



2020

COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL



COMPREHENSIVE ANNUAL FINANCIAL REPORT

TOWN OF WHITE CASTLE, LOUISIANA

For the fiscal year ended September 30, 2020



Prepared by

Town of White Castle
Town Clerk's Office



TOWN OF WHITE CASTLE, LOUISIANA

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INTRODUCTORY SECTION



2020





Town Of White Castle, Louisiana

John Morris, III., Mayor • Mario D. Brown, Chief of Police • Monica A. Hamilton, Town Clerk
Alderman: Melissa Allen • Erick Batiste • Candice Depron • Kipp Knight • Barbara O'Bear (Mayor Pro-Temp)

May 20, 2021

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 for the Town of White Castle (the Town) for the year ended September 30, 2020. 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, 2020, 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 1,633 according to the U.S. Census as of 2020. The population reflects a reduction of 13% from the 2010 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 Comprehensive Annual Financial Report 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 budget no later than September 30th 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 decade, experiencing a growth of approximately 7% since the year 2010.

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 2021. 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 2020 for operations of the Town were approximately \$2.4 million, which represents 9% 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 88% of available resources.

During 2020, the Town had employed labor of approximately 825 with an unemployment rate of 5.9% and a current median household income of \$31,000 and age of 37.

The Town provides some source of housing to the Baton Rouge MSA with 800 household units with a median value of \$97,500. Other important industries include government, construction, transportation, real estate and retail trade.

Major Initiatives in 2021

The Town is in the process of improving drainage systems throughout the Town with budgeted project cost of approximately \$147,000, funded through grants. The Town is also in the process of completing a sidewalk improvement project that is projected to cost \$350,000 to be funded by grants. Additionally, \$60,000 is budgeted for recreation facility improvements. The Town anticipates the vast majority of these initiatives to be concluded over the fiscal year 2021.

LONG-TERM FINANCIAL PLANNING

As mentioned above, the Town has planned to complete the construction of sidewalks by fiscal year 2021. 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. Furthermore, the investment in a fitness facility will provide citizens of the Town a readily available recreation service that will also prevent citizens from having to travel past city limits to obtain. In addition, the Town is investing resources over the next few fiscal years to fund drainage improvements throughout the Town.

ACKNOWLEDGMENTS

The Government Finance Officers Association (GFOA) of the United States and Canada awarded a Certificate of Achievement for Excellence in Reporting to the Town of White Castle for its Comprehensive Annual Financial Report for each year for a four-year period through 2019. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government accounting principles and applicable legal requirements.

In order to be awarded a Certificate of Achievement for Excellence in Financial Reporting by GFOA, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report with contents conforming to governmental accounting standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement for Excellence in Financial Reporting is valid for a period of one year. We believe our current report conforms to the Certificate of Achievement for Excellence in Financial Reporting Program's requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.

