<u>(327,367)</u>
Net change in fund balance	(267,244)	2,740	46	(264,458)
<b>FUND BALANCE</b>				
Beginning of year	<u>2,323,754</u>	<u>28,599</u>	<u>523,788</u>	<u>2,876,141</u>
End of year	<u>\$ 2,056,510</u>	<u>\$ 31,339</u>	<u>\$ 523,834</u>	<u>\$ 2,611,683</u>

Notes on Exhibit A-9 are an integral part of this statement.

## TOWN OF WHITE CASTLE, LOUISIANA

**RECONCILIATION OF THE STATEMENTS OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO  
THE STATEMENT OF ACTIVITIES**

For the year ended September 30, 2017

The change in net position reported for governmental activities in the statement of activities is different because:

Net change in fund balances - total governmental funds (Exhibit A-4)	\$	(264,458)
<p>Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeds capital outlays.</p>		
Depreciation expense		(457,991)
Capital outlay		549,960
		91,969
<p>The liability and expense for compensated absences are not reported in governmental funds. Instead, payments for compensated absences are reported as salaries when they occur. Only the payment consumes current financial resources and it would take a catastrophic event for this liability to become a current liability.</p>		
		(2,512)
<p>The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds. In the statement of net position, however, issuing debt increases long-term liabilities and does not affect the statement of activities. Similarly, repayment of principal is an expenditure in the governmental funds but reduces the liability in the statement of activities.</p>		
Scheduled principal payments on debt		145,035
Proceeds from the issuance of long-term debt		(52,633)
Amortization of deferred loss on refunding bonds		(6,139)
Amortization of bond premium		2,773
		89,036
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.</p>		
Change in accrued interest payable		1,899
Change in net pension obligations are reported only in the Statement of Activities		(68,795)
Change in net position of governmental activities (Exhibit A-1)	\$	(139,861)

Notes on Exhibit A-9 are an integral part of this statement.

## TOWN OF WHITE CASTLE, LOUISIANA

STATEMENTS OF NET POSITION  
PROPRIETARY FUNDS

September 30, 2017

	Gas Utility Fund	Waterworks Utility Fund	Sewerage Utility Fund	Total
<b>ASSETS</b>				
Current assets:				
Cash and cash equivalents	\$ 82,737	\$ 175,121	\$ 66,506	\$ 324,364
Investments - certificates of deposit	9,555	-	22,011	31,566
Accounts receivable, net	36,757	53,936	60,386	151,079
Prepaid insurance	10,158	10,158	8,519	28,835
Due from other funds	150,000	-	250,000	400,000
Inventories	3,496	9,982	-	13,478
Total current assets	292,703	249,197	407,422	949,322
Long-term assets:				
Restricted cash	40,430	75,044	182,373	297,847
Capital assets:				
Non-depreciable	-	9,000	31,588	40,588
Depreciable, net	720	1,779,679	1,254,598	3,034,997
Total noncurrent assets	41,150	1,863,723	1,468,559	3,373,432
Total assets	333,853	2,112,920	1,875,981	4,322,754
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred outflows related to pension liability	32,973	32,973	-	65,946
Total assets and deferred outflows of resources	\$ 366,826	\$ 2,145,893	\$ 1,875,981	\$ 4,388,700
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	\$ 2,913	\$ 12,594	\$ 2,977	\$ 18,484
Payroll and other accrued liabilities	9,628	21,711	4,551	35,890
Customer deposits	40,430	33,436	-	73,866
Bonds payable	-	56,081	73,492	129,573
Unearned revenues	2,737	-	-	2,737
Due to other funds	170,000	522,000	-	692,000
Total current liabilities	225,708	645,822	81,020	952,550
Long-term liabilities:				
Accrued sick leave	13,919	6,096	-	20,015
Bonds payable	-	141,508	117,392	258,900
Net pension liability	111,681	111,680	-	223,361
Total noncurrent liabilities	125,600	259,284	117,392	502,276
Total liabilities	351,308	905,106	198,412	1,454,826
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred inflows related to pension liability	10,424	10,424	-	20,848
<b>NET POSITION</b>				
Net investment in capital assets	720	1,591,090	1,095,302	2,687,112
Restricted for:				
Debt service	-	12,716	83,784	96,500
Capital projects	-	28,892	98,589	127,481
Unrestricted	4,374	(402,335)	399,894	1,933
Total net position	5,094	1,230,363	1,677,569	2,913,026
Total liabilities, deferred inflows of resources, and net position	\$ 366,826	\$ 2,145,893	\$ 1,875,981	\$ 4,388,700

Notes on Exhibit A-9 are an integral part of this statement.

## TOWN OF WHITE CASTLE, LOUISIANA

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
PROPRIETARY FUNDS

For the year ended September 30, 2017

	<u>Gas Utility Fund</u>	<u>Waterworks Utility Fund</u>	<u>Sewerage Utility Fund</u>	<u>Total</u>
<b>OPERATING REVENUES</b>				
Charges for services	\$ 239,798	\$ 235,402	\$ 292,800	\$ 768,000
Other	11,514	7,853	468	19,835
Total operating revenues	<u>251,312</u>	<u>243,255</u>	<u>293,268</u>	<u>787,835</u>
<b>OPERATING EXPENSES</b>				
Administration	146,722	188,252	147,119	482,093
Field	142,279	225,566	102,982	470,827
Depreciation	1,752	92,895	118,523	213,170
Gas purchases	55,849	-	-	55,849
Total operating expenses	<u>346,602</u>	<u>506,713</u>	<u>368,624</u>	<u>1,221,939</u>
Operating income (loss)	<u>(95,290)</u>	<u>(263,458)</u>	<u>(75,356)</u>	<u>(434,104)</u>
<b>NON-OPERATING</b>				
Interest income	-	33	-	33
Other contributions	3,214	3,214	-	6,428
Interest expense	-	(12,542)	(11,001)	(23,543)
Total non-operating, net	<u>3,214</u>	<u>(9,295)</u>	<u>(11,001)</u>	<u>(17,082)</u>
Loss before transfers	(92,076)	(272,753)	(86,357)	(451,186)
Transfers in	90,000	300,000	-	390,000
Transfers out	-	-	(10,000)	(10,000)
Net income (loss)	<u>(2,076)</u>	<u>27,247</u>	<u>(96,357)</u>	<u>(71,186)</u>
<b>NET POSITION</b>				
Beginning of year	<u>7,170</u>	<u>1,203,116</u>	<u>1,773,926</u>	<u>2,984,212</u>
Ending of year	<u>\$ 5,094</u>	<u>\$ 1,230,363</u>	<u>\$ 1,677,569</u>	<u>\$ 2,913,026</u>

Notes on Exhibit A-9 are an integral part of this statement.

## TOWN OF WHITE CASTLE, LOUISIANA

STATEMENTS OF CASH FLOWS  
PROPRIETARY FUNDS

For the year ended September 30, 2017

	<b>Gas Utility Fund</b>	<b>Waterworks Utility Fund</b>	<b>Sewerage Utility Fund</b>	<b>Totals</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers and users	\$ 90,369	\$ 217,297	\$ 271,263	\$ 578,929
Payments to suppliers for goods and services	(239,490)	(253,074)	(212,385)	(704,949)
Payments to employees for services and benefits	(121,437)	(161,104)	(51,380)	(333,921)
Other operating revenues	<u>11,514</u>	<u>7,853</u>	<u>468</u>	<u>19,835</u>
Net cash (used) provided by operating activities	<u>(259,044)</u>	<u>(189,028)</u>	<u>7,966</u>	<u>(440,106)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Due to other funds	170,000	20,000	-	190,000
Due from other funds	-	-	102,000	102,000
Transfers in	90,000	300,000	-	390,000
Transfers out	<u>-</u>	<u>-</u>	<u>(10,000)</u>	<u>(10,000)</u>
Net cash provided by noncapital activities	<u>260,000</u>	<u>320,000</u>	<u>92,000</u>	<u>672,000</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Acquisition and construction of capital assets	-	(68,308)	-	(68,308)
Interest expense	-	(12,542)	(11,001)	(23,543)
Repayment of revenue bonds	<u>-</u>	<u>(53,299)</u>	<u>(69,925)</u>	<u>(123,224)</u>
Net cash used by capital activities	<u>-</u>	<u>(134,149)</u>	<u>(80,926)</u>	<u>(215,075)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Change in investment	-	51,944	(9,362)	42,582
Interest income	<u>29,034</u>	<u>33</u>	<u>-</u>	<u>29,067</u>
Net cash provided (used) by investing activities	<u>29,034</u>	<u>51,977</u>	<u>(9,362)</u>	<u>71,649</u>
Increase (decrease) in cash	29,990	48,800	9,678	88,468
<b>CASH AND CASH EQUIVALENTS, including restricted cash</b>				
Beginning of period	<u>93,177</u>	<u>201,365</u>	<u>239,201</u>	<u>533,743</u>
End of period	<u>\$ 123,167</u>	<u>\$ 250,165</u>	<u>\$ 248,879</u>	<u>\$ 622,211</u>

Notes on Exhibit A-9 are an integral part of this statement.

**TOWN OF WHITE CASTLE, LOUISIANA**

**STATEMENTS OF CASH FLOWS  
PROPRIETARY FUNDS**

For the year ended September 30, 2017

	<b>Gas Utility Fund</b>	<b>Waterworks Utility Fund</b>	<b>Sewerage Utility Fund</b>	<b>Totals</b>
<b>RECONCILIATION OF CASH</b>				
Cash and cash equivalents	\$ 82,737	\$ 175,121	\$ 66,506	\$ 324,364
Restricted cash	<u>40,430</u>	<u>75,044</u>	<u>182,373</u>	<u>297,847</u>
Total cash	<u>\$ 123,167</u>	<u>\$ 250,165</u>	<u>\$ 248,879</u>	<u>\$ 622,211</u>
<b>RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</b>				
Operating loss	\$ (95,290)	\$ (263,458)	\$ (75,356)	\$ (434,104)
Adjustments of operating income (loss):				
Depreciation	1,752	92,895	118,523	213,170
Other grants and contributions	3,214	3,214	-	6,428
Change in operating assets and liabilities:				
Accounts receivable	(22,429)	(22,048)	(21,537)	(66,014)
Prepaid assets	(3,040)	(3,040)	(2,933)	(9,013)
Customer deposits	160	729	-	889
Inventory	691	255	-	946
Accrued sick leave	7,092	682	-	7,774
Accounts payable and accrued expenses	(24,549)	(1,985)	(10,731)	(37,265)
Unearned revenue	(130,374)	-	-	(130,374)
Net pension liability and related deferred inflows and outflows	<u>3,729</u>	<u>3,728</u>	<u>-</u>	<u>7,457</u>
Net cash provided (used) by operating activities	<u>\$ (259,044)</u>	<u>\$ (189,028)</u>	<u>\$ 7,966</u>	<u>\$ (440,106)</u>

Notes on Exhibit A-9 are an integral part of this statement.



**TOWN OF  
WHITE CASTLE**

**NOTES TO FINANCIAL STATEMENTS**



## TOWN OF WHITE CASTLE, LOUISIANA

### NOTES TO FINANCIAL STATEMENTS

September 30, 2017

#### 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 (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations).

The Town follows GASB Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*. Certain of the significant features of the Statement include the following:

- A Management’s Discussion and Analysis (MD&A) section is provided which includes an analysis of the Town’s overall financial position and results of operations;
- Financial statements are prepared using full accrual accounting for all of the Town’s activities, including infrastructure (roads, bridges, etc.); and
- Fund financial statements with a focus on the major funds.

##### **Reporting Entity**

These financial statements present the Town as the primary government. For financial reporting purposes, the Town is controlled by or dependent on the Town's executive or legislative branches (the Mayor or the Town Council, respectively). Other organizations that are controlled by or dependent upon the Town would be included in this financial statement as component units. 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. There are no component units included in this financial statement.

The following related organization, a nonprofit corporation, is not part of the Town and thus is excluded from the accompanying financial statements:

(Continued)

## NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### Reporting Entity (Continued)

#### *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 and does not have the authority to remove board members or designate management. 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. A financial statement for the Authority can be obtained from Mr. Don O'Bear, Executive Director, P.O. Box 58, White Castle, Louisiana 70788.

### Basis of Presentation

The Town's basic financial statements consist of the government-wide statements of the primary government and the fund financial statements. The Town's financial statements are prepared in accordance with accounting principles generally accepted in the United States of America as applied to governmental units.

#### *Government-wide Financial Statements*

The government-wide financial statements include the statement of net position and the statement of activities for all activities of the primary government (the Town). As a general rule, the effect of interfund activity has been removed from these statements, though interfund services provided and used are not eliminated in the process of consolidation. The government-wide presentation focuses primarily on the sustainability of the government as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. These statements distinguish between the governmental and business-type activities of the government.

*Governmental activities* generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues.

*Business-type activities* are financed in whole or part by fees charged to external parties for utility services provided. The Town's gas, water, and sewer services are classified as business-type activities.

The government-wide statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or business-type activity, and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

## NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### **Basis of Presentation (continued)**

#### *Fund Financial Statements*

The fund financial statements are very similar to the traditional government fund statements as prepared by governments prior to the issuance of GASB Statement 34. Emphasis is now on the major funds in either the governmental or business-type categories.

The daily operations of the Town continue to be organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, equity, revenues and expenditures or expenses, as appropriate. Funds are organized into three major categories: governmental, proprietary and fiduciary. The Town does not have any fiduciary funds. An emphasis is placed on major funds within the governmental and proprietary categories.

A fund is considered major if it is the primary operating fund of the Town (the General Fund) or meets the following criteria:

- Total assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues, or expenditures/expenses of that individual governmental fund or enterprise fund are at least 10% of the corresponding total for all funds of that category or type; and
- Total assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues, or expenditures/expenses of that individual governmental fund or enterprise fund are at least 5% of the corresponding total for all governmental and enterprise funds combined.

Government resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be expended and the means by which spending activities are controlled.

The various funds of the primary government presented in the financial statements are described as follows:

#### *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 four 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. The General Fund is always a major fund.

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

**Basis of Presentation (continued)**

*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. The Section 8 Fund is considered a nonmajor special revenue fund and accounts for resources granted by the Department of Housing and Urban Development (HUD) to provide housing assistance to low income families.

*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. The Sinking Fund is considered a major debt service fund whereas the Reserve Fund is considered a nonmajor debt service fund for reporting purposes.

*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. The 2008 Capital Project Fund is considered a nonmajor capital project fund for reporting purposes.

***Proprietary Fund Types***

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. There are two types of proprietary funds: enterprise and internal service; the Town does not have any internal service funds.

*Enterprise Funds* - Enterprise funds are used to account for operations (1) that are financed and operated in a manner similar to private business enterprises, that is, 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; or (2) where the governing body has decided that periodic determination of revenues earned, expenses incurred, or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. All of the Town's enterprise funds have been considered major funds.

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

**Basis of Accounting and Measurement Focus**

*Government-wide financial statements*

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized in the year for which they are levied.

*Fund financial statements*

All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets, deferred outflows, current liabilities, and deferred inflows are generally included in the balance sheet. Operating statements of these funds present increases (revenues and other sources) and decreases (expenditures and other uses) in net current assets. Governmental funds are maintained on the modified accrual basis of accounting.

Governmental fund revenues resulting from exchange transactions are recognized in the fiscal year in which the exchange takes place and meets the government's availability criteria (susceptible to accrual). "Available" means collectible within the current period or within 60 days after year-end. Charges for services, fines and forfeitures, and most governmental miscellaneous revenues are recorded as earned since that is the time they are measurable and available.

Nonexchange transactions, in which the Town receives value without directly giving value in return, include sales tax, ad valorem tax, and federal and state aid and grants.

Ad valorem taxes 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, January, and February of the current fiscal year. Sales taxes are recorded when in the possession of the intermediary collecting agent and are recognized as revenue at that time. Federal and 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.

Expenditures are recognized in the accounting period in which the related fund liability is incurred, if measurable, except for (1) unmatured interest on general long-term debt, which is recognized when due, and (2) claims and judgments and compensated absences, which are recorded as expenditures in the governmental fund type when paid with expendable financial resources. Allocations of costs such as depreciation and amortization are not recognized in the governmental funds.

All proprietary funds are accounted for on a flow of economic resources measurement focus. Proprietary funds are maintained on the accrual basis of accounting wherein revenues are recognized in the accounting period in which they are earned and become measurable, and expenses are recognized in the period incurred, if measurable.

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

### **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 and the Louisiana Asset Management Pool (LAMP) account. Investment earnings are shared by each fund on a pro rata basis according to its average cash balance.

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

### **Investments**

The Town invests funds in accordance with L.R.S. 39:1211-1245 and 33:2955 which include, but are not limited to, United States treasury bonds, treasury notes, treasury bills, and fully collateralized interest-bearing checking accounts and certificates of deposit. Other provisions require depositories to insure or collateralize all deposits in accordance with state law and require securities collateralizing deposits to be held by an independent third party with whom the Town has a custodial agreement. The Town primarily utilizes the Louisiana Asset Management Pool to invest idle funds and records amounts invested at fair value.

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

Investments with maturities of three months or less at the time of purchase are classified as cash equivalents.

### **Accounts Receivable and Bad Debts**

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Uncollectible amounts due for receivables are recognized as bad debts 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, uncollectible amounts due from utility billings 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. The allowance for doubtful accounts for the Gas, Waterworks, and Sewerage Funds was collectively \$7,154 as of September 30, 2017.

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

**Interfund Transactions**

During the course of operations numerous transactions occur between individual funds. Those related to short-term borrowings are classified as “due from other funds” or “due to other funds” on the balance sheet and result primarily from participation in the consolidated cash account. Interfund receivables and payables between funds within governmental activities are eliminated in the statement of net position. See Note 10 and 11 for details of interfund transactions, including receivables and payables at year-end. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.” Transfers between funds are included in the budgets of such funds. In those cases where repayment is expected, the advances are accounted for through the various interfund accounts.

**Restricted Cash**

Restricted cash on the Statement of Net Position 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 water and sewer revenue bonds and/or public improvement bonds. Restricted cash consists of the following:

	Governmental				
	Activities	Gas	Waterworks	Sewerage	Total
Customer deposits	\$ -	\$ 40,430	\$ 33,436	\$ -	\$ 73,866
Restricted for debt service	182,936	-	12,716	83,784	279,436
Restricted for capital projects	-	-	28,892	98,589	127,481
<b>Total restricted cash</b>	<b><u>\$ 182,936</u></b>	<b><u>\$ 40,430</u></b>	<b><u>\$ 75,044</u></b>	<b><u>\$ 182,373</u></b>	<b><u>\$ 480,783</u></b>

**Inventory**

In the primary government’s governmental fund types, inventories of supplies are recorded as expenditures at the time of purchase.