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,

John Morris

John Morris, 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, 2019

Christopher P. Morill

Executive Director/CEO

**TOWN OF WHITE CASTLE
PRINCIPAL OFFICIALS
TERM: JANUARY 1, 2019 - DECEMBER 31, 2022**

MAYOR

John Morris III

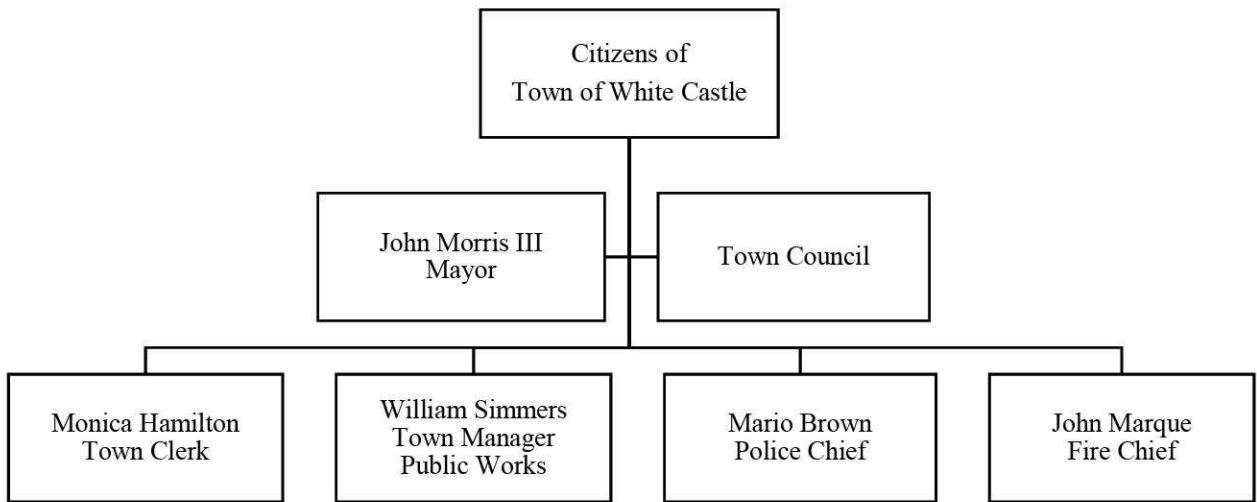
COUNCIL MEMBERS

Melissa Allen
Erick Batiste
Candice Depron
Kipp Knight
Barbara O'Bear

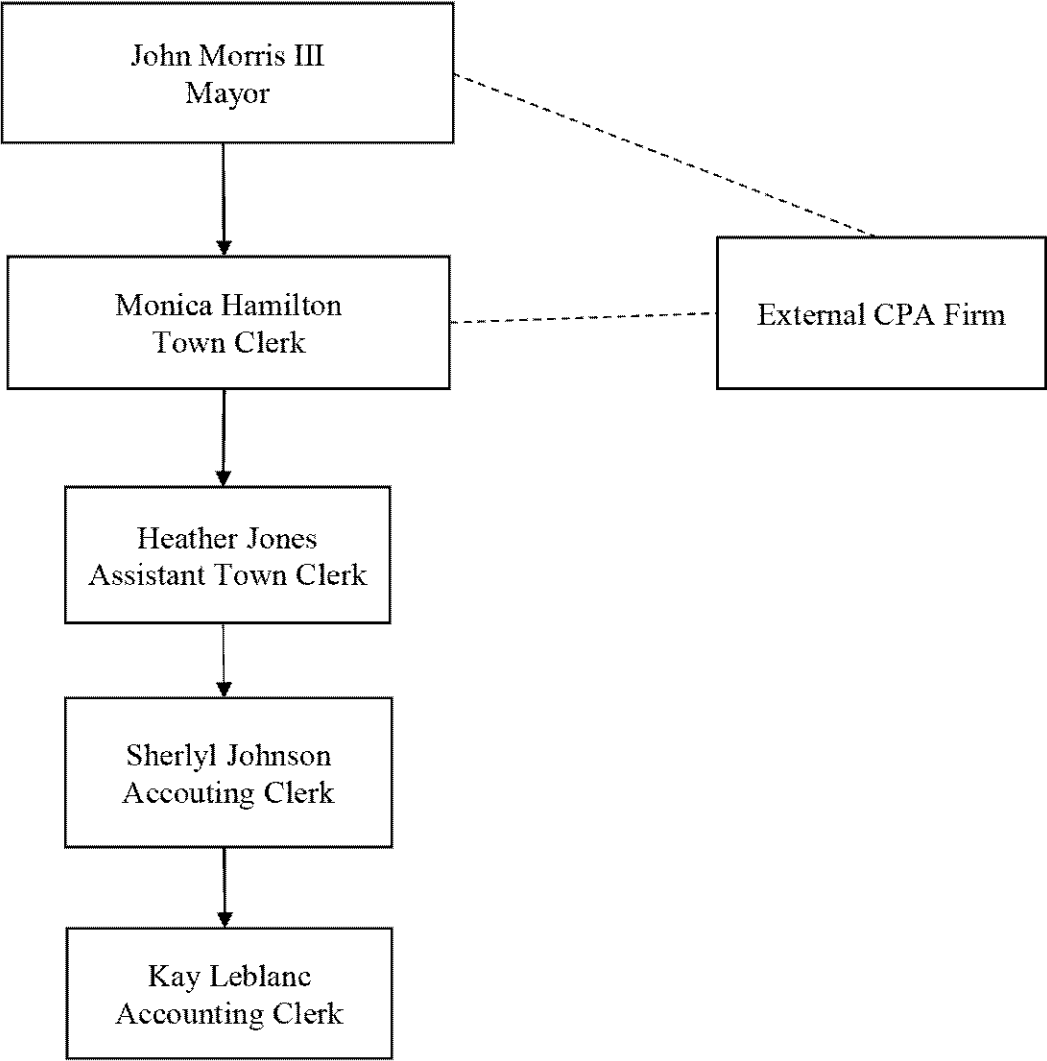
CHIEF OF POLICE

Mario Brown

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



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



FINANCIAL SECTION



2020





J. WALKER & COMPANY^{APC}

ACCOUNTANTS AND ADVISORS

INDEPENDENT AUDITORS' REPORT

Honorable John Morris, 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, each major fund, and the aggregate remaining fund information of the Town of White Castle, Louisiana (the "Town"), as of and for the year ended September 30, 2020, 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 auditors' 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.

OFFICES:

2740 RUE DE JARDIN
STE. 100

LAKE CHARLES
LOUISIANA 70605
(O) 337-478-7902
(F) 337-478-3345

5100 WESTHEIMER
SUITE 230
HOUSTON
TEXAS 77056
(O) 713-588-4460
(F) 713-966-6125

WWW.JWALKERCO.COM

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, each major fund, and the aggregate remaining fund information of the Town as of September 30, 2020, 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 5, and budgetary comparison information, the schedule of proportionate share of net pension liability, the schedule of pension contributions, and accompanying notes 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's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, the schedule of compensation, benefits and other payments to the agency head, the schedule of utility customers, the schedule of insurance in force, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and the schedule of compensation, benefits and other payments to the agency head are the responsibility of management and were derived from and related directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 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 nonmajor fund financial statements and the schedule of compensation, benefits and other payments to the agency head the are fairly stated in all material respects in relation to the basic financial statements as a whole.



The introductory and statistical sections as well as the schedule of utility customers and insurance in force have not been subject to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 20, 2021, 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 solely 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 the effectiveness of the Town of White Castle, Louisiana's 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 the Town of White Castle, Louisiana's internal control over financial reporting and compliance.

J. Walker & Company, APC

Lake Charles, Louisiana

May 20, 2021





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, 2020. 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 2021 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, 2020 are detailed throughout this analysis. Significant highlights are as follows:

- Assets and deferred outflows of resources of the Town exceeded its liabilities and deferred inflows of resources by approximately \$5.8 million at the close of the year. The Town reported a deficit of \$62,000 for unrestricted net position for the year ended September 30, 2020.
- As of September 30, 2020, the Town's governmental funds reported combined fund balances of approximately \$1.1 million. Additionally, approximately \$597,000 of this fund balance is unassigned.
- At year end the Town's proprietary funds reported net position of approximately \$2.3 million, of which included a deficit of \$294,000 in unrestricted net position.

Significant aspects of the Town's financial well-being, as of and for the year ended September 30, 2020 are detailed throughout this analysis

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 of resources, liabilities, and deferred inflows of resources, 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 and C-2.

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-3 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 \$5.8 million at the close of the fiscal year, a decrease of approximately \$558,000 from the prior year.