Inventories related to the primary government’s business-type activities are stated at cost that approximates market value using the first-in first-out method.

**Prepaid Expenses**

In the primary government’s governmental fund types, insurance expenses are recorded as expenditures at the time of consumption.

**Capital Assets**

The accounting treatment of property, plant, and equipment (capital assets) depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

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

***Government-wide Statements***

In the government-wide financial statements, plant, property, and equipment are accounted for as capital assets. All capital assets are valued at historical cost or estimated historical cost if actual is unavailable, except for donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement, which are reported at acquisition value. Major outlays for capital assets and improvements are capitalized at completion of the construction projects. The Town's capitalization policy stipulates a capitalization threshold of \$1,000.

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.

Infrastructure assets are comprised of the streets and drainage maintained by the Town and have been valued at estimated historical cost or historical cost.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation reflected in the statement of net position. Depreciation is provided over the capital assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Buildings and improvements	25-40 years
Equipment and vehicles	5-20 years
Improvements other than buildings	10-30 years
Infrastructure	20-40 years

***Fund Financial Statements***

In the fund financial statements capital assets used in governmental fund operations are not capitalized. Instead, capital acquisition and construction are reflected as expenditures in the governmental 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
Machinery, equipment and vehicles	5 years
Meters	5 years

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

### **Long-term Debt**

The accounting treatment of long-term debt depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

#### ***Government-wide Statements and Proprietary Fund Net Position***

In the government-wide statement of net position and in the proprietary fund types' financial statements, long-term debt is reported as a liability. The long-term debt consists primarily of public improvement bonds, certificates of indebtedness for public improvements, capital leases, notes payable, and accrued compensated absences.

#### ***Fund Financial Statements***

Long-term debt for governmental funds is not reported as a liability in the fund financial statements. Instead, the debt proceeds are reported as other financing sources and payment of principal and interest are reported as expenditures. The accounting for proprietary fund debt is the same in the fund statements as it is in the government-wide statements.

### **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 at the end of a year. Employees are able to accrue unused sick leave without limitation; however, the Town is liable to pay only 30 days of unused sick leave upon retirement. The liability for these compensated absences is recorded as other accrued liabilities in the government-wide statements and proprietary fund. The current portion of this debt is estimated based on historical trends. In the fund financial statements, vacation and sick leave payments are included in expenditures for the General Fund, Gas and Water Utility Funds when the payments are made to employees. The proprietary funds present on an accrual basis the amount of earned but unused sick leave estimated to be payable in future periods.

### **Government-wide and Proprietary Fund Net Position**

Government-wide and proprietary fund net position is divided into three components:

- Net investment in capital assets—consist of the historical cost of capital assets less accumulated depreciation and less any debt that remains outstanding that was used to finance those assets. In 2016, the Town's governmental activities issued revenue refunding bonds to refund a previous bond issuance that was used to fund waterworks improvements in the Town's business-type activities and road improvements for the Town's governmental activities. The portion of debt used to fund waterworks improvements has been excluded from the net investment in capital assets calculation for the Town's governmental activities.
- Restricted net position—consist of net position that are restricted by the Town's creditors (for example, through debt covenants), by the state enabling legislation (through restrictions on shared revenues), by grantors (both federal and state), and by other contributors.

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

### **Government-wide and Proprietary Fund Net Position (Continued)**

- Unrestricted—all other net position is reported in this category.

### *Use of Restricted Resources*

When an expense is incurred that can be paid using either restricted or unrestricted resources (net position), the Town's policy is to reduce restricted net assets followed by unrestricted net assets.

### **Governmental Fund Balances**

In the governmental fund financial statements, fund balances are classified as follows:

- **Nonspendable:** Amounts that cannot be spent either because they are in a nonspendable form or because they are legally or contractually required to be maintained intact.
- **Restricted:** Amounts that can be spent only for specific purposes because of the Town Charter, state or federal laws, or externally imposed conditions by grantors or creditors.
- **Committed:** Amounts that can be used only for specific purposes determined by a formal action by Town Council ordinance.
- **Assigned:** Amounts that are designated by the Mayor for a particular purpose but are not spendable until a budget ordinance is passed or there is a majority vote approval (for capital projects or debt service) by Town Council.
- **Unassigned:** All amounts not included in other spendable classifications.

### **Use of Restricted Fund Balance**

When an expenditure is incurred that can be paid using either restricted or unrestricted resources (net position), the Town's policy is to apply the expenditure in the following priority:

1. Restricted fund balance,
2. Committed fund balance,
3. Assigned fund balance, and
4. Unassigned fund balance.

### **Deferred Outflows and Inflows of Resources**

In addition to assets, the Statement of Net Position or Balance Sheet will sometimes report a separate section for deferred outflows of resources. This separate financial element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expenditure) until then. The Town has one item that qualifies for this category; pension liability, which is reported in the government-wide statement.

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

### **Deferred Outflows and Inflows of Resources**

In addition to liabilities, the Statement of Net Position or Balance Sheet will sometimes report a separate sections for deferred inflows of resources. This separate financial element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) at that time. The Town has two items that qualify for this category; pension liability and unearned revenues. The amounts deferred are recognized as an inflow of resources in the period that the amounts become available.

### **Budget Policy and Budgetary Accounting**

A proposed budget is prepared by the Mayor and submitted to the Town Council 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 adoption of the budget year.

The annual operating budget, prepared on the accrual basis covers the general, special revenue, debt service, and enterprise funds. At the end of the fiscal year unexpended appropriations automatically lapse. Budget amendments are approved by the Town Council 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 Town Council. Accordingly, individual budget comparisons are not presented in this financial report.

In connection with budget preparation, a portion of the unassigned 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.

### **Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements. They may also affect the reported amounts of revenues and expenses of proprietary funds and the government-wide financial statements during the reporting period. Actual results could differ from those estimates. Estimates are used primarily when accounting for depreciation, prepaid insurance, deferred outflows and inflows of resources, and net pension liability.

### **Subsequent Events**

In preparing the financial statements, the Town has evaluated events and transactions for potential recognition or disclosure through the date of the independent auditors' report, which was the date the financial statements were available to be issued.

**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.

Custodial credit risk is the risk that in the event of a financial institution failure, the Town’s deposits may not be returned to them. To mitigate this risk, state law requires deposits to be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent financial institution. As of September 30, 2017, the Town had no unsecured deposits.

Deposit balances (bank balances) at September 30, 2017, were secured as follows:

	<u>Bank Balances</u>
Federal deposit insurance	\$ 649,960
Pledged securities in the Town's name	809,148
Funds not subject to categorization:	
Money Market Funds (substantially invested in U.S. Government or Agency Securities)	250,663
Louisiana Asset Management Pool (LAMP)	1,340,600
 Bank Balances	 \$ 3,050,370

LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pools of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LA – R.S. 33:2955. The value of the portfolio is carried at amortized cost.

LAMP is a 2a7-like investment pool. The following facts are relevant for 2a7-like investment pools:

- Credit risk: LAMP is rated AAA by Standard & Poor’s.
- Custodial risk: LAMP participants’ investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist physical or book-entry form. The public entity’s investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.

The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days. The fair value of investments is determined on a weekly basis to monitor any variances between amortized cost and fair value. For purposes of determining participants’ shares, investments are valued at amortized cost. The fair value of the position in the external investment pool is the same as the net asset value of the pooled shares. LAMP is designed to be highly liquid to give its participants immediate access to their account balances.

**NOTE 3 - DUE FROM OTHER GOVERNMENTS**

Due from other governments at September 30, 2017, consists of the following:

Parish of Iberville, Louisiana – Sales Tax	\$ 349,632
Other	<u>739</u>
Total	<u>\$ 350,371</u>

**NOTE 4 - AD VALOREM TAXES**

The 1974 Louisiana Constitution (Article 7, Section 18) provided that land and improvements for residential purposes be assessed at 10% of fair market value; other property and electric cooperative properties, excluding land, be assessed at 15% of fair market value; and public service properties, excluding land, be assessed at 25% of fair market value. Fair market value is determined by the elected assessor of the parish on all property subject to taxation except public service properties, which are valued by the Louisiana Tax Commission (La. R.S. 47:1957). The correctness of assessments by the assessor is subject to review and certification by the Louisiana Tax Commission. The assessor is required to reappraise all property subject to taxation at intervals of not more than four years.

All ad valorem taxes are recorded in governmental funds, as explained in Note 1 above, the revenues from which are recognized in the accounting period in which they become available and measurable. Ad valorem taxes are considered measurable in the calendar year of the tax levy. Accordingly, the taxes assessed for the calendar year falling within the current fiscal year are recorded as revenue.

For the year ended September 30, 2017, taxes of 7.00 mills for the general fund were levied on property with assessed valuations totaling \$4,394,880. Total taxes assessed of \$30,764 were levied on November 10, 2016, and were due and payable prior to December 31, 2016.

(Continued)

**NOTE 5 - CAPITAL ASSETS**

A summary of changes in capital assets for the primary government for the year ended September 30, 2017 is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental activities:</b>				
<b>Capital assets not being depreciated:</b>				
Land	\$ 309,833	\$ 12,000	\$ -	\$ 321,833
Construction in progress	50,539	52,912	-	103,451
Total capital assets not being depreciated	<u>360,372</u>	<u>64,912</u>	<u>-</u>	<u>425,284</u>
<b>Capital assets being depreciated:</b>				
Building and improvements	2,279,628	86,298	-	2,365,926
Equipment and vehicles	2,545,323	72,371	-	2,617,694
Improvements other than buildings	628,618	-	-	628,618
Infrastructure	8,806,275	326,379	-	9,132,654
Total capital assets being depreciated	<u>14,259,844</u>	<u>485,048</u>	<u>-</u>	<u>14,744,892</u>
Less accumulated depreciation for:				
Building and improvements	1,393,571	54,651	-	1,448,222
Equipment and vehicles	2,036,509	113,789	-	2,150,298
Improvements other than buildings	474,051	33,625	-	507,676
Infrastructure	5,708,961	255,926	-	5,964,887
Total accumulated depreciation	<u>9,613,092</u>	<u>457,991</u>	<u>-</u>	<u>10,071,083</u>
Total capital assets being depreciated net of accumulated depreciation	<u>4,646,752</u>	<u>27,057</u>	<u>-</u>	<u>4,673,809</u>
Governmental activities capital assets, net	<u>\$ 5,007,124</u>	<u>\$ 91,969</u>	<u>\$ -</u>	<u>\$ 5,099,093</u>

Depreciation expense was charged to functions of the primary government as follows:

<b>Governmental activities:</b>	
Streets and sanitation	\$ 174,068
Public safety	48,154
General government	70,909
Recreation	<u>164,860</u>
Total depreciation expense - governmental activities	<u>\$ 457,991</u>

**NOTE 5 - CAPITAL ASSETS (CONTINUED)**

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Business-type activities:</b>				
<b>Capital assets not being depreciated:</b>				
Land	\$ 40,588	\$ -	\$ -	\$ 40,588
<b>Capital assets being depreciated:</b>				
Distribution systems	7,482,809		-	7,482,809
Machinery, equipment, and vehicles	587,830	68,308	-	656,138
Meters	99,331	-	-	99,331
Total capital assets being depreciated	<u>8,169,970</u>	<u>68,308</u>	<u>-</u>	<u>8,238,278</u>
Less accumulated depreciation for:				
Distribution systems	4,347,587	188,561	-	4,536,148
Machinery, equipment and vehicles	543,193	24,609	-	567,802
Meters	99,331	-	-	99,331
Total accumulated depreciation	<u>4,990,111</u>	<u>213,170</u>	<u>-</u>	<u>5,203,281</u>
Total capital assets being depreciated net of accumulated depreciation	<u>3,179,859</u>	<u>(144,862)</u>	<u>-</u>	<u>3,034,997</u>
Business-type activities capital assets, net	<u>\$ 3,220,447</u>	<u>\$ (144,862)</u>	<u>\$ -</u>	<u>\$ 3,075,585</u>

**NOTE 6 - LONG-TERM DEBT**

**Debt Outstanding**

The following is a summary of long-term debt transactions of the Town for the year ended September 30, 2017:

	September 30, 2016	Additions	Reductions	September 30, 2017	Due Within One Year
<b>Governmental activities:</b>					
Public improvement bonds	\$ 2,727,500	\$ -	\$ 82,500	\$ 2,645,000	\$ 85,000
Premium on bond issuance	31,225	-	2,773	28,452	-
Installment purchase agreement	200,041	52,633	62,535	190,139	71,920
Net pension liability	378,590	256,083	56,252	578,421	-
Legal claims & judgements	13,000	-	13,000	-	-
Accrued sick leave	16,745	10,076	7,564	19,257	14,743
<b>Total</b>	<b>\$ 3,367,101</b>	<b>\$ 318,792</b>	<b>\$ 224,624</b>	<b>\$ 3,461,269</b>	<b>\$ 171,663</b>
<b>Business-type activities:</b>					
Public improvement bond	\$ 97,500	\$ -	\$ 47,500	\$ 50,000	\$ 50,000
Net pension liability	238,045	6,214	20,898	223,361	-
Revenue bonds	414,197	-	75,724	338,473	79,573
Accrued sick leave	17,792	13,375	5,602	25,565	5,550
<b>Total</b>	<b>\$ 767,534</b>	<b>\$ 19,589</b>	<b>\$ 149,724</b>	<b>\$ 637,399</b>	<b>\$ 135,123</b>

The General fund has been used in prior years to liquidate the Town's net pension liabilities. Long-term debt obligations for the primary government for governmental activities at September 30, 2017, is comprised of the following:

***Public Improvement Bonds***

\$2,640,000 Public Improvement sales tax refunding bond dated March 2016, due in annual installments of \$51,575 to \$227,400 through 2033; interest at 1.5% to 4.0%. \$1,320,000 is dedicated for roads and improvements and \$1,320,000 is dedicated for waterworks improvements. The portion used to fund waterworks improvements have been excluded from the net investment in capital assets calculation for the Town's governmental activities. \$ 2,595,000

\$3,200,000 Public Improvement sales tax refunding bond dated August 2008, due in annual installments of \$60,000 to \$225,000 through 2018; interest at 4.25% to 5.75%. \$1,600,000 is dedicated for roads and improvements and \$1,600,000 is dedicated for waterworks improvements. 50,000

**NOTE 6 - LONG-TERM DEBT (CONTINUED)**

**Debt Outstanding (Continued)**

*Installment Purchase Agreement*

\$160,348 of proceeds for the purchase of police vehicles, due in monthly installments of \$10,811 through July 2020, interest at 3.31%.	123,019
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\$44,440 of proceeds for the purchase of a vehicle, due in monthly installments of \$1,348 through June 2019, interest at 6.15%	26,775
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\$52,633 of proceeds for the purchase of an excavator, due in monthly installments of \$1,593 through December 2019, interest at 5.55%	40,345
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<i>Net pension liability</i>	578,421
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<i>Bond Premium, net of accumulated amortization</i>	28,452
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<i>Accrued sick leave</i>	19,257
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Total long-term debt from governmental activities	\$ 3,461,269
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Long-term debt for the primary government for business-type activities at September 30, 2017, is comprised of the following:

*Public Improvement Bond*

\$3,200,000 Public Improvement sales tax refunding bond. See previous page.	\$ 50,000
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*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%.	117,257
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\$98,000 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%.	73,628
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\$225,800 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%.	147,588
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**NOTE 6 - LONG-TERM DEBT (CONTINUED)**

**Debt Outstanding (Continued)**

<i>Net pension liability</i>	223,361
<i>Accrued sick leave</i>	<u>25,565</u>
Total long-term debt from business-type activities	<u>\$ 637,399</u>

**Debt Service Requirements to Maturity**

The annual requirements to amortize debt outstanding for governmental activities at September 30, 2017, are as follows:

Year	Public Improvement Bond		Installment Purchase Agreement		Total Government Activities Long-term Debt	
	Principal	Interest	Principal	Interest	Principal	Interest
	2018	\$ 85,000	\$ 90,800	\$ 71,920	\$ 6,617	\$ 156,920
2019	140,000	87,525	71,117	3,376	211,117	90,901
2020	140,000	84,725	47,102	923	187,102	85,648
2021	145,000	81,925	-	-	145,000	81,925
2022	150,000	77,575	-	-	150,000	77,575
2023-2027	800,000	342,275	-	-	800,000	342,275
2028-2032	970,000	198,750	-	-	970,000	198,750
2033-2038	215,000	25,600	-	-	215,000	25,600
Totals	<u>\$ 2,645,000</u>	<u>\$ 989,175</u>	<u>\$ 190,139</u>	<u>\$ 10,916</u>	<u>\$ 2,835,139</u>	<u>\$ 1,000,091</u>

The annual requirements to amortize debt outstanding for business-type activities at September 30, 2017, are as follows:

Year	Sewer Revenue Bonds		Water Revenue and Public Improvement Bonds		Total Business-type Long-term Debt	
	Principal	Interest	Principal	Interest	Principal	Interest
	2018	\$ 73,492	\$ 7,487	\$ 56,081	\$ 9,641	\$ 129,573
2019	47,975	3,292	6,376	6,596	54,351	9,888
2020	2,252	3,087	6,686	6,286	8,938	9,373
2021	2,355	2,984	7,010	5,962	9,365	8,946
2022	2,463	2,876	7,351	5,621	9,814	8,497
2023-2027	14,122	2,763	42,467	24,359	56,589	27,122
2028-2032	17,678	2,114	53,764	13,528	71,442	15,642
2033-2037	22,129	1,302	17,854	1,604	39,983	2,906
2038-2039	8,418	824	-	-	8,418	824
Totals	<u>\$ 190,884</u>	<u>\$ 26,729</u>	<u>\$ 197,589</u>	<u>\$ 73,597</u>	<u>\$ 388,473</u>	<u>\$ 100,326</u>

(Continued)

**NOTE 6 - LONG-TERM DEBT (CONTINUED)**

**Debt Service Requirements to Maturity (Continued)**

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 and expenditures of the Town only with the passage of time. In addition, they represent fixed and determinable obligations which must be retired from future revenues.