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, 2020 and 2019						
(in thousands)						
	Governmental		Business-type		Total	
	Activities		Activities			
	2020	2019	2020	2019	2020	2019
Current and other assets	\$ 1,213	\$ 1,255	\$ 351	\$ 476	\$ 1,564	\$ 1,731
Capital assets	<u>5,012</u>	<u>5,302</u>	<u>2,793</u>	<u>2,717</u>	<u>7,805</u>	<u>8,019</u>
Total assets	<u>6,225</u>	<u>6,557</u>	<u>3,144</u>	<u>3,193</u>	<u>9,369</u>	<u>9,750</u>
Deferred outflows of resources	<u>348</u>	<u>340</u>	<u>48</u>	<u>48</u>	<u>396</u>	<u>388</u>
Total assets and deferred outflows of resources	<u>\$ 6,573</u>	<u>\$ 6,897</u>	<u>\$ 3,192</u>	<u>\$ 3,241</u>	<u>\$ 9,765</u>	<u>\$ 10,138</u>
Current and other liabilities	\$ 254	\$ 308	\$ 239	\$ 104	\$ 493	\$ 412
Noncurrent liabilities	<u>2,819</u>	<u>2,857</u>	<u>623</u>	<u>452</u>	<u>3,442</u>	<u>3,309</u>
Total liabilities	<u>3,073</u>	<u>3,165</u>	<u>862</u>	<u>556</u>	<u>3,935</u>	<u>3,721</u>
Deferred inflows of resources	<u>43</u>	<u>61</u>	<u>5</u>	<u>16</u>	<u>48</u>	<u>77</u>
Net position:						
Net investment in capital assets	3,851	4,038	2,376	2,513	5,088	5,340
Restricted	513	509	243	237	756	746
Unrestricted	<u>(907)</u>	<u>(876)</u>	<u>(294)</u>	<u>(81)</u>	<u>(62)</u>	<u>254</u>
Total net position	<u>3,457</u>	<u>3,671</u>	<u>2,325</u>	<u>2,669</u>	<u>5,782</u>	<u>6,340</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 6,573</u>	<u>\$ 6,897</u>	<u>\$ 3,192</u>	<u>\$ 3,241</u>	<u>\$ 9,765</u>	<u>\$ 10,138</u>

At the end of the current fiscal year the Town had deficit balances in unrestricted net position for governmental and business type activities. In addition, the Town experienced a deficit in unrestricted net position for the Gas and Waterworks utility funds.

The largest classification of the Town's net position as of September 30, 2020 (88%) 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, 2020 (84%).

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 deficit of \$62,000 in unrestricted net position of the Town at the end of fiscal 2020 represents the accumulated results of operations.

Unrestricted net position for governmental activities decreased during the year by approximately 4% or \$31,000, this decrease resulted in the Town ending the 2020 fiscal year with a deficit in unrestricted net position of \$907,000. The decrease in unrestricted net position is attributable to increase in gross capital assets, as the Town placed new assets into service and continued making payments on debt that was issued in prior years. Furthermore, unrestricted net position for business-type activities decreased by approximately \$213,000 or \$263%. The decrease in unrestricted business-type activities is primarily attributable to increases in operating expenses in the waterworks and sewerage funds of \$76,000 and \$110,000, respectively.

(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, 2020 and 2019
(in thousands)

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Revenues:						
Program revenues:						
Charges for services	\$ 171	\$ 134	\$ 718	\$ 790	\$ 889	\$ 924
Operating grants and contributions	63	53	-	-	63	53
Capital grants and contributions	-	8	-	-	-	8
General revenues:						
Ad valorem	30	31	-	-	30	31
Sales taxes	2,430	2,419	-	-	2,430	2,419
Other taxes	43	48	-	-	43	48
Other general revenues	111	89	6	8	117	97
Total revenues	<u>2,848</u>	<u>2,782</u>	<u>724</u>	<u>798</u>	<u>3,572</u>	<u>3,580</u>
Functions/Program Expenses:						
General government	792	880	-	-	792	880
Public safety	845	821	-	-	845	821
Streets and sanitation	678	700	-	-	678	700
Public health	62	52	-	-	62	52
Recreation	276	319	-	-	276	319
Gas	-	-	319	348	319	348
Waterworks	-	-	610	534	610	534
Sewerage	-	-	464	354	464	354
Interest	84	92	-	-	84	92
Total expenses	<u>2,737</u>	<u>2,864</u>	<u>1,393</u>	<u>1,236</u>	<u>4,130</u>	<u>4,100</u>
Increase (decrease) in net position before transfers	111	(82)	(669)	(438)	(558)	(520)
Transfers	<u>(325)</u>	<u>(243)</u>	<u>325</u>	<u>243</u>	<u>-</u>	<u>-</u>
Change in net position	(214)	(325)	(344)	(195)	(558)	(520)
Beginning net position	<u>3,671</u>	<u>3,996</u>	<u>2,669</u>	<u>2,864</u>	<u>6,340</u>	<u>6,860</u>
Ending net position	<u>\$ 3,457</u>	<u>\$ 3,671</u>	<u>\$ 2,325</u>	<u>\$ 2,669</u>	<u>\$ 5,782</u>	<u>\$ 6,340</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 2020 by fund type:

	(in thousands)					
	2020				2019	
	General Fund	Special Revenue Fund	Debt Service Funds	Capital Project Fund	Totals	Totals
Revenues and other						
financing sources	\$ 2,769	\$ 62	\$ 2	\$ -	\$ 2,833	\$ 2,767
Expenditures and other						
financing uses	2,229	62	225	-	2,516	3,053
Transfers, net	(551)	-	226	-	(325)	(243)
Change in fund balance	<u>\$ (11)</u>	<u>\$ -</u>	<u>\$ 3</u>	<u>\$ -</u>	<u>\$ (8)</u>	<u>\$ (529)</u>

Before transfers to other governmental and enterprise funds, the Town's General fund experienced a surplus of revenues over expenditures of \$540,000. This surplus is primarily related to a decrease in capital outlay and general government expenditures from 2019 by \$342,000 and \$79,000, respectively. Additionally, revenues from sales and use tax increased by \$11,000 compared to 2019, 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 2020 increased by approximately \$66,000, expenditures and other financing uses decreased by approximately \$537,000, and net transfers increased by approximately \$82,000 resulting in a decrease in fund balance of approximately \$8,000. This decrease in fund balance was \$521,000 less than the prior year's decrease in fund balance of \$529,000, largely due to the decrease in capital outlay expenditures as mentioned above.

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

(in thousands)

Source of Revenue	2020		2019	
	Revenue	Percent	Revenue	Percent
Taxes	\$ 2,503	89	\$ 2,498	90
Licenses and permits	73	4	80	3
Intergovernmental	128	3	87	3
Miscellaneous	111	4	99	4
Total	\$ 2,815	100%	\$ 2,764	100%

The Town's governmental activities are largely supported by tax revenues, which are recorded in the General fund, representing 89% of the total governmental revenues in 2020, which increase by approximately \$5,000 (or .20%) during the current year due primarily to increase in sales tax revenues.

Total governmental expenditures experienced a decrease of approximately \$536,000 in comparison to the prior year. Capital outlay expenditures decreases by \$342,000, as a result of multiple capital projects being completed in 2019. Additionally, general government expenditures decrease by \$79,000 from the prior year. The decrease of \$79,000 in general government expenditures was attributable to the reduction of conference travel and community events hosted, which had a collective decrease of \$51,000 when compared to the prior year. Expenditures for all governmental funds by each major function are summarized below.

(in thousands)

Function	2020		2019	
	Expenditure	Percent	Expenditure	Percent
General government	\$ 700	28	\$ 779	25
Public safety	732	29	720	24
Streets and sanitation	574	23	604	20
Public health	62	2	52	2
Recreation	73	3	117	4
Debt service	245	10	308	10
Capital outlay	130	5	472	15
Total	\$ 2,516	100%	\$ 3,052	100%

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, 2020. Additionally, Gas, Water and Sewer experienced operating losses as summarized in the table below.

	(in thousands)			
	2020		2019	
	Total	Percent	Total	Percent
<u>Operating revenues:</u>				
Gas	\$ 222	31	\$ 258	33
Waterworks	222	31	239	30
Sewerage	<u>276</u>	<u>38</u>	<u>294</u>	<u>37</u>
Total revenues	<u>720</u>	<u>100</u>	<u>791</u>	<u>100</u>
<u>Operating expenses:</u>				
Gas	319	23	348	28
Waterworks	602	44	527	43
Sewerage	<u>461</u>	<u>33</u>	<u>350</u>	<u>29</u>
Total expenses	<u>1,382</u>	<u>100</u>	<u>1,225</u>	<u>100</u>
Net operating loss	<u>\$ (662)</u>	<u>(92)</u>	<u>\$ (434)</u>	<u>(55)</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 decrease grant revenues by \$548,000 and increase sales tax revenue by \$290,000. Actual total revenues were approximately \$209,000 less than the final budget, primarily due to differences between actual sales tax received and grant revenues collected in 2020 when compared to their respective amended budgets.