There are no outstanding bonds secured by ad valorem taxes of the Town at this time.

**Bond Restrictions**

**Town of White Castle Sales Tax Revenue Bonds**

Under the terms of the indenture authorizing the issuance of Sales Tax Revenue Bonds – Series 2008 and 2016, proceeds of the 1% parish sales and use tax are pledged and dedicated for the establishment and maintenance of the following bond funds:

*Sales Tax Revenue Bond – Series 2008 – Sinking Fund* to be used for the payment of principal and interest on the outstanding bond as they are due and payable. Monthly payments are 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.

*Sales Tax Revenue Bond – Series 2008 – Reserve Fund* to be used solely for the purpose of paying principal and interest on the bond payable from the Bond Sinking Fund in case of default. The sum of \$19,500 has been deposited into this fund to satisfy this requirement.

*Sales Tax Revenue Bond – Series 2016 – Sinking Fund* to be used for the payment of principal and interest on the outstanding bond as they are due and payable. Monthly payments are 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.

*Sales Tax Revenue Bond – Series 2016 – Reserve Fund* to be used solely for the purpose of paying principal and interest on the bond payable from the Bond Sinking Fund in case of default. The sum of \$113,900 has been deposited into this fund to satisfy this requirement.

**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.

**NOTE 6 - LONG-TERM DEBT (CONTINUED)**

**Bond Restrictions (Continued)**

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. The sum of \$83,784 has been deposited into this fund to satisfy this requirement.
4. The Sewer Depreciation and Contingency Fund requires monthly transfers of \$346. The Fund is restricted to payments for unusual or extraordinary maintenance, repairs, replacement, 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 either the Sewer Revenue Bond Fund or Sewer Revenue Bond Reserve Fund. The current balance of the fund is \$95,589.

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

**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 Water 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.
3. The Water Revenue Bond Reserve Fund requires monthly transfers of \$55 until \$12,972 has been accumulated. This fund is restricted to payment of principal and interest in case of default. The current balance of the fund is \$12,716.

**NOTE 6 - LONG-TERM DEBT (CONTINUED)**

**Water Revenue Bonds (Continued)**

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 current balance of the fund is \$28,892.

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

**NOTE 7 - DEFEASED DEBT**

During 2017, the Town issued refunding bonds of \$2,640,000 to partially defease its 2008 Sales Tax Revenue Bonds. The proceeds were deposited in an escrow account to provide future debt service on the 2008 revenue bonds until they are called on August 1, 2033. As a result, the 2008 revenue bonds are considered partially defeased, and the Town has removed the related liability from its accounts.

As of September 30, 2017, the amount of defeased debt outstanding but removed from the government-wide financial statements related to the 2008 Sales Tax Revenue Bonds is \$2,395,000.

The advanced refunding decreased total future debt service payments by approximately \$201,500, which resulted in an economic loss (difference between the present value of the debt service payments on the old and new debt) of approximately \$76,000.

**NOTE 8 - DEDICATED REVENUES**

Proceeds of the Iberville Parish sales and use tax were dedicated to the following purposes as of September 30, 2017:

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, or as budgeted.

Consistent with this dedication, sales tax revenues reported in the General Fund will be used to retire Public Improvement Bonds – Series 2008 and 2016. See Note 6.

## NOTE 9 - PENSION PLAN

The Town of White Castle (the Town) is a participating employer two cost sharing defined benefit pension plans. These plans are administered by the Municipal Employee's Retirement System of Louisiana (MERS) and Municipal Police Employee's Retirement System (MPERS). Article X, Section 29(F) of the Louisiana Constitution of 1974 assigns the authority to establish and amend benefit provisions of these plans to the State Legislature. Each system is administered by a separate board of trustees.

Each of System issues an annual financial report that is available to the public which includes financial statements and required supplementary information for the Systems. These reports may be obtained by writing, calling, or downloading the reports as follows:

**MERS:** 7937 Office Park Boulevard | Baton Rouge, Louisiana 70809 | [www.mersla.com](http://www.mersla.com)

**MPERS:** 7722 Office Park Boulevard | Baton Rouge, Louisiana 70809 | [www.lampers.org](http://www.lampers.org)

### **Municipal Employees' Retirement System of Louisiana (MERS)**

The Municipal Employees' Retirement System of Louisiana (MERS) is the administrator of a cost sharing multiple-employer defined benefit pension plan. The System was originally established by Act 356 of the 1954 regular session of the Legislature of the State of Louisiana. The System provides retirement benefits to employees of all incorporated villages, towns and cities within the State which do not have their own retirement system and which elect to become members of the System. For the year ended September 30, 2017, there were 84 contributing municipalities in Plan A and 68 in Plan B. The Town of White Castle is a participant in Plan B only.

### **Municipal Police Employees' Retirement System (MPERS)**

The Municipal Police Employees' Retirement System (MPERS) is the administrator of a cost-sharing multiple-employer plan. Membership in the System is mandatory for any full-time police officer employed by a municipality of the State of Louisiana and engaged in law enforcement, empowered to make arrests, providing he or she does not have to pay social security and providing he or she meets the statutory criteria. The System provides retirement benefits for municipal police officers. The projections of benefit payments in the calculation of the total pension liability includes all benefits to be provided to current active and inactive employees through the System in accordance with benefit terms and any additional legal agreements to provide benefits that are in force at the measurement date. Benefit provisions are authorized within Act 189 of 1973 and amended by LRS 11:2211- 11:2233.

### **Funding Policy**

Article X, Section 29(E)(2)(a) of the Louisiana Constitution of 1974 assigns the Legislature the authority to determine employee contributions. Employer contributions are actuarially determined using statutorily established methods on an annual basis and are constitutionally required to cover the employer's portion of the normal cost and provide for the amortization of the unfunded accrued liability. Employer contributions are adopted by the Legislature annually upon recommendation of the Public Retirement Systems' Actuarial Committee (PRSAC).

**NOTE 9 - PENSION PLAN (CONTINUED)**

**Funding Policy (Continued)**

Contributions to the plans are required and determined by State statute (which may be amended) and are expressed as a percentage of covered payroll. The contribution rates in effect for the year ended September 30, 2017, for the Town and covered employees were as follows:

<u>Plan</u>	<u>Town</u>	<u>Employees</u>
MERS (Plan B)	11.00%	5.00%
MPERS	33.75%	8.00%

The contributions made to the Systems for the past three fiscal years were as followed:

<u>Plan</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
MERS (Plan B)	\$ 52,244	\$ 49,955	\$ 48,019
MPERS	<u>24,906</u>	<u>7,588</u>	<u>-</u>
Total	<u>\$ 77,150</u>	<u>\$ 57,543</u>	<u>\$ 48,019</u>

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

The following schedule lists the Town's proportionate share of the Net Pension Liability allocated by each of the pension plans for based on the June 30, 2017 measurement date. The Town uses this measurement to record its Net Pension Liability and associated amounts as of September 30, 2017 in accordance with GASB Statement 68. The schedule also includes the proportionate share allocation rate used at June 30, 2017 along with the change compared to the June 30, 2016 rate. The Town's proportion of the Net Pension Liability was based on a projection of the Agency's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

	<u>Net Pension Liability at June 30, 2017</u>	<u>Current Measurement Rate</u>	<u>Previous Measurement Rate</u>	<u>Increase (Decrease)</u>
MERS	\$ 558,404	0.645%	0.718%	-0.073%
MPERS	<u>243,378</u>	0.028%	0.002%	0.026%
Total	<u>\$ 801,782</u>			

**NOTE 9 - PENSION PLAN (CONTINUED)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

The following schedule lists each pension plan's recognized pension expense (benefit) for the Town for the year ended September 30, 2017

	Total
Municipal Employees' Retirement Fund	\$ 34,713
Municipal Police Employees' Retirement Fund	62,929
Total	\$ 97,643

At September 30, 2017, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<b>Deferred Outflows of Resources:</b>	<b>MERS</b>	<b>MPERS</b>	<b>Total</b>
Differences between expected and actual experience	\$ 2,925	\$ 1,594	\$ 4,519
Changes of assumptions	24,586	17,318	41,904
Net difference between projected and actual earnings on pension plan investments	117,651	10,654	128,305
Changes in proportion and differences between Employer contributions and proportionate share of contributions	4,679	154,828	159,507
Differences between allocated and actual contributions	-	-	-
Employer contributions subsequent to the measurement date	15,023	5,406	20,429
Total	\$ 164,864	\$ 189,800	\$ 354,664
<b>Deferred Inflows of Resources:</b>	<b>MERS</b>	<b>MPERS</b>	<b>Total</b>
Differences between expected and actual experience	\$ 12,123	\$ 1,871	\$ 13,994
Changes of assumptions	-	-	-
Net difference between projected and actual earnings on pension plan investments	-	-	-
Changes in proportion and differences between Employer contributions and proportionate share of contributions	39,553	-	39,553
Differences between allocated and actual contributions	446	1,151	1,598
Employer contributions subsequent to the measurement date	-	-	-
Total	\$ 52,122	\$ 3,022	\$ 55,145

**NOTE 9 - PENSION PLAN (CONTINUED)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

The Town reported a total of \$20,429 as deferred outflows of resources related to pension contributions made subsequent to the measurement period of June 30, 2017 which will be recognized as a reduction in net pension liability in the year ended September 30, 2018. The following schedule lists the pension contributions made subsequent to the measurement period for each pension plan:

	Subsequent Contributions
Municipal Employees' Retirement Fund	\$ 15,023
Municipal Police Employees' Retirement Fund	5,406
	\$ 20,429

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year	MERS	MPERS	Total
2018	36,509	\$ 62,923	\$ 99,432
2019	40,820	67,094	107,914
2020	15,100	57,065	72,165
2021	5,290	(5,711)	(421)
	\$ 97,719	\$ 181,371	\$ 279,090

**Actuarial Assumptions**

A summary of the actuarial methods and assumptions used in determining the total pension liability for each pension plan as of June 30, 2017 are as follows:

	Measurement/ Valuation Date	Expected Remaining Service Lives	Investment Rate of Return
<b>MERS</b>	June 30, 2017	4 years	7.40%
<b>MPERS</b>	June 30, 2017	4 years	7.33%; net of investment expense

**NOTE 9 - PENSION PLAN (CONTINUED)**

**Actuarial Assumptions (Continued)**

*Mortality:*

**MERS**

Mortality rates based on the RP-2000 Sex Distinct Mortality Table.

**MPERS**

Mortality assumptions were set based upon an experience study performed by the prior actuary on plan data for the period July 1, 2009 through June 30, 2014. The RP-2000 Employee Mortality Table was selected for active members. The RP-2000 Healthy Annuitant Mortality Table was selected for healthy annuitants and beneficiaries. The RP- 2000 Disabled Lives Mortality Table was selected for disabled annuitants

*Salary Increases:*

**MERS**

5.0% (2.775% Inflation, 2.225% Merit).

**MPERS**

Years of Service	Salary Growth Rate
1-2	9.75%
3-23	4.75%
Over 23	4.25%

*Cost of Living Adjustments:*

**MERS**

The System is authorized under state law to grant a cost of living increase to members who have been retired for at least one year. The adjustment cannot exceed 2% of the retiree's original benefit for each full calendar year since retirement and may only be granted if sufficient funds are available from investment income in excess of normal requirements. State law allows the System to grant an additional cost of living increase to all retirees and beneficiaries who are age sixty-five and above equal to 2% of the benefit being received on October 1, 1977, or the original benefit, if retirement commenced after that date.

**MPERS**

The Board of Trustees is authorized to provide annual cost-of-living adjustments computed on the amount of the current regular retirement, disability, beneficiary or survivor's benefit, not to exceed 3% in any given year. The Board is authorized to provide an additional 2% COLA, computed on the member's original benefit, to all regular retirees, disability, survivors and beneficiaries who are 65 years of age or older on the cut-off date which determines eligibility.

**NOTE 9 - PENSION PLAN (CONTINUED)**

**Actuarial Assumptions (Continued)**

The following methods used by each of the retirement systems in determining the long term rate of return on pension plan investments:

**MERS**

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.6% and an adjustment for the effect of rebalancing /diversification. The resulting expected long-term rates of return is 7.2% for the plan year ended June 30, 2017.

**MPERS**

The forecasted long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected 2.75% inflation of and an adjustment for the effect of rebalancing/diversification. The resulting forecasted long-term rate of return is 8.19% for the plan year ended June 30, 2017.

The following table provides a summary of the best estimates of arithmetic/geometric real rates of return for each major asset class included in each of the Retirement Systems target asset allocations as of June 30, 2017:

Asset Class	Target Allocation		Long - Term Expected Real Rate of Return	
	MERS	MPERS	MERS	MPERS
Public Equity	50%	-	2.30%	-
Equity	-	53%	-	3.66%
Public Fixed Income	35%	-	1.60%	-
Fixed Income	-	21%	-	0.52%
Alternatives	15%	20%	0.70%	1.10%
Other	-	6%	-	0.16%
Total	<u>100%</u>	<u>100%</u>	<u>4.60%</u>	<u>5.44%</u>
Inflation			<u>2.6%</u>	<u>2.75%</u>
Expected Arithmetic Nominal Return			<u>7.2%</u>	<u>8.19%</u>

**NOTE 9 - PENSION PLAN (CONTINUED)**

**Discount Rate**

The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, each of the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate used to measure the total pension liability for MERS and MPERS were 7.4% and 7.325%, respectively.

**Sensitivity to Changes in Discount Rate**

The following table presents the Town's proportionate share of the Net Pension Liability (NPL) using the discount rate of each Retirement System as well as what the Town's proportionate share of the NPL would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current rate used by each of the Retirement Systems:

	<u>1.0% Decrease</u>	<u>Current Discount Rate</u>	<u>1.0% Increase</u>
<b>MERS</b>			
Discount Rates	6.4%	7.4%	8.4%
Shares of Net Pension Liability	\$ 722,511	\$ 558,404	\$ 418,360
<b>MPERS</b>			
Discount Rates	6.325%	7.325%	8.325%
Shares of Net Pension Liability	\$ 336,250	\$ 243,378	\$ 165,465

(Continued)

**NOTE 10 - INTERFUND RECEIVABLE AND PAYABLE BALANCES**

Interfund balances at September 30, 2017, were as follows:

	Interfund	
	Receivable	Payable
<b>Governmental Activities</b>		
General Fund:		
1% Sales Tax Fund		
Gas Utility Fund:	\$ 170,000	\$ -
2008 Sinking Fund	235,000	-
2008 Sinking Fund		
Water Fund	122,000	235,000
Total governmental funds	\$ 527,000	\$ 235,000
<b>Proprietary Funds:</b>		
Gas Utility Fund:		
General Fund	\$ -	\$ 170,000
Water Utility Fund	150,000	-
Water Utility Fund:		
2008 Sinking Fund	-	122,000
Sewer Utility Fund	-	250,000
Gas Utility Fund:	-	150,000
Sewer Utility Fund:		
Water Utility Fund	250,000	-
Total proprietary funds	400,000	692,000
Total primary government	\$ 927,000	\$ 927,000

The interfund balances are related to short-term borrowing between funds that is expected to be repaid within the next fiscal year. Balances are typically associated with expenses paid on behalf of one fund through another, where repayment has not yet been made.

(Continued)

**NOTE 11 - INTERFUND TRANSFERS**

**Interfund Transfers**

Interfund transfers for the year ended September 30, 2017, were as follows:

	Transfers	
	In	Out
<b>Governmental funds:</b>		
General Fund:		
Water Utility Fund	\$ -	\$ 290,000
2008 Sales Tax Sinking Fund	-	178,000
2008 Sales Tax Sinking Fund:		
Gas Utility Fund	-	90,000
1% Sales Tax Fund	178,000	-
Total governmental funds	178,000	558,000
<b>Proprietary funds:</b>		
Gas Utility Fund:		
2008 Sales Tax Sinking Fund	90,000	-
Sewer Utility Fund:		
Water Utility Fund	-	10,000
Water Utility Fund:		
Sewer Utility Fund	10,000	-
General Fund	290,000	-
Total proprietary funds	390,000	10,000
	\$ 568,000	\$ 568,000

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service funds from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the General fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

**NOTE 12 - COMPENSATION TO GOVERNING BODY**

The Town compensated the members of the Town's Council as follows:

Councilmembers' terms ending December 31, 2018:

Broderick Landry	\$ 9,905
Kipp Knight	10,484
Elliot Martin	10,042
Shalanda Allen	10,042
Barbara O'Bear	10,042
	\$ 50,515

## **NOTE 13 - COMMITMENTS AND CONTINGENCIES**

### **Litigation**

Several suits arising from operation of the police department have been filed against the Town. The cases are 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 these matters.

### **Grants and Loans**

The Town receives federal, state and local grants and loans for specific purposes that are subject to audit by the funding agencies. Such audits could lead to requests for reimbursement to the agency for expenditures disallowed under terms of the agreement. It is the opinion of Town management that the Town's compliance with the terms of the agreements 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 current year or in the past three years.





**TOWN OF  
WHITE CASTLE**

**REQUIRED SUPPLEMENTARY INFORMATION**



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

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

For the year ended September 30, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>				
Taxes:				
Sales	\$ 2,020,000	\$ 2,575,000	\$ 2,249,482	\$ (325,518)
Ad valorem	32,000	32,000	31,765	(235)
Public utility franchise	27,000	27,000	22,106	(4,894)
Cable T.V. franchise	20,000	16,000	15,247	(753)
Beer	3,000	3,000	2,450	(550)
Licenses and permits	91,000	83,000	76,564	(6,436)
Intergovernmental:				
Grants	463,673	105,000	77,813	(27,187)
Video poker	12,000	14,000	12,674	(1,326)
Local housing authority	26,500	26,500	-	(26,500)
Fines	65,000	130,000	122,346	(7,654)
Other:				
Lease and royalty	15,000	15,000	10,870	(4,130)
Interest	10,000	12,000	16,092	4,092
Miscellaneous	7,500	7,500	7,362	(138)
Total revenues	<u>2,792,673</u>	<u>3,046,000</u>	<u>2,644,771</u>	<u>(401,229)</u>
<b>EXPENDITURES</b>				
Current function:				
General government	518,110	619,560	633,023	(13,463)
Public safety	647,747	641,047	618,938	22,109
Streets and sanitation	332,353	468,353	451,345	17,008
Recreation	43,700	66,200	80,507	(14,307)
Debt service	59,250	59,250	72,875	(13,625)
Capital outlay	896,289	665,289	549,960	115,329
Total expenditures	<u>2,497,449</u>	<u>2,519,699</u>	<u>2,406,648</u>	<u>113,051</u>
Excess of revenues over expenditures	<u>295,224</u>	<u>526,301</u>	<u>238,123</u>	<u>(288,178)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from capital lease	-	-	52,633	52,633
Transfers out	<u>(320,000)</u>	<u>(468,000)</u>	<u>(558,000)</u>	<u>(90,000)</u>
Total other financing sources (uses)	<u>(320,000)</u>	<u>(468,000)</u>	<u>(505,367)</u>	<u>(37,367)</u>
Net change in fund balance	<u>\$ (24,776)</u>	<u>\$ 58,301</u>	<u>(267,244)</u>	<u>\$ (325,545)</u>
<b>FUND BALANCE</b>				
Beginning of year			<u>2,323,754</u>	
End of year			<u>\$ 2,056,510</u>	

Notes on B-1 are an integral part of this statement.