Regarding expenditures, the original budget of the Town was amended to decrease the appropriation for capital outlay expenditures due to decrease in budgeted grant revenue and to increase the appropriations for streets and sanitation for various road maintenance expenditures incurred during the year. The decrease in capital outlay expenditures from the original budget of approximately \$190,000 was the result of expected postponement of capital outlay projects due to availability of grant funding.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2020 the Town had approximately \$7.8 million 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 \$214,000, or 3% over the prior fiscal year. The 2020 additions in the governmental and business type activities were approximately \$130,000 and \$283,000, respectively. Additions included the purchase of public safety equipment, improvements to the streets and roads, meter system improvements, and various improvements to the Town's buildings. During 2020, depreciation expense for the governmental and business type activities were approximately \$405,000 and \$207,000, respectively.

	in thousands (net of depreciation)					
	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Land	\$ 321	\$ 321	\$ 41	\$ 41	\$ 362	\$ 362
Construction in progress	100	92	-	-	100	92
Buildings and systems	954	999	2,426	2,601	3,380	3,600
Equipment and vehicles	280	368	326	75	606	443
Improvements other than bulsings	268	263	-	-	268	263
Infrastructure	<u>3,089</u>	<u>3,259</u>	<u>-</u>	<u>-</u>	<u>3,089</u>	<u>3,259</u>
 Total assets, net of depreciaiton	 <u>\$ 5,012</u>	 <u>\$ 5,302</u>	 <u>\$ 2,793</u>	 <u>\$ 2,717</u>	 <u>\$ 7,805</u>	 <u>\$ 8,019</u>

The Town's fiscal year 2020 capital budget included purchases for drainage improvements, building improvements, and improvements to streets. More detailed information about the Town's capital assets is presented in Note 5 to the financial statements.

Long-Term Liabilities

On September 30, 2020, the Town had \$3.7 million in outstanding long-term liabilities, compared to \$3.5 million on September 30, 2019, an increase of 5%, as shown in the following table.

	in thousands					
	Governmental		Business-type		Total	
	Activities		Activities			
	2020	2019	2020	2019	2020	2019
Public improvement bonds	\$ 2,280	\$ 2,420	\$ -	\$ -	\$ 2,280	\$ 2,420
Premium on bond issuance	20	23	-	-	20	23
Installment purchase agreements	-	32	-	-	-	32
Net pension liability	661	544	253	236	914	780
Revenue bonds	-	-	196	205	196	205
Capital lease obligation	-	-	221	-	221	-
Accrued sick leave	26	25	27	26	53	51
	<u>\$ 2,987</u>	<u>\$ 3,044</u>	<u>\$ 697</u>	<u>\$ 467</u>	<u>\$ 3,684</u>	<u>\$ 3,511</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 2021 budget and tax rates. One of those factors is the current local, state and national economies. The largest taxpayers in the Town are primarily companies involved in the petrochemical processing sector. These companies are significantly impacted by the increasing cost of fuel, including natural gas. With the high price of fuel in recent years, these companies have experienced financial difficulty resulting in the reduction of personnel staffing and the rate of plant expansion, if any. As a result, the local economy has been impacted by the financial concerns of this major industry in the Town.

The following indicators were taken into account when adopting the General Fund budget for 2021. Amounts available for appropriation in the General Fund are \$3.3 million (revenues and other financing sources). Property taxes, licensing fees, sales taxes, franchise taxes, and utility taxes are expected to remain relatively consistent with the final 2020 budget. Grant revenues are expected to provide the Town with significant funding to support the finance of programs currently offered. Budgeted expenditures are expected to be \$3 million (expenditures and other financing uses) million, with the largest expenditures allocated to public safety and capital outlay related to streets and facility improvements that will be financed through capital grants. If these estimates are realized, the General Fund's fund balance is expected to increase by approximately \$300,000.