**TOWN OF WHITE CASTLE, LOUISIANA**

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

For the year ended September 30, 2017

**NOTE 1 - BUDGETS**

**Budget Policy and Budgetary Accounting**

A proposed budget is prepared and submitted by the Mayor to the Town Council 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 adoption of the budget.

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

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.

**Basis of Accounting**

All of the Town's budgets are prepared on the modified accrual basis of accounting.

**TOWN OF WHITE CASTLE, LOUISIANA**

**SCHEDULE OF PROPORTIONATE SHARE  
OF NET PENSION LIABILITY**

**LAST TEN FISCAL YEARS (1)(2)**

As of the fiscal year ended (2):

	2017	
	MERS (Plan B)	MPERS
Employer's Proportion of the Net Pension Liability	0.645%	0.028%
Employer's Proportion of the Net Pension Liability	558,404	243,378
Employer's Covered-Employee Payroll	486,678	72,337
Employer's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Employee Payroll	114.738%	29.722%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	70.080%	63.490%

	2016	
	MERS (Plan B)	MPERS
Employer's Proportion of the Net Pension Liability	0.718%	0.002%
Employer's Proportion of the Net Pension Liability	595,116	21,520
Employer's Covered-Employee Payroll	509,077	6,023
Employer's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Employee Payroll	116.901%	27.988%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	63.340%	66.042%

	2015	
	MERS (Plan B)	MPERS
Employer's Proportion of the Net Pension Liability	0.700%	0.000%
Employer's Proportion of the Net Pension Liability	476,062	-
Employer's Covered-Employee Payroll	486,021	-
Employer's Proportionate Share of the Net Pension Liability as a Percentage of its Covered		

*(1) Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.*

*(2) The amounts presented have a measurement date of June 30 of each respective year.*

**TOWN OF WHITE CASTLE, LOUISIANA**  
**SCHEDULE OF PENSION CONTRIBUTIONS**  
**LAST TEN FISCAL YEARS (1)**

	<u>2017</u>	
	<u>MERS (Plan B)</u>	<u>MPERS</u>
Contractually Required Contribution	52,244	24,906
Contributions in Relation to Contractually Required Contribution	<u>52,244</u>	<u>24,906</u>
Contribution (Excess) Deficiency	-	-
Employer's Covered Employee Payroll	474,945	73,796
Contributions as a % of Covered Employee Payroll	11.00%	33.75%
	<u>2016</u>	
	<u>MERS (Plan B)</u>	<u>MPERS</u>
Contractually Required Contribution	49,955	7,588
Contributions in Relation to Contractually Required Contribution	<u>49,955</u>	<u>7,588</u>
Contribution Deficiency	-	-
Employer's Covered Employee Payroll	509,077	24,090
Contributions as a % of Covered Employee Payroll	9.81%	31.50%
	<u>2015</u>	
	<u>MERS (Plan B)</u>	<u>MPERS</u>
Contractually Required Contribution	48,019	-
Contributions in Relation to Contractually Required Contribution	<u>46,172</u>	<u>-</u>
Contribution Deficiency	1,847	-
Employer's Covered Employee Payroll	505,465	-
Contributions as a % of Covered Employee Payroll	9.13%	-

(1) Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

**TOWN OF WHITE CASTLE, LOUISIANA**

**NOTES TO PROPORTIONATE SHARE OF NET PENSION  
LIABILITY AND SCHEDULE OF PENSION CONTRIBUTIONS**

For the year ended September 30, 2017

**NOTE 1 – NET PENSION LIABILITY**

**Changes of Benefit Terms**

Municipal Employees' Retirement System (Plan B)

No Changes.

**Changes of Assumptions**

Municipal Employees' Retirement System (Plan B)

No Changes.





**TOWN OF  
WHITE CASTLE**

**INDIVIDUAL FUND STATEMENTS**



## TOWN OF WHITE CASTLE, LOUISIANA

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS

September 30, 2017

	<b>Special Revenue</b>	<b>Debt Service</b>	<b>Capital Project</b>	<b>Total Nonmajor</b>
	<b>Section 8</b>	<b>Reserve Fund</b>	<b>2008 Capital Project Fund</b>	<b>Governmental Funds</b>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 14,533	\$ -	\$ -	\$ 14,533
Restricted cash	-	238,319	285,515	523,834
Total assets	<u>\$ 14,533</u>	<u>\$ 238,319</u>	<u>\$ 285,515</u>	<u>\$ 538,367</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Other	\$ 14,533	\$ -	\$ -	\$ 14,533
<b>FUND BALANCE</b>				
Restricted for:				
Debt service	-	238,319	-	238,319
Capital projects	-	-	285,515	285,515
Total fund balance	<u>-</u>	<u>238,319</u>	<u>285,515</u>	<u>523,834</u>
Total deferred inflows of resources and fund balance	<u>\$ 14,533</u>	<u>\$ 238,319</u>	<u>\$ 285,515</u>	<u>\$ 538,367</u>

**TOWN OF WHITE CASTLE, LOUISIANA**  
**COMBINING STATEMENTS OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**

For the year ended September 30, 2017

	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Project</u>	<u>Total Nonmajor</u>
	<u>Section 8</u>	<u>Reserve Fund</u>	<u>2008 Capital Project Fund</u>	<u>Governmental Funds</u>
<b>REVENUES</b>				
Intergovernmental	\$ 60,480	\$ -	\$ -	\$ 60,480
Interest	11	22	24	57
Total revenues	<u>60,491</u>	<u>22</u>	<u>24</u>	<u>60,537</u>
<b>EXPENDITURES</b>				
Current function				
Public health	<u>60,491</u>	<u>-</u>	<u>-</u>	<u>60,491</u>
Net change in fund balance	<u>-</u>	<u>22</u>	<u>24</u>	<u>46</u>
<b>FUND BALANCE</b>				
Beginning of year	<u>-</u>	<u>238,297</u>	<u>285,491</u>	<u>523,788</u>
End of year	<u>\$ -</u>	<u>\$ 238,319</u>	<u>\$ 285,515</u>	<u>\$ 523,834</u>

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

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

For the year ended September 30, 2017

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget</b>
<b>GENERAL GOVERNMENT</b>				
Salaries	\$ 130,560	\$ 152,060	\$ 153,300	\$ (1,240)
Payroll taxes	14,200	16,700	9,294	7,406
Municipal retirement	9,800	12,300	7,209	5,091
Employees' insurance	54,000	59,000	61,014	(2,014)
Insurance	71,000	90,000	87,299	2,701
Legal fees	54,000	66,000	78,175	(12,175)
Emergency preparedness - animal control	28,000	28,000	16,837	11,163
Travel	37,000	37,000	27,946	9,054
Professional services	22,500	47,500	54,908	(7,408)
Utilities and telephone	16,000	16,500	15,524	976
Publishing	13,200	9,200	6,498	2,702
Maintenance contracts	18,500	21,000	21,354	(354)
Maintenance - building	10,000	12,000	12,063	(63)
Postage	6,500	6,000	5,874	126
Computer services	6,000	7,000	6,875	125
Bank fees	-	3,800	8,234	(4,434)
Dues and subscriptions	6,500	7,800	7,830	(30)
Maintenance - equipment and vehicle	4,500	5,000	4,399	601
Other	7,600	9,300	14,553	(5,253)
Coroner	4,000	1,500	700	800
Office supplies	-	-	5,051	(5,051)
Commissioners	1,500	1,500	1,500	-
Printing	2,500	10,000	26,236	(16,236)
Drug testing	250	400	350	50
Total general government	<u>518,110</u>	<u>619,560</u>	<u>633,023</u>	<u>(13,463)</u>

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

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

For the year ended September 30, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>PUBLIC SAFETY</b>				
Police				
Salaries	\$ 412,147	\$ 378,147	\$ 369,888	\$ 8,259
Payroll taxes	36,500	30,500	30,579	(79)
Municipal retirement	12,500	34,500	23,569	10,931
Employees' insurance	87,500	92,500	95,657	(3,157)
Maintenance - vehicle	8,000	3,000	1,855	1,145
Vehicle fuel	10,000	8,500	7,411	1,089
Travel	6,500	8,000	11,589	(3,589)
Telephone	4,000	6,000	6,004	(4)
Computer services	5,000	4,500	3,847	653
Maintenance contracts	5,000	6,500	6,230	270
Maintenance - building	1,500	3,000	5,435	(2,435)
Court fees	2,000	5,500	2,824	2,676
Field supplies	1,500	2,600	4,928	(2,328)
Dues and subscriptions	3,000	3,000	45	2,955
Drug testing	200	800	550	250
Printing	500	2,100	1,668	432
Clothing	1,500	1,500	3,283	(1,783)
Total police	<u>597,347</u>	<u>590,647</u>	<u>575,362</u>	<u>15,285</u>
Volunteer fire				
Salary supplement	26,000	26,000	19,136	6,864
Maintenance - vehicle	4,000	5,000	7,108	(2,108)
Maintenance - equipment	1,000	-	-	-
Vehicle insurance	2,200	2,200	-	2,200
Telephone	1,600	600	682	(82)
Vehicle fuel	600	600	799	(199)
Equipment testing	15,000	16,000	15,851	149
Total volunteer fire	<u>50,400</u>	<u>50,400</u>	<u>43,576</u>	<u>6,824</u>
Total public safety	<u>647,747</u>	<u>641,047</u>	<u>618,938</u>	<u>22,109</u>

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

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

For the year ended September 30, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>STREETS AND SANITATION</b>				
Salaries	\$ 153,253	\$ 156,253	\$ 157,464	\$ (1,211)
Payroll taxes	16,800	16,800	14,552	2,248
Municipal retirement	12,000	16,500	22,702	(6,202)
Employees' insurance	51,000	54,000	55,843	(1,843)
Utilities	68,500	72,500	74,795	(2,295)
Maintenance - street	15,000	105,000	87,771	17,229
Maintenance - vehicle	3,000	7,000	11,356	(4,356)
Vehicle fuel	7,500	10,000	9,236	764
Maintenance - equipment	-	-	(1,572)	1,572
Education & training	400	400	344	56
Equipment rental	4,500	29,500	17,734	11,766
Drug testing	200	200	-	200
Other	200	200	1,120	(920)
Total streets and sanitation	<u>332,353</u>	<u>468,353</u>	<u>451,345</u>	<u>17,008</u>
<b>RECREATION</b>				
Salaries	15,000	25,000	25,074	(74)
Payroll Taxes	1,700	1,700	1,264	436
Utilities	25,000	25,000	25,272	(272)
Maintenance	2,000	14,500	20,006	(5,506)
Youth recreation	-	-	8,891	(8,891)
Total recreation	<u>43,700</u>	<u>66,200</u>	<u>80,507</u>	<u>(14,307)</u>
<b>CAPITAL OUTLAY</b>	896,289	665,289	549,960	115,329
<b>DEBT SERVICE</b>	<u>59,250</u>	<u>59,250</u>	<u>72,875</u>	<u>(13,625)</u>
Total expenditures	<u>\$ 2,497,449</u>	<u>\$ 2,519,699</u>	<u>\$ 2,406,648</u>	<u>\$ 113,051</u>

**TOWN OF WHITE CASTLE, LOUISIANA**  
**SINKING FUND - MAJOR FUND**

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

For the year ended September 30, 2017

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget</b>
<b>REVENUES</b>				
Other				
Interest	\$ -	\$ -	\$ 713	\$ (713)
<b>EXPENDITURES</b>				
Debt service	<u>119,000</u>	<u>177,000</u>	<u>175,973</u>	<u>1,027</u>
Deficiency of revenues over expenditures	<u>(119,000)</u>	<u>(177,000)</u>	<u>(175,260)</u>	<u>(1,740)</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers in	120,000	178,000	178,000	-
Proceeds from bond issuance	<u>-</u>	<u>650</u>	<u>-</u>	<u>(650)</u>
Total other financing uses	<u>120,000</u>	<u>178,650</u>	<u>178,000</u>	<u>(650)</u>
Net change in fund balance	<u>\$ 1,000</u>	<u>\$ 1,650</u>	2,740	<u>\$ 1,090</u>
<b>FUND BALANCE</b>				
Beginning of year			<u>28,599</u>	
End of year			<u>\$ 31,339</u>	

**TOWN OF WHITE CASTLE, LOUISIANA  
RESERVE FUND - NONMAJOR FUND**

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

For the year ended September 30, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>				
Interest	\$ 1,000	\$ -	\$ 22	\$ 22
<b>OTHER FINANCING USES</b>				
Transfers out	1,000	-	-	-
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	22	<u>\$ 22</u>
<b>FUND BALANCE</b>				
Beginning of year			<u>238,297</u>	
End of year			<u>\$ 238,319</u>	

**TOWN OF WHITE CASTLE, LOUISIANA**  
**SECTION 8 - NONMAJOR FUND**

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

For the year ended September 30, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>				
Intergovernmental				
HUD receipts	\$ 65,000	\$ 71,500	\$ 60,480	\$ (11,020)
Interest	-	-	11	11
Total revenues	<u>65,000</u>	<u>71,500</u>	<u>60,491</u>	<u>(11,009)</u>
<b>EXPENDITURES</b>				
Public health				
Rent and utility assistance	58,000	63,000	54,128	8,872
Section 8 - URP	-	1,500	-	1,500
Administrative	<u>7,000</u>	<u>7,000</u>	<u>6,363</u>	<u>637</u>
Total expenditures	<u>65,000</u>	<u>71,500</u>	<u>60,491</u>	<u>11,009</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
<b>FUND BALANCE</b>				
Beginning of year			-	
End of year			<u>\$ -</u>	

**TOWN OF WHITE CASTLE, LOUISIANA  
2008 CAPITAL PROJECT FUND - NONMAJOR FUND**

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

For the year ended September 30, 2017

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget</b>
<b>REVENUES</b>				
Interest	\$ -	\$ -	\$ 24	\$ 24
Net change in fund balance	\$ -	\$ -	24	\$ 24
<b>FUND BALANCE</b>				
Beginning of year			285,491	
End of year			\$ 285,515	

**TOWN OF WHITE CASTLE, LOUISIANA**  
**SCHEDULE OF COMPENSATION, BENEFITS AND**  
**OTHER PAYMENTS TO AGENCY HEAD**

For the year ended September 30, 2017

**Agency Head: Gerald Williams**

<b>Purpose</b>	<b>Amount</b>
Salary	\$ 50,835
Vehicle provided by government	14,828
Benefits - retirement	4,829
Per diem	501
Travel	3,949
Benefits - insurance	3,352
Registration fees	1,710
Phone	509
Reimbursements	95
	\$ 80,609

**TOWN OF WHITE CASTLE, LOUISIANA**

**SCHEDULE OF UTILITY  
CUSTOMERS**

September 30, 2017  
(Without Audit)

Records maintained by the Town indicated the number of residential and commercial users for both water and sewer systems at September 30, 2017 were as follows:

	<u>Water</u>	<u>Sewer</u>	<u>Gas</u>
Residential	1,460	705	435
Commercial	54	42	21

At September 30, 2017, the Town was charging a \$15.38 commercial and a \$12.82 residential base fee with \$3.00 for each thousand gallons consumed for water usage. In addition, a \$25.63 commercial and a \$13.48 residential base fee with \$2.00 commercial and \$1.90 residential fee for each thousand gallons treated was charged as a sewerage fee.

At September 30, 2017, the aging of accounts receivable for the enterprise funds was as follows:

Current	\$ 103,494
31-60 days	23,489
61-90 days	10,513
Over 90 days	20,737
Allowance for doubtful accounts	<u>(7,154)</u>
	<u>\$ 151,079</u>

## TOWN OF WHITE CASTLE, LOUISIANA

### SCHEDULE OF INSURANCE IN FORCE

September 30, 2017

(Without Audit)

Issuer	Type of Insurance	Property Covered and Location	Insurance	Expiration Date
LA Municipal Risk Management Agent	Automobile	23 Automobiles	500,000	May 1, 2018
	Commercial general liability	Premises operations, general	500,000	May 1, 2018
		Products and completed operations	500,000	May 1, 2018
		Medical payments	10,000/per accident	May 1, 2018
		Fire legal liability	50,000/per occurrence	May 1, 2018
	Law enforcement liability	Enforcement officers	500,000	May 1, 2018
	Public officials' errors and omissions liability	Public officials' errors and omissions	500,000	May 1, 2018
	Workers compensation	Eligible employees	statutory	January 1, 2018
	Scottsdale Insurance Company	Commercial property	Sewage plant, 31540 Hwy. 405	560,000
Fire and extended coverage		Water tower, 33060 Bowie St.	232,000	April 12, 2018
		Water treatment building	150,000	
		Garage	56,000	
		Storage building	50,000	
		Chlorine Injector	15,000	
Fire and extended coverage		Police and Fire Station, 32535 Bowie St.	300,000	April 12, 2018
		Storage shed, 32535 Bowie St.	11,000	April 12, 2018
Fire and extended coverage		Jail house, 32535 Rear Bowie	120,000	April 12, 2018
Fire and extended coverage		Fire station, 32055 Hwy. 405	81,000	April 12, 2018
Fire and extended coverage		Council on Aging building, 55050 Latino St	145,000	April 12, 2018
Fire and extended coverage		Town Hall, 32515 Bowie St.	800,000	April 12, 2018
Fire and extended coverage		Sewage station, 54940 Cambre St.	96,000	April 12, 2018
Fire and extended coverage	Fitness Park, 32540 Bowie St.	150,000	April 12, 2018	
	Gazebo	55,000		
Fire and extended coverage	Rec Center, 32711 Bowie St.	1,200,000	April 12, 2018	
	Cummins Generator	70,000		
Rod Prejean & Associates, Inc.	Automobile	Ford Explorer w/ equipment	25,974	February 5, 2018
		Ford Explorer w/ equipment	25,974	
		Ford Explorer w/ equipment	25,974	



**TOWN OF  
WHITE CASTLE**

**STATISTICAL SECTION**



# TOWN OF WHITE CASTLE, LOUISIANA

## STATISTICAL SECTION (UNAUDITED)

September 30, 2017

This section, which is composed of accounting and non-accounting data, is presented in order to provide the reader with additional information as an aid to understanding the financial activities of the governmental unit.

INDEX	<u>Exhibit</u>	<u>Page</u>
<b><u>Financial Trends Information</u></b> - <i>These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.</i>		
Net Position By Component, Last Ten Fiscal Years	D-1	78
Changes in Net Position, Last Ten Fiscal Years	D-2	80
Governmental Activities Tax Revenues by Source, Last Ten Fiscal Years	D-3	82
Fund Balance of Governmental Funds, Last Ten Fiscal Years	D-4	83
Changes in Fund Balances of Governmental Funds, Last Ten Fiscal Years	D-5	84
Tax Revenues By Source, Governmental Funds, Last Ten Fiscal Years	D-6	86
<b><u>Revenue Capacity Information</u></b> - <i>These schedules contain information to help the reader assess the government's most significant local revenue source, sales tax collections. Property tax collections are not significant to the Town. However, certain schedules considered useful relating to property taxes are included.</i>		
Property Tax Rates and Tax Levies, Direct and Overlapping Governments, Last Ten Years	D-7	87
Sales Tax Revenues, Last Ten Years	D-8	88
Taxable Sales by Category- General Sales and Use Tax, Last Ten Years	D-9	89
<b><u>Debt Capacity Information</u></b> - <i>These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.</i>		
Ratios of Outstanding Debt by Type, Last Ten Fiscal Years	D-10	90
Computation of Direct and Overlapping Governmental Activities Debt	D-11	91
Legal Debt Margin Calculation, Last Ten Fiscal Years	D-12	92
Pledged Revenue Coverage, Last Ten Fiscal Years	D-13	93
<b><u>Demographic and Economic Information</u></b> - <i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.</i>		
Demographic and Economic Statistics, Last Ten Calendar Years	D-14	94
Principal Employers, Current Year and Nine Years Ago	D-15	95
<b><u>Operating Information</u></b> - <i>These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.</i>		
Full-Time Equivalent City Employees by Fund/Department, Last Ten Fiscal Years	D-16	96
Operating Indicators by Function/Program, Last Ten Fiscal Years	D-17	97
Capital Asset Statistics by Function/Program, Last Ten Fiscal Years	D-18	98

**TOWN OF WHITE CASTLE, LOUISIANA**

**NET POSITION BY COMPONENT  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

(accrual basis of accounting)

(in thousands)

	FISCAL YEAR			
	2017	2016	2015	2014(1)
Governmental activities				
Net investment in capital assets	\$ 3,533	\$ 3,363	\$ 3,811	\$ 2,275
Restricted	528	523	551	550
Unrestricted	618	933	1,543	1,514
Total governmental activities net position	<u>4,679</u>	<u>4,819</u>	<u>5,905</u>	<u>4,339</u>
Business-type activities				
Net investment in capital assets	2,687	2,709	1,598	1,691
Restricted	224	217	211	174
Unrestricted	2	58	160	134
Total business-type activities net position	<u>2,913</u>	<u>2,984</u>	<u>1,969</u>	<u>1,999</u>
Primary government				
Net investment in capital assets	4,923	4,757	5,409	3,966
Restricted	752	740	762	724
Unrestricted	1,917	2,306	1,703	1,648
Total primary government net position	<u>\$ 7,592</u>	<u>\$ 7,803</u>	<u>\$ 7,874</u>	<u>\$ 6,338</u>

(1) Net assets restated due to implementation of GASB 68.

**NET POSITION BY COMPONENT  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

(accrual basis of accounting)  
(in thousands)

FISCAL YEAR						
2013	2012	2011	2010	2009	2008	
\$ 1,729	\$ 2,062	\$ 2,428	\$ 2,464	\$ 2,560	\$ 3,156	
569	545	542	1,146	252	246	
1,420	1,046	864	640	1,618	1,275	
3,718	3,653	3,834	4,250	4,430	4,677	
1,768	1,881	2,025	1,433	1,023	987	
173	173	173	163	153	142	
160	270	402	859	1,160	1,097	
2,101	2,324	2,600	2,455	2,336	2,226	
3,497	3,943	4,453	3,897	3,583	4,143	
742	718	715	1,309	405	388	
1,580	1,316	1,266	1,499	2,778	2,372	
\$ 5,819	\$ 5,977	\$ 6,434	\$ 6,705	\$ 6,766	\$ 6,903	

## TOWN OF WHITE CASTLE, LOUISIANA

### CHANGES IN NET POSITION LAST TEN FISCAL YEARS (UNAUDITED)

(accrual basis of accounting)  
(in thousands)

	FISCAL YEAR									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
<b>Expenses</b>										
Governmental activities										
General government	\$ 715	\$ 913	\$ 720	\$ 568	\$ 554	\$ 548	\$ 729	\$ 732	\$ 489	\$ 414
Public safety	731	626	621	632	654	657	635	514	546	532
Streets and sanitation	627	509	518	583	491	494	540	526	499	441
Public works		-	-	-	-	-	487	192	424	-
Public health	61	80	67	59	51	60	65	49	48	75
Culture and recreation	245	202	101	64	69	63	65	52	83	65
Interest on long-term debt	102	123	77	79	80	83	84	85	97	16
Total governmental activities	<u>2,481</u>	<u>2,453</u>	<u>2,104</u>	<u>1,985</u>	<u>1,899</u>	<u>1,905</u>	<u>2,605</u>	<u>2,150</u>	<u>2,186</u>	<u>1,543</u>
Business-type activities										
Gas	346	333	301	341	312	297	365	333	345	394
Waterworks	519	556	494	529	492	510	504	462	286	262
Sewerage	380	368	328	322	338	358	385	357	281	284
Total business-type activities	<u>1,245</u>	<u>1,257</u>	<u>1,123</u>	<u>1,192</u>	<u>1,142</u>	<u>1,165</u>	<u>1,254</u>	<u>1,152</u>	<u>912</u>	<u>940</u>
Total primary government expenses	<u>3,726</u>	<u>3,710</u>	<u>3,227</u>	<u>3,177</u>	<u>3,041</u>	<u>3,070</u>	<u>3,859</u>	<u>3,302</u>	<u>3,098</u>	<u>2,483</u>
<b>Program Revenues</b>										
Governmental activities										
Charges for services:										
General government	84	93	71	73	77	88	76	77	77	77
Public safety	122	70	33	19	31	29	36	34	50	50
Culture and recreation	11	-	-	-	-	-	-	-	-	-
Operating grants and contributions	60	79	67	60	134	59	70	55	178	70
Capital grants and contributions	78	26	1,580	899	1	25	262	4	4	44
Total governmental activities program revenues	<u>355</u>	<u>268</u>	<u>1,751</u>	<u>1,051</u>	<u>243</u>	<u>201</u>	<u>444</u>	<u>170</u>	<u>309</u>	<u>241</u>
Business-type activities										
Charges for Services										
Gas	240	235	303	372	309	282	289	447	127	444
Waterworks	235	234	241	242	240	246	240	220	(87)	210
Sewerage	293	304	290	290	283	277	286	308	(14)	285
Capital grants and contributions	-	-	-	-	-	-	501	215	-	-
Total business-type activities program revenues	<u>768</u>	<u>773</u>	<u>834</u>	<u>904</u>	<u>832</u>	<u>805</u>	<u>1,316</u>	<u>1,190</u>	<u>26</u>	<u>939</u>
Total primary government total revenues	<u>1,123</u>	<u>1,041</u>	<u>2,585</u>	<u>1,955</u>	<u>1,075</u>	<u>1,006</u>	<u>1,760</u>	<u>1,360</u>	<u>335</u>	<u>1,180</u>

**CHANGE IN NET POSITION  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

(accrual basis of accounting)  
(in thousands)

	FISCAL YEAR									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Net revenue (expense):										
Governmental activities	\$ (2,126)	\$ (2,184)	\$ (353)	\$ (934)	\$ (1,655)	\$ (1,704)	\$ (2,161)	\$ (1,980)	\$ (1,877)	\$ (1,302)
Business-type activities	(477)	(484)	(289)	(288)	(309)	(360)	62	38	(886)	(1)
Total primary government net revenue (expense)	<u>(2,603)</u>	<u>(2,668)</u>	<u>(642)</u>	<u>(1,222)</u>	<u>(1,964)</u>	<u>(2,064)</u>	<u>(2,099)</u>	<u>(1,942)</u>	<u>(2,763)</u>	<u>(1,303)</u>
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities										
Taxes:										
Ad Valorem	32	32	31	30	33	34	33	20	43	26
Sales	2,250	2,442	2,027	1,998	1,837	1,494	1,680	1,775	1,566	1,204
Video Poker	13	7	12	11	9	12	15	8	10	13
Franchise	37	38	39	41	39	35	39	39	35	43
Other	2	2	3	3	3	3	6	2	8	3
Unrestricted grants and contributions	15	33	28	21	23	15	34	28	35	195
Investment earnings	17	10	1	3	5	1	11	3	22	27
Proceeds from insurance	-	-	-	5	-	3	3	-	-	-
Loss on disposal of assets	-	-	-	-	-	-	-	-	(14)	-
Miscellaneous	-	21	52	-	-	-	-	-	-	-
Transfers to other funds	(380)	(1,487)	(258)	(330)	(152)	(75)	(75)	(75)	(75)	30
Total governmental activities general revenues	<u>1,986</u>	<u>1,098</u>	<u>1,935</u>	<u>1,782</u>	<u>1,797</u>	<u>1,522</u>	<u>1,746</u>	<u>1,800</u>	<u>1,630</u>	<u>1,541</u>
Business-type activities										
Unrestricted grants and contributions	26	7	12	-	9	-	-	-	-	-
Investment earnings	-	-	-	-	-	2	8	6	9	34
Special Item-loss	-	5	-	7	-	7	-	-	-	-
Transfers from other funds	380	1,487	258	330	152	75	75	75	75	(30)
Total business-type activities general revenues	<u>406</u>	<u>1,499</u>	<u>270</u>	<u>337</u>	<u>161</u>	<u>84</u>	<u>83</u>	<u>81</u>	<u>84</u>	<u>4</u>
Total primary government general revenues	<u>2,392</u>	<u>2,597</u>	<u>2,205</u>	<u>2,119</u>	<u>1,958</u>	<u>1,606</u>	<u>1,829</u>	<u>1,881</u>	<u>1,714</u>	<u>1,545</u>
<b>Change in Net Position</b>										
Governmental activities	(140)	(1,086)	1,582	848	142	(182)	(415)	(180)	(247)	239
Business-type activities	(71)	1,015	(19)	49	(148)	(276)	145	119	(802)	3
Total change in net position	<u>\$ (211)</u>	<u>\$ (71)</u>	<u>\$ 1,563</u>	<u>\$ 897</u>	<u>\$ (6)</u>	<u>\$ (458)</u>	<u>\$ (270)</u>	<u>\$ (61)</u>	<u>\$ (1,049)</u>	<u>\$ 242</u>

**TOWN OF WHITE CASTLE, LOUISIANA**  
**GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE**  
**LAST TEN FISCAL YEARS**  
**(UNAUDITED)**

(accrual basis of accounting)  
(in thousands)

Fiscal Year	Ad Valorem Taxes	Sales Taxes	Franchise Taxes	Other Taxes	Total
2017	\$ 32	\$ 2,250	\$ 37	\$ 15	2,334
2016	32	2,442	38	9	2,521
2015	31	2,027	39	15	2,112
2014	30	1,998	41	3	2,072
2013	33	1,837	39	12	1,921
2012	34	1,494	35	15	1,578
2011	33	1,680	39	21	1,773
2010	20	1,775	39	10	1,844
2009	43	1,566	35	18	1,662
2008	26	1,204	43	16	1,289

Source: Town of White Castle

**TOWN OF WHITE CASTLE, LOUISIANA**  
**FUND BALANCES OF GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
**(UNAUDITED)**

(modified accrual basis of accounting)  
(in thousands)

Fiscal Year	GENERAL FUND			ALL OTHER GOVERNMENTAL FUNDS			Total all other Governmental Funds
	Nonspendable	Unassigned	Total	Committed	Restricted		
2017	\$ 39	\$ 2,018	2,057	\$ -	\$ 555		555
2016	32	2,289	2,321	-	552		552
2015	39	1,799	1,838	-	550		550
2014	36	1,733	1,769	-	550		550
2013	31	1,439	1,470	-	549		549
2012	30	974	1,004	-	545		545

Fiscal Year	GENERAL FUND			ALL OTHER GOVERNMENTAL FUNDS				
	Unreserved	Reserved	Total	Reserved*	Unreserved Reported in Special Revenue Funds	Unreserved Reported in Debt Service Funds	Unreserved Reported in Capital Project Funds	Total all other Governmental Funds
2011	30	787	817	-	-	-	542	542
2010	17	-	17	1,021	1,283	-	-	2,304
2009	2	-	2	1,213	1,505	-	-	2,718
2008	163	-	163	246	1,004	246	2,788	4,284

\*Debt Service Funds.

All fund balances in Debt Service Funds are reserved to pay future debt service.

**NOTE:**

Due to the implementation of GASB 54 on a prospective basis in 2011 and increases to beginning restricted net assets resulting from the application of existing accounting principles, the illustrated comparisons of the Town's prior year government wide net assets and governmental fund balances presented will not represent actual changes.

**TOWN OF WHITE CASTLE, LOUISIANA**  
**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
**(UNAUDITED)**

(modified accrual basis of accounting)  
(in thousands)

	FISCAL YEAR			
	2017	2016	2015	2014
<b>REVENUES</b>				
Taxes	\$ 2,321	\$ 2,515	\$ 2,099	\$ 2,072
Intergovernmental	151	134	1,712	970
Licenses and permits	77	93	70	73
Fines	122	70	33	19
Miscellaneous revenues	35	31	20	24
Total revenues	<u>2,706</u>	<u>2,843</u>	<u>3,934</u>	<u>3,158</u>
<b>EXPENDITURES</b>				
Current				
General government	633	690	601	484
Public safety	619	594	517	520
Streets and sanitation	451	336	344	393
Public works	-	-	-	-
Public health	60	79	68	59
Culture and recreation	81	39	33	17
Debt service				
Principal	145	60	43	40
Interest	104	106	77	79
Bond issuance costs	-	117	-	-
Capital outlay	550	311	1,925	939
Total expenditures	<u>2,643</u>	<u>2,332</u>	<u>3,608</u>	<u>2,531</u>
Excess (deficiency) of revenues over expenditures	<u>63</u>	<u>511</u>	<u>326</u>	<u>627</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	178	218	-	120
Proceeds from insurance	-	-	-	4
Proceeds from installment purchase agreements	53	205	-	-
Proceeds from issuance of debt	-	-	-	-
Proceeds from issuance of refunded debt	-	2,640	-	-
Premium on issuance	-	32	-	-
Payment to refunded bond agent	-	(1,413)	-	-
Transfers out	(558)	(1,705)	(258)	(450)
Total other financing sources and uses	<u>(327)</u>	<u>(23)</u>	<u>(258)</u>	<u>(326)</u>
Net change in fund balances	<u>\$ (264)</u>	<u>\$ 488</u>	<u>\$ 68</u>	<u>\$ 301</u>
Debt service as a percentage of noncapital expenditures	11.9%	8.2%	7.1%	7.5%

FISCAL YEAR						
2013	2012	2011	2010	2009	2008	
\$ 1,912	\$ 1,566	\$ 1,758	\$ 1,849	\$ 1,635	\$ 1,301	
151	96	356	107	163	127	
77	88	76	77	77	76	
31	29	36	34	50	50	
21	17	36	27	48	222	
<u>2,192</u>	<u>1,796</u>	<u>2,262</u>	<u>2,094</u>	<u>1,973</u>	<u>1,776</u>	
470	452	666	446	478	372	
539	542	519	496	534	551	
302	283	326	384	303	347	
-	-	487	192	438	-	
50	60	66	49	48	75	
27	19	19	20	90	36	
40	35	35	34	30	-	
81	87	84	92	90	179	
-	-	-	-	-	-	
61	55	951	705	-	-	
<u>1,570</u>	<u>1,533</u>	<u>3,153</u>	<u>2,418</u>	<u>2,011</u>	<u>1,560</u>	
<u>622</u>	<u>263</u>	<u>(891)</u>	<u>(324)</u>	<u>(38)</u>	<u>216</u>	
125	175	183	1,925	1,001	1,200	
-	2	3	-	28	-	
-	-	-	-	-	-	
-	-	-	-	-	3,200	
-	-	-	-	-	-	
-	-	-	-	-	-	
<u>(277)</u>	<u>(250)</u>	<u>(258)</u>	<u>(2,000)</u>	<u>(1,076)</u>	<u>(1,170)</u>	
<u>(152)</u>	<u>(73)</u>	<u>(72)</u>	<u>(75)</u>	<u>(47)</u>	<u>3,230</u>	
<u>\$ 470</u>	<u>\$ 190</u>	<u>\$ (963)</u>	<u>\$ (399)</u>	<u>\$ (85)</u>	<u>\$ 3,446</u>	
8.0%	8.3%	5.4%	7.4%	6.0%	11.5%	

**TOWN OF WHITE CASTLE, LOUISIANA**  
**TAX REVENUES BY SOURCE, GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
**(UNAUDITED)**

(modified accrual basis of accounting)  
(in thousands)

Fiscal Year	Ad Valorem Taxes	Sales Taxes	Franchise Taxes	Other Taxes	Total
2017	\$ 32	\$ 2,250	\$ 37	\$ 15	\$ 2,334
2016	32	2,442	38	9	2,521
2015	31	2,027	39	15	2,112
2014	30	1,998	41	3	2,072
2013	33	1,837	39	3	1,912
2012	34	1,494	35	3	1,566
2011	33	1,680	43	3	1,759
2010	32	1,775	39	2	1,848
2009	31	1,566	35	8	1,640
2008	51	1,204	43	3	1,301
2007	31	1,217	39	6	1,293

Source: Town of White Castle

**TOWN OF WHITE CASTLE, LOUISIANA**

**PROPERTY TAX RATES AND TAX LEVIES**  
**DIRECT AND OVERLAPPING GOVERNMENTS**  
**LAST TEN CALENDAR YEARS**  
**(UNAUDITED)**

Fiscal Year	Town of White Castle			Overlapping Rates				Total Direct and Overlapping Rates
	General Purpose	Total Town Millage	Law Enforcement	School Board	Iberville Parish Government	Assessment District	Levee District	
2017	7.00	7.00	22.00	57.83	22.68	2.06	3.52	115.09
2016	7.00	7.00	22.00	57.83	22.56	2.06	4.04	115.49
2015	7.00	7.00	22.00	57.83	22.56	2.06	3.47	114.92
2014	7.00	7.00	22.00	57.83	22.56	2.06	3.47	114.92
2013	7.00	7.00	22.00	57.83	22.56	2.06	3.47	114.92
2012	7.00	7.00	22.00	56.66	19.68	2.06	3.52	110.92
2011	7.00	7.00	22.00	56.66	21.18	2.06	3.67	112.57
2010	5.65	5.65	22.00	56.66	19.84	2.06	3.67	109.88
2009	5.65	5.65	22.00	56.66	19.84	2.06	3.67	109.88
2008	7.00	7.00	22.00	39.27	22.68	2.06	3.74	96.75

The tax levies represent the original levy of the Assessor and exclude the homestead exemption amounts.

All taxes are billed when assessment rolls are filed during the month of November of the current tax year. Taxes become delinquent on January 1 of the following year. Penalty for delinquent taxes is 1% per month. No discounts are allowed for taxes, and there is no provision for partial payments.

Source: Audited financial statements of each municipality shown above.

**TOWN OF WHITE CASTLE, LOUISIANA**

**SALES TAX REVENUES  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

(modified accrual basis of accounting)

Fiscal Year	2% Parish General	1% Parish General	Total
2017	\$ 1,658,310	\$ 591,172	\$ 2,249,482
2016	1,803,416	638,373	2,441,789
2015	1,494,605	532,236	2,026,841
2014	1,472,607	525,717	1,998,324
2013	1,349,977	487,030	1,837,007
2012	1,095,386	398,358	1,493,744
2011	1,231,104	448,900	1,680,004
2010	1,302,880	472,393	1,775,273
2009	1,138,092	428,113	1,566,205
2008	902,437	301,519	1,203,956

The following is a summary of sales and use taxes being collected within the Town of White Castle as of September 30, 2016:

Iberville Parish Council	3.00%
Iberville Parish School Board	2.00%
State Rate	<u>5.00%</u>
Total Rate	<u>10.00%</u>

The Parish of Iberville collects the sales and use tax which is shared with certain municipalities on a pro-rata basis based on population.

Source: Iberville Parish Sales Tax Department

**TOWN OF WHITE CASTLE, LOUISIANA**  
**TAXABLE SALES BY CATEGORY - GENERAL SALES AND USE TAX**  
**LAST TEN FISCAL YEARS (1)**  
**(UNAUDITED)**  
(modified accrual basis of accounting)

Primary Taxpayers by Industry	FISCAL YEAR									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Manufacturer of chemicals	\$ 376,030,176	\$ 533,317,289	\$ 303,071,627	\$ 538,882,468	\$ 398,210,177	\$ 407,494,930	\$ 555,260,810	\$ 451,722,558	\$ 63,896,513	\$ 383,428,833
Industrial equipment sales	61,344,412	101,849,278	44,995,868	69,003,478	77,657,168	51,834,793	57,494,719	44,812,120	38,473,171	49,692,665
Grocery stores	20,642,349	41,348,422	20,631,183	38,401,257	37,586,350	37,089,615	37,314,861	36,151,634	33,179,640	30,518,673
Department stores & dry goods	21,677,465	38,817,913	18,893,416	36,620,897	37,594,616	37,965,471	37,657,428	39,397,302	35,155,751	38,075,149
Lumber, building materials stores	26,319,060	26,928,165	16,151,901	17,776,697	15,943,033	21,085,725	21,878,034	28,460,909	23,271,228	25,975,932
Miscellaneous - others	<u>239,067,217</u>	<u>342,596,431</u>	<u>182,206,513</u>	<u>331,731,806</u>	<u>298,440,711</u>	<u>238,549,832</u>	<u>137,580,139</u>	<u>148,775,859</u>	<u>149,200,394</u>	<u>191,077,002</u>
	<u>\$ 745,080,679</u>	<u>\$ 1,084,857,498</u>	<u>\$ 585,950,508</u>	<u>\$ 1,032,416,603</u>	<u>\$ 865,432,055</u>	<u>\$ 794,020,366</u>	<u>\$ 847,185,991</u>	<u>\$ 749,320,382</u>	<u>\$ 343,176,697</u>	<u>\$ 718,768,254</u>

Source: Relevant information was not available for the Town of White Castle. Data presented is for the Iberville Parish Government  
(1) Data not available for 2017

## TOWN OF WHITE CASTLE, LOUISIANA

**RATIOS OF OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

(full accrual basis of accounting)  
(in thousands, except per capita amount)

Fiscal Year	Governmental Activities Debt		Business-Type Debt		Total Primary Government	Percentage of Personal Income	(1) Debt Per Capita
	Public Improvement Bonds	Installment Purchase Agreements	Public Improvement Bonds	Revenue Bonds			
2017	\$ 2,674	\$ 190	\$ 50	\$ 338	3,252	251.44%	1,809
2016	2,759	200	98	414	3,471	276.70%	1,929
2015	1,340	-	1,340	486	3,166	260.21%	1,731
2014	1,382	-	1,382	554	3,318	273.19%	1,802
2013	1,423	-	1,423	620	3,466	299.59%	1,852
2012	1,463	-	1,463	682	3,608	325.57%	1,939
2011	1,500	-	1,500	741	3,741	351.37%	1,996
2010	1,535	-	1,535	798	3,868	350.89%	2,054
2009	1,570	-	1,570	851	3,991	385.48%	2,207
2008	1,600	-	1,600	902	4,102	398.97%	2,228

(1) Bureau of Economic Analysis for Iberville Parish.

Balances above exclude compensated absences

## TOWN OF WHITE CASTLE, LOUISIANA

### COMPUTATION OF DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT (UNAUDITED)

September 30, 2017  
(in thousands)

<u>Jurisdiction</u>	<u>Debt Outstanding</u>	<u>(2) Estimated Percentage Applicable</u>	<u>Estimated Share of Direct and Overlapping Debt</u>
Town direct debt	\$ <u>2,864</u>	100%	\$ <u>2,864</u>
<u>Overlapping -other government agencies (1):</u>			
Iberville Parish School Board (3)	\$ 43,303	1%	\$ 433
Iberville Parish Government (4)	<u>20,374</u>	1%	<u>204</u>
Total other government agencies	<u>\$ 63,677</u>		<u>\$ 637</u>
Total direct and overlapping			<u>\$ 3,501</u>
2017 population estimate			<u>1,798</u>
Per capita			<u>\$ 1.947</u>

(1) Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the Town. The schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the Town of White Castle. This process recognizes that, when considering the Town's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

(2) The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the Parish's taxable assessed value that is within the Town's boundaries and dividing it by the Parish's taxable assessed value.

(3) Source: 2016 Basic Financial Statements

(4) Source: 2016 Comprehensive Annual Financial Report

**TOWN OF WHITE CASTLE, LOUISIANA**

**LEGAL DEBT MARGIN CALCULATION  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

<u>Year</u>	<u>Assessed Value</u>	<u>Any One Purpose</u>	<u>Aggregate All Purposes (1)</u>	<u>Debt Outstanding (2)</u>	<u>Legal Debt Margin</u>	<u>Legal Debt Margin to Aggregate Debt Limit</u>
2017	\$ 4,394,880	439,488	1,538,208	\$ -	\$ 1,538,208	0.00%
2016	4,363,230	436,323	1,527,131	-	1,527,131	0.00%
2015	4,300,630	430,063	1,505,221	-	1,505,221	0.00%
2014	4,260,210	426,021	1,491,074	-	1,491,074	0.00%
2013	4,581,510	458,151	1,603,529	-	1,603,529	0.00%
2012	4,437,670	443,767	1,553,185	-	1,553,185	0.00%
2011	4,536,960	453,696	1,587,936	-	1,587,936	0.00%
2010	4,525,100	452,510	1,583,785	-	1,583,785	0.00%
2009	5,422,320	542,232	1,897,812	-	1,897,812	0.00%
2008	4,454,970	445,497	1,559,240	-	1,559,240	0.00%

Source: Town of White Castle Financial Reports

- (1) Legal debt limit is 35% of the total assessed value of taxable property (10% of the assessed value of taxable property for any one purpose).
- (2) There was no indebtedness secured by ad valorem taxes.

# TOWN OF WHITE CASTLE, LOUISIANA

## PLEDGED REVENUE COVERAGE LAST TEN FISCAL YEARS (UNAUDITED)

(full accrual basis of accounting)

### SCHEDULE A - REVENUE BONDS-SALES TAX-ROAD IMPROVEMENT

Year	(1)			Debt Service Requirements			Coverage
	Gross Revenue	Expenses	Available for Debt Service	Principal	Interest	Total	
	2017	\$ 591,172	-	591,172	\$ 82,500	\$ 93,938	
2016	638,373	-	638,373	55,000	104,999	159,999	3.99
2015	532,236	-	532,236	42,500	77,136	119,636	4.45
2014	525,717	-	525,717	40,000	79,136	119,136	4.41
2013	487,030	-	487,030	40,000	80,936	120,936	4.03
2012	398,358	-	398,358	37,500	82,530	120,030	3.32
2011	448,900	-	448,900	35,000	84,017	119,017	3.77
2010	472,393	-	472,393	35,000	85,505	120,505	3.92

### SCHEDULE B - REVENUE BONDS - WATER REVENUES - WATER FUND

Year	(2)		Available for Debt Service	Debt Service Requirements			Coverage
	Gross Revenue	(3) Expenses		Principal	Interest	Total	
	2017	\$ 543,255		\$ 413,818	129,437	\$ 53,299	
2016	1,754,268	378,763	1,375,505	50,531	82,865	133,396	10.31
2015	545,649	320,725	224,924	47,775	85,033	132,808	1.69
2014	630,993	351,320	279,673	45,030	87,078	132,108	2.12
2013	441,894	313,660	128,234	44,798	89,110	133,908	0.96
2012	373,513	324,637	48,876	42,076	90,924	133,000	0.37
2011	364,736	328,746	35,990	39,364	92,625	131,989	0.27
2010	345,546	320,202	25,344	39,161	94,316	133,477	0.19
2009	324,755	239,867	84,888	33,969	99,399	133,368	0.64
2008	210,207	226,010	(15,803)	3,785	9,187	12,972	(1.22)

### SCHEDULE B - REVENUE BONDS - SEWER REVENUES - SEWER FUND

Year	(2)		Available for Debt Service	Debt Service Requirements			Coverage
	Gross Revenue	(3) Expenses		Principal	Interest	Total	
	2017	\$ 293,268		\$ 250,101	43,167	\$ 69,924	
2016	304,932	219,955	84,977	66,531	14,449	80,980	1.05
2015	282,136	171,285	110,851	63,302	17,678	80,980	1.37
2014	271,936	163,129	108,807	60,229	20,750	80,979	1.34
2013	270,487	172,565	97,922	57,309	23,674	80,983	1.21
2012	278,240	189,095	89,145	54,524	30,181	84,705	1.05
2011	285,990	245,959	40,031	51,878	29,103	80,981	0.49
2010	307,688	224,932	82,756	49,360	31,621	80,981	1.02
2009	261,943	145,012	116,931	46,984	33,997	80,981	1.44
2008	284,772	142,159	142,613	44,686	36,295	80,981	1.76

- 1 Town of White Castle - 2009 1% sales and use tax fund which is reported within the General Fund
- 2 Utility revenues and transfers from other tax funds
- 3 Operating expenses less depreciation

**TOWN OF WHITE CASTLE, LOUISIANA**  
**DEMOGRAPHIC AND ECONOMIC STATISTICS**  
**LAST TEN CALENDAR YEARS**  
**(UNAUDITED)**

Year	(1) Iberville Parish Population	(1) Town of White Castle Population	(2) Personal Income (thousands)	(2) Per Capita Personal Income	(1) Unemployment Rate
2017	33,327	1,798	1,293,353	38,808	6.2
2016	32,290	1,799	1,254,438	38,849	6.9
2015	33,229	1,829	1,216,693	36,615	6.9
2014	33,367	1,841	1,214,526	36,399	7.8
2013	33,228	1,871	1,156,905	34,817	8.4
2012	33,230	1,861	1,108,196	33,349	9.5
2011	33,362	1,874	1,064,675	31,913	10.4
2010	33,505	1,883	1,102,353	32,901	10.0
2009	32,545	1,808	1,035,320	31,812	9.5
2008	32,467	1,841	1,028,138	31,667	6.9
2007	33,603	1,840	940,666	27,994	5.9

Source:

- (1) U.S. Department of Commerce, Bureau of the Census and U. S Beacon.com.
  - (2) Iberville Parish Council Financial Report
- 2016 and 2017 Amounts are estimated based on historical trends are are subject to change

## TOWN OF WHITE CASTLE, LOUISIANA

 PRINCIPAL EMPLOYERS  
 CURRENT YEAR AND TEN YEARS AGO  
 (UNAUDITED)

2016(1)		
Employer	Number of Employees	Percent of total
Dow Chemical Company	2,200	38%
La Dept. of Safety and Corrections	1,200	21%
Syngenta Crop Protection, Inc.	700	12%
Axiall, LLC	300	5%
Maintenance Enterprise II, Inc	300	5%
Crown Enterprises	250	5%
Diamond Plastic Corp	250	4%
Walmart Super Center	220	4%
Louisiana State University System	205	4%
Olin Chlor Alkali Products	160	3%
	<b>5,785</b>	<b>100%</b>

2007(2)		
Employer	Number of Employees	Percent of total
Dow Chemical Company	1,500	35%
Iberville Parish School Board	675	15%
Georgia Gulf	451	10%
Syngenta	325	7%
HBT	300	7%
Iberville Parish Council	285	7%
River West Medical Center	266	6%
Pioneer Americas, Inc	160	4%
Total Petrochemicals USA, Inc.	251	6%
City of Plaquemine	133	3%
	<b>4,346</b>	<b>100%</b>

(1) Source: 2016 Iberville Parish Council CAFR.

(2) Source: 2008 Iberville Parish Council CAFR

**TOWN OF WHITE CASTLE, LOUISIANA**  
**FULL-TIME EQUIVALENT EMPLOYEES**  
**BY FUND/DEPARTMENT**  
**LAST TEN FISCAL YEARS**  
**(UNAUDITED)**

**Full-time Equivalent Employees Allotted in Annual Budget**

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
General Government	10	8	11	11	8	8	10	10	10	9
Police Department	13	12	12	15	12	14	17	17	17	15
Street Maintenance	6	6	6	6	6	6	6	6	6	5
Gas Utility	2	3	3	3	2	2	3	3	3	3
Water Utility	3	2	2	2	1	1	3	3	3	2
Sewer Utility	1	1	1	1	1	1	1	1	1	1
Total employees	35	32	35	38	30	32	40	40	40	35

Source: Town of White Castle

**TOWN OF WHITE CASTLE, LOUISIANA**  
**OPERATING INDICATORS BY FUNCTION/PROGRAM**  
**LAST TEN FISCAL YEARS**  
**(UNAUDITED)**

	FISCAL YEAR									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
<b>Function:</b>										
Public Safety:										
Police:										
Traffic violations (1)	-	-	-	300	316	371	364	338	498	497
Administration:										
Occupational licenses	316	332	301	308	322	332	302	337	341	343
Building permits - single family	-	-	-	-	4	9	-	1	-	1
Transportation:										
Town street maintenance program:										
Number of miles maintained	7	7	7	7	7	7	7	7	7	7
Miles of concrete roads	3	3	3	3	3	3	3	3	3	3
Miles of asphalt roads	4	4	4	4	4	4	4	4	4	4
Utility service:										
Natural Gas:										
Number of users	456	461	455	487	452	488	486	474	500	508
Water:										
Number of users	751	762	755	769	769	763	767	750	773	779
Wastewater:										
Number of users	747	744	742	756	757	749	752	738	760	759
Drainage:										
Miles of drainage ditches maintained - non-curb	8	8	8	8	8	8	8	8	8	8
Miles of drainage ditches maintained - curbed	6	6	6	6	6	6	6	6	6	6
Culture-Recreation:										
Parks:										
Number of parks maintained	5	4	4	4	4	4	4	4	3	3

Source: Town of White Castle

(1) Information not available for 2015 - 2017

**TOWN OF WHITE CASTLE, LOUISIANA**  
**CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM**  
**LAST TEN FISCAL YEARS**  
**(UNAUDITED)**

Major Programs	FISCAL YEAR									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
General Government:										
Number of general government buildings	2	2	2	2	2	2	2	2	2	2
Number of vehicles	1	1	1	1	1	1	1	1	1	1
Public Safety:										
Police:										
Number of vehicles	5	5	5	5	5	5	4	4	4	4
Number of stations	1	1	1	1	1	1	1	1	1	1
Fire:										
Number of stations	2	2	2	2	2	2	2	2	2	2
Number of vehicles	3	3	3	3	3	3	3	3	2	2
Streets and Sanitation:										
Number of vehicles	5	5	5	5	5	5	5	5	4	4
Miles of streets	7	7	7	7	7	7	7	7	7	7
Utilities:										
Number of natural gas distribution systems	1	1	1	1	1	1	1	1	1	1
Number of water distribution systems	1	1	1	1	1	1	1	1	1	1
Number of sanitary sewer systems	1	1	1	1	1	1	1	1	1	1
Culture and Recreation										
Number of parks	5	4	4	4	4	4	4	4	3	3
Number of community centers	2	2	2	1	1	1	1	1	1	1

Source: Town of White Castle



**TOWN OF  
WHITE CASTLE**

**SPECIAL INDEPENDENT AUDITORS' REPORTS**





# J. WALKER & COMPANY<sup>APC</sup>

ACCOUNTANTS AND ADVISORS

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, and each major fund, of the Town of White Castle, Louisiana, as of and for the year ended September 30, 2017, and the related notes to the financial statements, which collectively comprise the Town of White Castle, Louisiana's basic financial statements and have issued our report thereon dated March 26, 2018.

### Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town of White Castle, Louisiana's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town of White Castle, Louisiana's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town of White Castle, Louisiana's internal control.

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs to be material weaknesses [2017-02].

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#### MEMBER OF:

AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of findings and questioned costs to be significant deficiencies [2017-01, 2017-07].

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Town of White Castle, Louisiana's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items [2017-01, 2017-03, 2017-05, 2017-06, 2017-07].

### **Town of White Castle, Louisiana's Response to Findings**

The Town of White Castle, Louisiana's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The Town of White Castle, Louisiana's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

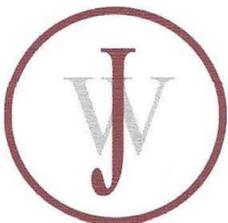
### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However, under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

*J. Walker & Company, APC*

Lake Charles, Louisiana

March 26, 2018



**TOWN OF WHITE CASTLE, LOUISIANA**  
Schedule of Findings and Questioned Costs  
For the Year Ended September 30, 2017

**I. Summary of Auditors' Results**

**a. Financial Statements**

1. The independent auditors' report expresses an unqualified opinion on the financial statements of the Town of White Castle, Louisiana.
2. There were seven (7) control deficiencies disclosed during the audit of the financial statements and reported in the *Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards*. One (1) of these deficiencies is reported as a material weakness.
3. There were five (5) instances of noncompliance that are reported in the *Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards*.

**b. Management Letter**

1. A management letter was issued in connection with the audit for the year ended September 30, 2017.

TOWN OF WHITE CASTLE, LOUISIANA  
Schedule of Findings and Questioned Costs  
For the Year Ended September 30, 2017

**II. Findings – Financial Statement Audit**

**INTERNAL CONTROL AND COMPLIANCE FINDINGS**

**2017-01 Travel and Per Diem**

Fiscal Year Finding Originated: Unknown

Condition:

During a sampled testing of 20 travel and reimbursement disbursements totaling \$4,531, the following was noted:

- While receipts were provided for meals reimbursements, six (6) reimbursements exceeded the per diem for meals.

Criteria:

Per diem for meals should not exceed Town's policy for per diem. According to documentation provided the Town uses federal per diem guidelines.

Cause:

The importance of documenting adherence to the travel policy and per diem rates were not stressed to employees.

Effect:

Compliance with the Town's travel and per diem policy was not evidenced by documentation in expense reports.

Recommendation:

The Town of White Castle should maintain adequate documentation for travel related expenditures to evidence compliance with the travel policy. Further, the travel policy should be updated to foster the consistency of reporting and approval of expense reports.

Response:

See Management's response letter.

**2017-02 Cash Management**

Fiscal Year Finding Originated: Unknown.

**TOWN OF WHITE CASTLE, LOUISIANA**  
Schedule of Findings and Questioned Costs  
For the Year Ended September 30, 2017

Condition:

On several occasions the Police Department collections for fines were held for extended periods of time. Several checks were held for more than five (5) days before depositing. Insufficient controls over collection of fines as the Chief of Police Assistant is the only person handling payments made by mail.

Criteria:

Louisiana Revised Statute 39:1212 requires that all funds of local depositing authorities shall be deposited daily whenever practicable, in the fiscal agency. The practice of making daily cash deposits is indicative of strong internal controls. Additionally, controls should be established for cash management.

Cause:

A lack of adherence to state law, best practices, and proper cash management controls.

Effect:

The Town did not comply with Louisiana Cash Management Laws.

Recommendation:

The Town of White Castle should adhere to Louisiana Cash Management Laws to ensure that deposits are made daily whenever practicable. A separate staff person should be assigned to open mail and log the checks received.

Response:

See Management's response letter.

**2017-03 Past Due Utility Accounts**

Fiscal Year Finding Originated: Unknown

Condition:

The Town had past due utility account from an elected official at certain times during the fiscal year ending September 30, 2017. During one period the utility account for the elected official was 4 months past due.

Criteria:

Article VII, Section 14(A) of the Louisiana Constitution of 1974 - Prohibited Uses. Except as otherwise provided by this constitution, the funds, credit, property, or things of value of the state or of any political subdivision shall not be loaned, pledged, or donated to or for any person, association, or corporation, public or private.

**TOWN OF WHITE CASTLE, LOUISIANA**  
Schedule of Findings and Questioned Costs  
For the Year Ended September 30, 2017

Cause:

Current utility bills were not paid in full as they became due. Additionally, enforcement measures such as cut off of water and gas services were not consistently applied.

Effect:

Continuing to provide utility services to delinquent accounts can cause the Town to not comply with Article VII, Section 14(A) of the Louisiana Constitution of 1974.

Recommendation:

The Town of White Castle should monitor the past due accounts to ensure that elected officials and employees are paying utility bills in full as they become due. Cutoff of services should be enforced for all customers.

Response:

See Management's response letter.

**2017-04 Credit Cards**

Fiscal Year Finding Originated: Unknown.

Condition:

During a sampled testing of 21 credit card charges totaling \$6,784 the following was noted:

- There were 3 charges from Apple iTunes totaling \$20.97.

Criteria:

The Town's credit card policy requires that the Town's credit card be used only for the Town's business and may be used for lodging, conference registration, car rental, and other expenses provided the expenses are for the Town's business.

Cause:

The documentation requirements and restrictions on the use of the credit cards were not emphasized.

Effect:

Known unauthorized expenditures totaled \$20.97 that was not associated with Town business. Additional unauthorized expenditures may have occurred.

TOWN OF WHITE CASTLE, LOUISIANA  
Schedule of Findings and Questioned Costs  
For the Year Ended September 30, 2017

Recommendation:

The Town of White Castle should emphasize with credit card holders the importance of proper usage of credit cards in accordance with the Town's credit card policy.

Response:

See Management's response letter.

**2017-05 Town Vehicle Not Marked in Accordance with State Law**

Fiscal Year Finding Originated: Unknown.

Condition:

The vehicle assigned to the mayor does not have a logo with the name of the Town.

Criteria:

Louisiana law requires any vehicle belonging to the state or any of its political subdivisions to bear a Louisiana public license plate, and that each vehicle must also have a logo that is inscribed, painted, decaled, or stenciled conspicuously on it, bearing the name of the agency.

In Opinion 07-0072, the attorney general opined that "magnetized decals do not meet the requirements set forth in R.S. 49:121 for the demarcation of vehicles owned by public entities."

Cause:

The Town does not have written policies and procedures to ensure that all Town vehicles are marked in accordance with state law.

Effect:

The Town may be in violation of state law.

Recommendation:

The Town of White Castle should develop and implement policies and procedures for the use of Town vehicles to ensure that public vehicles are only used for public purposes and implement written policies and procedures to ensure that all Town vehicles are marked in accordance with state law.

Response:

See Management's response letter.

TOWN OF WHITE CASTLE, LOUISIANA  
Schedule of Findings and Questioned Costs  
For the Year Ended September 30, 2017

**2017-06 Quarterly Audits of Traffic Citations**

Fiscal Year Finding Originated: Unknown.

Condition:

Town officials failed to conduct quarterly audits of all traffic citations as required by state law.

Criteria:

The Town Clerk is required to conduct on a quarterly basis an audit of traffic tickets.

Cause:

State law 32:3983.3(B) provides that each record of traffic citations shall be audited quarterly by the appropriate fiscal officer of the governmental agency to which the traffic enforcement agency is responsible. The White Castle Police Department records division employees conduct quarterly reviews of all traffic citations; however, this information is not provided to the Town Clerk (fiscal officer) for review. It is recommended that the quarterly audit of traffic tickets be conducted by the Town Clerk (fiscal officer) as required by state law.

Effect:

Failure to conduct quarterly audits of all traffic citations is a violation of state law.

Recommendation:

We recommend a quarterly audit of traffic tickets be conducted by the Town Clerk as required by state law. We recommend that Town officials establish procedures and controls to monitor compliance with state law when processing traffic citations and ensure that each traffic citation written is sent to the proper authorities.

Response:

See Management's response letter.

**2017-07 Failure to Collect Reconnection Fees Due to the Town**

Fiscal Year Finding Originated: Unknown.

**TOWN OF WHITE CASTLE, LOUISIANA**  
Schedule of Findings and Questioned Costs  
For the Year Ended September 30, 2017

Condition:

Auditor reviewed several customer accounts where service was cut-off and reconnected once the outstanding balance was paid. Auditor noted in most instances no reconnection fee was assessed.

In discussion with Town personnel it was discovered that reconnection fees are not assessed on accounts where services were disconnected. It appears this has been a standing policy for the past couple of years.

Inquired of administrative personnel if Mayor was made aware of this deviation from Town policy. Both Town Clerk and Assistant Town Clerk indicated the Mayor was made aware that Town policy was not being adhered to.

Criteria:

Town policy requires a reconnection fee to be paid before services are reconnected.

Cause:

Monitoring the requirements of collecting reconnection fees before reconnecting services appear to have not been followed.

Effect:

Failure to collect reconnection fees before services are reconnected is a violation of Town policy.

Recommendation:

We recommend that Town establish controls to ensure proper fees are assessed to customers.

Response:

See Management's response letter.

TOWN OF WHITE CASTLE, LOUISIANA  
Summary of Prior Year Findings  
For the Year Ended September 30, 2017

**INTERNAL CONTROL AND COMPLIANCE FINDINGS**

**2016-001 Unauthorized/Unapproved Payroll**

Fiscal Year Finding Originated: Unknown

Condition:

From a sampled testing of 37 payroll disbursements made to a total of 22 employees, the following was noted:

- P&N was informed that time cards are reviewed by supervisors, but there was nothing to evidence their review such as initials.
- For 10 of the 37 payroll disbursements tested, the total hours and/or the type of hours (regular, overtime, holiday, vacation, etc.) on the employees time card did not agree with the respective hours and type of hours paid as listed on the check register.

Corrective Action Plan:

Management will revise procedures to require final approval of time records be documented by supervisors so that this internal control is clearly shown on records maintained by the Town. Furthermore, the Town is soliciting proposals for outsourcing the preparation of payroll to enhance internal practices and create greater efficiency.

Current Status:

Resolved.

**2016-002 Travel and Per Diem**

Fiscal Year Finding Originated: Unknown

Condition:

During a sampled testing of 15 travel and mileage reimbursement disbursements totaling \$5,292, the following was noted:

- Six (6) reimbursements for per diem meals totaling \$1,850, were not clearly documented and it was not evident the number of days and/or number of meals or the cost per meal that were being reimbursed.
- For one (1) reimbursement totaling \$329, the number of days for which per diem meals were reimbursed exceeded the number of days charged on the hotel bill. The excess per diem charge appears to be 2 days totaling \$112.
- Two (2) reimbursements totaling \$840 were for the Mayor's travel expenses and were approved by the Mayor.

## TOWN OF WHITE CASTLE, LOUISIANA

### Summary of Prior Year Findings

For the Year Ended September 30, 2017

- For three (3) reimbursements totaling \$1,594, the miles recorded exceeded the distance from White Castle to the location of the convention or training. The miles reported in these 3 reimbursements totaled 1,547 miles. The miles determined using established map services on the internet for these destinations totaled 1072 miles. This resulted in an excess of approximately 475 miles for a total excess mileage reimbursement of \$257.
- For one (1) reimbursement totaling \$752, the documented dates of the per diem amounts didn't agree with the dates of the event.
- For two (2) reimbursements totaling \$663, mileage was charged for destinations for which the business purpose was not documented.

#### Corrective Action Plan:

Since the Town's 2015 audit was concluded in September 2016, this matter began to be addressed immediately upon notification. In particular, travel practices subsequent to this date were enhanced to address matters reported in the 2015 audit. The items above pre-date the changes made to internal practices. Furthermore, the Town is currently revising the travel policy to clearly define the documentation requirements of travel by town employees moving forward. As such, the Town is expending significant effort to enhance travel related practices and documentation. As a result of this effort, the Town expects this matter to be resolved in 2017.

#### Current Status:

Partially resolved. See finding 2017-01

#### 2016-003 Cash Management

Fiscal Year Finding Originated: Unknown

#### Condition:

The police department collections for fines were held for extended periods of time were deposited more than 30 days after receipt. Sampled testing was performed on two deposits totaling \$4,445. It was noted that the checks included in these deposits were held at least one month and one check was held for over 3 months. This infrequent depositing of funds is noncompliant with the statute above and is indicative a deficiency in internal controls.

#### Corrective Action Plan:

Management has reviewed this matter with the Chief of Police for resolution. Management agrees that cash receipts should be deposited daily as required by law. Furthermore, the Town's administrative staff has offered to assume the duties of deposit preparation in order to make deposits timely and resolve this situation.

#### Current Status:

Partially resolved. See finding 2017-02

**TOWN OF WHITE CASTLE, LOUISIANA**  
Summary of Prior Year Findings  
For the Year Ended September 30, 2017

**2016-004 Past Due Utility Accounts**

Fiscal Year Finding Originated: Unknown.

Condition:

The Town had past due utility accounts from a council member, and a town official at certain times during the fiscal year ending September 30, 2016. Balances in arrears from related parties on an individual basis ranged anywhere from approximately \$50 to \$200. The total balance in arrears from related parties was approximately \$90 at September 30, 2016.

Corrective Action Plan:

The Town is aware of this matter and has made significant improvement concerning this matter during 2016. The Town will review current delinquent balances and address with the applicable individuals.

Current Status:

Partially resolved. See finding 2017-03

**2016-005 Credit Cards**

Fiscal Year Finding Originated: Unknown

Condition:

Based on a review of selected transactions in 6 months of credit card statements for one credit card account and 2 months for each of 2 other credit card accounts, and 1 month for another credit card, the following was noted regarding credit usage:

- There were 6 instances where monthly late fees of \$25 were charged totaling \$150.
- There were 3 hotel charges totaling \$4,122 noted with no documentation of business purpose.
- One hotel charge was noted where the amount charged appeared to exceed the per diem amount for that area.
- There was a purchase at a Wal-Mart retail store for \$195 with no supporting documentation.
- Employees who were not authorized to use the credit cards signed for certain purchases.
- There were 2 charges from Apple iTunes totaling \$10.98.
- The Town credit card was used to pay for an employee's co-pay of \$100.00 for medical charges.

**TOWN OF WHITE CASTLE, LOUISIANA**  
Summary of Prior Year Findings  
For the Year Ended September 30, 2017

Corrective Action Plan:

Management is disappointed that this matter has been reported. The primary issue is a lack of adequate documentation which is a function of maintaining records. Several items reported above related to business associated with the Town. With respect to the late fees, the Town will ensure the credit card bill is paid timely moving forward.

Secondly, the Town will review the items above related to procedure and implement good practice. Finally, the iTunes amount of \$10.98 was reimbursed to the Town in a timely fashion. The remaining item for \$100.00 will be reimbursed to the Town.

Current Status:

Unresolved. See finding 2017-04

**2016-006 Payroll Deductions**

Fiscal Year Finding Originated: Unknown.

Condition:

The Town was depositing more into the savings accounts than was deducted from the respective employees' paycheck and therefore resulting in unauthorized pay for several employees. In addition, one of the employees for which these excess deposits were made was the ex-husband of the Town Clerk, who was responsible for the process.

Corrective Action Plan:

The Town discovered this matter internally when preparing annual records and closing the fiscal year 2016. This matter was reviewed with the Town Clerk and resulted from a lack of proper understanding of the process for remitting employee withholdings.

The Town is making arrangements for the timely reimbursement of funds from impacted employees. Additionally, the Town is soliciting proposals to outsource payroll preparation moving forward.

Current Status:

Resolved.

**2016-007 Continuing Disclosure Requirements for Municipal Bond Issuers**

Fiscal Year Finding Originated: Unknown

Condition:

The Town did not file its September 30, 2015 annual financial report with EMMA by March 31, 2016.

**TOWN OF WHITE CASTLE, LOUISIANA**  
Summary of Prior Year Findings  
For the Year Ended September 30, 2017

Corrective Action Plan:

Due to the late completion of the audit that was delivered in September 2016, the deadline of March 31, 2016 was impractical to satisfy. This matter will be resolved with the submission of the reports timely for the fiscal year ended 2016 report filing.

Current Status:

Resolved.

**2016-008 Public Bid Law**

Fiscal Year Finding Originated: Unknown

Condition:

The Town purchased 4 law enforcement vehicles and related equipment totaling \$160,348. Each of the 4 vehicles were purchased for \$25,974 while the State Contract price for that same vehicle was \$25,457, a difference of \$517 per vehicle and a total of \$2,068 for all 4 vehicles. In addition, the purchase price of certain related equipment and add-on items totaled \$56,452. The intention was to purchase the equipment and add-ons off of State Contracts. The Town does not have adequate documentation to evidence compliance with Louisiana Bid Law.

Corrective Action Plan:

The Police Department worked with the leasing provider to acquire the vehicles and related equipment, to include public bid compliance. The Chief indicated that the equipment added on to the vehicles was purchased under state contract number WFP2098 which was understood to comply with an exception to public bidding of purchases. As a result, the Town believes it was in compliance with the public bid law. However, documentation to support the equipment purchases by maintaining a copy of the particular state contract documents should have been maintained.

Current Status:

Resolved.



# Town Of White Castle, Louisiana

Gerald Jermarr Williams, Mayor • Mario D. Brown, Chief of Police • Monica A. Hamilton, Town Clerk  
Alderman: Shalanda L. Allen • Kipp Knight • Broderick Landry • Elliot Martin • Barbara O'Bear (Mayor Pro-Temp)

March 26, 2018

J. Walker and Company  
2740 Rue de Jardin Suite 100  
Lake Charles, LA 70605

Dear Mr. Walker:

Thank you for your service to the Town of White Castle (Town) for the year ended September 30, 2017. The purpose of this letter is to respond to the items that have been identified in the Town's financial statements for the year ended September 30, 2017. A response to the matters include management's corrective action plan to assist in avoiding these matters in the future.

## **2017-01 – Travel**

The Town has dramatically improved issues in this area during 2017. The six items identified related to local travel and do not represent normal travel activities for the Town. However, the Town has implemented procedures recently to address local travel to be consistent with the Town's current policy and practices.

As a result of procedures recently implemented, the Town considers this matter resolved.

## **2017-2 – Cash Management**

The Town will review this matter with the Chief of Police. In past years, the administration of the Town has recommended that all receipts be collected at the utility desks of Town finance with supportive documentation relative to accounting provided to the Police Department. The Town will review this matter again for fiscal year ending 2018.

However, at a minimum, daily deposits will be stressed to the Police Department so that the Town will comply with Louisiana cash management laws.

## **2017-3 – Past Due Utility Accounts**

This matter relates to one elected official. The Mayor will review this matter with this individual. Furthermore, the Town is actively reviewing utility receivables to avoid late payments by elected officials and employees. During 2017, the Town vigorously reviewed this matter with the lone exception reported in this finding.

#### **2017-4 – Credit Cards**

The Town has exerted significant energy to resolve this matter during 2017. The issue reported relates to charges occurring prior to the issuance of the 2016 report. When the items were identified by the previous auditor, the Town discontinued the iTunes changes and the Mayor reimbursed the Town for the \$20.97.

The Town is regularly review credit cards at this point to ensure appropriate documentation is maintained prospectively.

The Town considers this matter resolved.

#### **2017-5 – Town Vehicle Not Marked in Accordance with State Law**

The Town corrected this matter immediately upon discussion with current Town auditors. The Town vehicle currently has a permanent Town marker.

As a result of action taken, the Town considers this matter resolved.

#### **2017-6 – Quarterly Audits of Traffic Citations**

The Town will review this matter with the Chief of Police during 2018 for resolution. Also, see discussion above relating to item 2017-2 for additional corrective action being considered.

#### **2017-7 – Failure to Collect Reconnection Fees Due to the Town**

After notification by the Town's current auditor, the Mayor and utility clerks immediately implemented procedures to ensure that these fees are collected on a prospective basis. The Town will continue to monitor collections for appropriateness.

The Town considers this matter resolved.

Sincerely,



Gerald Williams,  
Mayor

## **SPECIAL ACKNOWLEDGEMENTS**

Gerald "Jemarr" Williams  
Mayor

Heather A. Jones  
Assistant Town Clerk

Sheryl Johnson  
Accounting Clerk

Kay Leblanc  
Accounting Clerk



# J. WALKER & COMPANY<sub>APC</sub>

ACCOUNTANTS AND ADVISORS

## INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

We have performed the procedures enumerated below, which were agreed to by the Town of White Castle Clerk of Court (the "Clerk") and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal year October 1, 2016 through September 30, 2017. The Clerk's management is responsible for those C/C areas identified in the SAUPs.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

### Written Policies and Procedures

1. Obtain the entity's written policies and procedures and report whether those written policies and procedures address each of the following financial/business functions (or report that the entity does not have any written policies and procedures), as applicable:

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

*We performed the above procedure and noted no exceptions.*

b) **Purchasing**, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.

*We performed the above procedure and noted no exceptions.*

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

*We performed the above procedure and noted the following exception:*

**Town was unable to provide written policies and procedures relating to disbursements.**

**Management's Response:** *Management is in the process of revising its policies and procedures and will update where practical and possible.*

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- d) **Receipts**, including receiving, recording, and preparing deposits  
*We performed the above procedure and noted no exceptions.*
- e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.

*We performed the above procedure and noted no exceptions.*

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

*We performed the above procedure and noted the following exception:*

**Town was unable to provide policies and procedures relating to contracting.**

**Management's Response:** *Management is in the process of revising its policies and procedures and will update where practical and possible.*

- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers, and (5) monitoring card usage

*We performed the above procedure and noted no exceptions.*

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

*We performed the procedures above and noted no exceptions.*

- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy. Note: Ethics requirements are not applicable to nonprofits.

*We performed the above procedure and noted the following exception:*

**The policy did not address the actions to be taken if an ethics violation takes place and the system in place to monitor possible ethics violations.**

**Management's Response:** *Management is in the process of revising its policies and procedures and will update where practical and possible.*

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

*We performed the above procedure and noted the following exception:*

**Town was unable to provide policies and procedures relating to debt service.**

**Management's Response:** *Management is in the process of revising its policies and procedures and will update where practical and cost efficient.*



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

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2. Obtain and review the board/committee minutes for the fiscal period, and:
- a) Report whether the managing board met (with a quorum) at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, or other equivalent document.

***We performed the procedures above and noted no exceptions.***

- b) Report whether the minutes referenced or included monthly budget-to-actual comparisons on the General Fund and any additional funds identified as major funds in the entity's prior audit (GAAP-basis).
- If the budget-to-actual comparisons show that management was deficit spending during the fiscal period, report whether there is a formal/written plan to eliminate the deficit spending for those entities with a fund balance deficit. If there is a formal/written plan, report whether the meeting minutes for at least one board meeting during the fiscal period reflect that the board is monitoring the plan.

***We performed the procedures above and noted no exceptions.***

- c) Report whether the minutes referenced or included non-budgetary financial information (e.g. approval of contracts and disbursements) for at least one meeting during the fiscal period.

***We performed the procedures above and noted no exceptions.***

***Bank Reconciliations***

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3. Obtain a listing of client bank accounts from management and management's representation that the listing is complete.
4. Using the listing provided by management, select all of the entity's bank accounts (if five accounts or less) or one-third of the bank accounts on a three year rotating basis (if more than 5 accounts). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. *Note: School student activity fund accounts may be excluded from selection if they are otherwise addressed in a separate audit or AUP engagement.* For each of the bank accounts selected, obtain bank statements and reconciliations for all months in the fiscal period and report whether:

- a) Bank reconciliations have been prepared;

***We performed the above procedure and noted no exceptions.***

- b) Bank reconciliations include evidence that a member of management or a board member (with no involvement in the transactions associated with the bank account) has reviewed each bank reconciliation; and

***We performed the above procedure and noted no exceptions.***



- c) If applicable, management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 6 months as of the end of the fiscal period.

*We performed the procedures above and noted no exceptions.*

### **Collections**

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5. Obtain a listing of cash/check/money order (cash) collection locations and management's representation that the listing is complete.
6. Using the listing provided by management, select all of the entity's cash collection locations (if five locations or less) or one-third of the collection locations on a three year rotating basis (if more than 5 locations). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. *Note: School student activity funds may be excluded from selection if they are otherwise addressed in a separate audit or AUP engagement.* **For each cash collection location selected:**

- a) Obtain existing written documentation (e.g. insurance policy, policy manual, job description) and report whether each person responsible for collecting cash is (1) bonded, (2) not responsible for depositing the cash in the bank, recording the related transaction, or reconciling the related bank account (report if there are compensating controls performed by an outside party), and (3) not required to share the same cash register or drawer with another employee.

*We performed the procedures above and noted no exceptions.*

- b) Obtain existing written documentation (e.g. sequentially numbered receipts, system report, reconciliation worksheets, policy manual) and report whether the entity has a formal process to reconcile cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, by a person who is not responsible for cash collections in the cash collection location selected.

*We performed the procedures above and the following exceptions:  
Traffic fees are collected and reconciled by the same person.*

**Management's Response:** *Management is in the process of revising its policies and procedures and will update where practical and possible.*

- c) Select the highest (dollar) week of cash collections from the general ledger or other accounting records during the fiscal period and:
- Using entity collection documentation, deposit slips, and bank statements, trace daily collections to the deposit date on the corresponding bank statement and report whether the deposits were made within one day of collection. If deposits were not made within one day of collection, report the number of days from receipt to deposit for each day at each collection location.

*We performed the procedures above and the following exceptions:*



**Traffic fees not deposited within one day of collection.**

**Management's Response:** *Management is in the process of revising its policies and procedures and will update where practical and possible.*

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

*We performed the procedures above and noted no exceptions.*

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

*We performed the above procedure and noted no exceptions.*

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

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

*We performed the procedures above and noted no exceptions.*

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

- a) Purchases were initiated using a requisition/purchase order system or an equivalent electronic system that separates initiation from approval functions in the same manner as a requisition/purchase order system.

*We performed the procedures above and noted the following exceptions:*

**The town does not have a purchase order system.**

**Management's Response:** *Management is in the process of revising its policies and procedures and will update where practical and possible.*



- b) Purchase orders, or an electronic equivalent, were approved by a person who did not initiate the purchase.

*We performed the procedures above and noted the following exceptions:*

**The town does not have a purchase order system.**

**Management's Response:** *Management is in the process of revising its policies and procedures and will update where practical and possible.*

- c) Payments for purchases were not processed without (1) an approved requisition and/or purchase order, or electronic equivalent; a receiving report showing receipt of goods purchased, or electronic equivalent; and an approved invoice.

*We performed the procedures above and noted the following exceptions:*

**The town does not have a purchase order system. There is a form to issue checks, but not to initiate the order**

**Management's Response:** *Management is in the process of revising its policies and procedures and will update where practical and possible.*

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

*We performed the above procedure and noted no exceptions.*

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

*We performed the above procedure and noted no exceptions.*

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

*We performed the procedures above and noted no exceptions.*

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

*The Town does not have a signature stamp, therefore these procedures were not applicable.*



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

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14. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards), including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.
15. Using the listing prepared by management, randomly select 10 cards (or at least one-third of the cards if the entity has less than 10 cards) that were used during the fiscal period, rotating cards each year. If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner.

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

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

***We performed the above procedure and noted the following exception:***

***The monthly statement is approved and paid by the card holder.***

**Management's Response:** *Management does not believe this item should be reported due to the fact this exception is in reference to the mayor of a Lawrason Act municipality.*

- b) Report whether finance charges and/or late fees were assessed on the selected statements.

***We performed the above procedure and noted no exceptions.***

16. Using the monthly statements or combined statements selected under #15 above, obtain supporting documentation for all transactions for each of the 10 cards selected (i.e. each of the 10 cards should have one month of transactions subject to testing).
  - a) For each transaction, report whether the transaction is supported by:

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

***We performed the procedures above and noted the following exceptions:***

***3 of the 21 items selected, there was no supporting documentation for the transaction.***

**Management's Response:** *Management believes the exceptions above are isolated and will ensure supporting documentation is retained for all future transactions.*



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

***We performed the above procedure and noted the following exception: 2 of the 21 items selected, there was no documentation of the business/public purpose.***

**Management's Response:** *Management believes the exceptions above are isolated and will ensure supporting documentation, including documentation of the business/public purpose, is retained for all future transactions.*

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

***We performed the procedures above and noted no exceptions.***

- b) For each transaction, compare the transaction's detail (nature of purchase, dollar amount of purchase, supporting documentation) to the entity's written purchasing/disbursement policies and the Louisiana Public Bid Law (i.e. transaction is a large or recurring purchase requiring the solicitation of bids or quotes) and report any exceptions.

***We performed the procedures above and noted no exceptions.***

- c) For each transaction, compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. cash advances or non-business purchases, regardless whether they are reimbursed). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.

***We performed the above procedure and noted the following exception: No documentation of the business/public purpose on 2 of the 21 items selected.***

**Management's Response:** *See Response in item 16a above.*

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

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- 17. Obtain from management a listing of all travel and related expense reimbursements, by person, during the fiscal period or, alternately, obtain the general ledger and sort/filter for travel reimbursements. Obtain management's representation that the listing or general ledger is complete.
- 18. Obtain the entity's written policies related to travel and expense reimbursements. Compare the amounts in the policies to the per diem and mileage rates established by the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov)) and report any amounts that exceed GSA rates.

***We performed the procedures above and noted no exceptions.***



19. Using the listing or general ledger from #17 above, select the three persons who incurred the most travel costs during the fiscal period. Obtain the expense reimbursement reports or prepaid expense documentation of each selected person, including the supporting documentation, and choose the largest travel expense for each person to review in detail. For each of the three travel expenses selected:

- a) Compare expense documentation to written policies and report whether each expense was reimbursed or prepaid in accordance with written policy (e.g., rates established for meals, mileage, lodging). If the entity does not have written policies, compare to the GSA rates (#18 above) and report each reimbursement that exceeded those rates.

*We performed the procedures above and noted the following exceptions:*

**There were 6 instances where meal reimbursement amounts were greater than the allowable per diem. There were 2 instances where the mileage reimbursement was calculated incorrectly.**

**Management's Response:** *The Town has dramatically improved issues in this area during 2017. The six items identified related to local travel and do not represent normal travel activities for the Town. However, the Town has implemented procedures recently to address local travel to be consistent with the Town's current policy and practices.*

*As a result of procedures recently implemented, the Town considers this matter resolved.*

- b) Report whether each expense is supported by:

- An original itemized receipt that identifies precisely what was purchased. [Note: An expense that is reimbursed based on an established per diem amount (e.g., meals) does not require a receipt.]

*We performed the procedures above and noted no exceptions.*

- Documentation of the business/public purpose (Note: For meal charges, there should also be documentation of the individuals participating).

*We performed the procedures above and noted no exceptions.*

- Other documentation as may be required by written policy (e.g., authorization for travel, conference brochure, certificate of attendance)

*We performed the procedures above and noted no exceptions.*

- c) Compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. hotel stays that extend beyond conference periods or payment for the travel expenses of a spouse). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.



*We performed the procedures above and noted no exceptions.*

- d) Report whether each expense and related documentation was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

*We performed the above procedure and noted the following exceptions:*

**The Mayor approves his own reimbursement requests.**

**Management's Response:** *See response in item 15a above.*

### ***Contracts***

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20. Obtain a listing of all contracts in effect during the fiscal period or, alternately, obtain the general ledger and sort/filter for contract payments. Obtain management's representation that the listing or general ledger is complete.

21. Using the listing above, select the five contract "vendors" that were paid the most money during the fiscal period (excluding purchases on state contract and excluding payments to the practitioner). Obtain the related contracts and paid invoices and:

*We performed the above procedure and noted no exceptions.*

- a) Report whether there is a formal/written contract that supports the services arrangement and the amount paid.

*We performed the above procedure and noted no exceptions.*

- b) Compare each contract's detail to the Louisiana Public Bid Law or Procurement Code. Report whether each contract is subject to the Louisiana Public Bid Law or Procurement Code and:

- If yes, obtain/compare supporting contract documentation to legal requirements and report whether the entity complied with all legal requirements (e.g., solicited quotes or bids, advertisement, selected lowest bidder)
- If no, obtain supporting contract documentation and report whether the entity solicited quotes as a best practice.

*We performed the procedures above and noted no exceptions.*

- c) Report whether the contract was amended. If so, report the scope and dollar amount of the amendment and whether the original contract terms contemplated or provided for such an amendment.

*We performed the above procedure and noted no exceptions.*

- d) Select the largest payment from each of the five contracts, obtain the supporting invoice, compare the invoice to the contract terms, and report whether the invoice and related payment complied with the terms and conditions of the contract.

*For the vendors we reviewed with written contracts; no exceptions noted.*

- e) Obtain/review contract documentation and board minutes and report whether there is documentation of board approval, if required by policy or law (e.g. Lawrason Act or Home Rule Charter).

*We performed the above procedure and noted no exceptions.*



*Payroll and Personnel*

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22. Obtain a listing of employees (and elected officials, if applicable) with their related salaries, and obtain management's representation that the listing is complete. Randomly select five employees/officials, obtain their personnel files, and:

- a) Review compensation paid to each employee during the fiscal period and report whether payments were made in strict accordance with the terms and conditions of the employment contract or pay rate structure.

*We performed the above procedure and noted the following exceptions:*

**The town was unable to provide documentation in the files for each employee indicating the approved rate of compensation for each employee.**

**Management's Response:** *All employees' pay is approved on an annual basis in conjunction with the Town's budget adoption. All elected officials are provided with a detailed listing, by employee, that outlines hourly and annual pay for each individual with a total that agrees to total budgeted salary amounts. As a result, the Town feels all pay rates and salaries are properly approved. However, this documentation will be maintained in their individual personnel files on a prospective basis.*

- b) Review changes made to hourly pay rates/salaries during the fiscal period and report whether those changes were approved in writing and in accordance with written policy.

*We performed the above procedure and noted the following exceptions:*

**The town was unable to provide documentation in the files for each employee indicating the approved rate of compensation for each employee.**

**Management's Response:** *See response in item 22a above.*

23. Obtain attendance and leave records and randomly select one pay period in which leave has been taken by at least one employee. Within that pay period, randomly select 25 employees/officials (or randomly select one-third of employees/officials if the entity had less than 25 employees during the fiscal period), and:

- a) Report whether all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)

*We performed the procedures above and noted no exceptions.*

- b) Report whether there is written documentation that supervisors approved, electronically or in writing, the attendance and leave of the selected employees/officials.

*We performed the procedures above and noted no exceptions.*

- c) Report whether there is written documentation that the entity maintained written leave records (e.g., hours earned, hours used, and balance available) on those selected employees/officials that earn leave.



*We performed the procedures above and noted no exceptions.*

24. Obtain from management a list of those employees/officials that terminated during the fiscal period and management's representation that the list is complete. If applicable, select the two largest termination payments (e.g., vacation, sick, compensatory time) made during the fiscal period and obtain the personnel files for the two employees/officials. Report whether the termination payments were made in strict accordance with policy and/or contract and approved by management.

*We performed the procedures above and noted no exceptions.*

25. Obtain supporting documentation (e.g. cancelled checks, EFT documentation) relating to payroll taxes and retirement contributions during the fiscal period. Report whether the employee and employer portions of payroll taxes and retirement contributions, as well as the required reporting forms, were submitted to the applicable agencies by the required deadlines.

*We performed the procedures above and noted no exceptions.*

#### ***Ethics***

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26. Using the five randomly selected employees from procedure under "Payroll and Personnel", obtain ethics compliance documentation from management and report whether the entity maintained documentation to demonstrate that required ethics training was completed.

*We performed the above procedure and noted no exceptions.*

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

*We performed the procedures above and noted no exceptions.*

#### ***Debt Service***

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

*The Town of White Castle did not issue any new debt during the fiscal period therefore these procedures are not applicable.*

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

*We performed the procedures above and noted no exceptions.*



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

*We performed the procedures above and noted no exceptions.*

***Other***

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31. Inquire of management whether the entity had any misappropriations of public funds or assets. If so, obtain/review supporting documentation and report whether the entity reported the misappropriation to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

*We performed the procedures above and noted no exceptions.*

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

*We performed the procedures above and noted the following exception:*

**The notice was not posted on the town's website.**

**Management's Response:** The Town will post the fraud hotline link on the Town's website.

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

*We performed the procedures above and noted no exceptions.*

We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

The purpose of this report is solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

*J. Walker & Company, APC*

Lake Charles, Louisiana  
March 26, 2018