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

Melissa Allen

Erick Batiste

Candice Depron

Kipp Knight

Barbara O'Bear

BASIC FINANCIAL STATEMENTS



2020



TOWN OF WHITE CASTLE, LOUISIANA

STATEMENT OF NET POSITION

September 30, 2020

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 62,071	\$ 24,145	\$ 86,216
Investments - certificate of deposit	272,901	138,425	411,326
Accounts receivable, net	59,684	145,985	205,669
Due from other governments	377,336	-	377,336
Prepaid insurance	16,587	959	17,546
Internal balances	287,071	(287,071)	-
Inventories	-	11,966	11,966
Restricted cash	137,897	316,325	454,222
Capital assets:			
Non depreciable	421,799	40,588	462,387
Depreciable, net	<u>4,590,009</u>	<u>2,752,386</u>	<u>7,342,395</u>
Total assets	6,225,355	3,143,708	9,369,063
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pension liability	182,630	48,190	230,820
Deferred outflows related to debt refunding	<u>165,739</u>	<u>-</u>	<u>165,739</u>
Total deferred outflows of resources	<u>348,369</u>	<u>48,190</u>	<u>396,559</u>
Total assets and deferred outflows of resources	<u>\$ 6,573,724</u>	<u>\$ 3,191,898</u>	<u>\$ 9,765,622</u>
LIABILITIES			
Accounts payable	\$ 51,999	\$ 84,917	\$ 136,916
Payroll and other accrued liabilities	22,100	5,854	27,954
Unearned revenue	12,685	1,376	14,061
Customer deposits	-	73,164	73,164
Long-term liabilities:			
Due within one year	168,000	74,078	242,078
Due in more than one year	2,157,863	370,333	2,528,196
Pension liability due in more than one year	<u>660,968</u>	<u>252,650</u>	<u>913,618</u>
Total liabilities	<u>3,073,615</u>	<u>862,372</u>	<u>3,935,987</u>
DEFERRED INFLOWS OF RESOURCES			
Pension liability	<u>42,790</u>	<u>5,082</u>	<u>47,872</u>
NET POSITION			
Net investment in capital assets	3,851,504	2,375,924	5,087,428
Restricted for:			
Debt service	227,370	98,425	325,795
Capital projects	285,695	144,736	430,431
Unrestricted	<u>(907,250)</u>	<u>(294,641)</u>	<u>(61,891)</u>
Total net position	<u>3,457,319</u>	<u>2,324,444</u>	<u>5,781,763</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 6,573,724</u>	<u>\$ 3,191,898</u>	<u>\$ 9,765,622</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, 2020

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
Primary government:							
Governmental activities:							
General government	\$ 792,213	\$ 78,983	\$ -	\$ -	\$ (713,230)	\$ -	\$ (713,230)
Public safety	844,637	92,245	-	-	(752,392)	-	(752,392)
Streets and sanitation	678,551	-	-	-	(678,551)	-	(678,551)
Public health	61,907	-	61,898	-	(9)	-	(9)
Recreation	275,690	-	500	-	(275,190)	-	(275,190)
Interest on long-term debt	84,136	-	-	-	(84,136)	-	(84,136)
Total governmental activities	<u>2,737,134</u>	<u>171,228</u>	<u>62,398</u>	<u>-</u>	<u>(2,503,508)</u>	<u>-</u>	<u>(2,503,508)</u>
Business-type activities:							
Gas	318,939	220,843	-	-	-	(98,096)	(98,096)
Waterworks	610,101	221,810	-	-	-	(388,291)	(388,291)
Sewerage	464,453	275,513	-	-	-	(188,940)	(188,940)
Total business-type activities	<u>1,393,493</u>	<u>718,166</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(675,327)</u>	<u>(675,327)</u>
Total primary government	<u>\$ 4,130,627</u>	<u>\$ 889,394</u>	<u>\$ 62,398</u>	<u>\$ -</u>	<u>(2,503,508)</u>	<u>(675,327)</u>	<u>(3,178,835)</u>
General revenues:							
Taxes:							
Ad valorem					30,156	-	30,156
Sales and use					2,429,792	-	2,429,792
Franchise					35,758	-	35,758
Video poker					5,092	-	5,092
Other					2,424	-	2,424
Grants and contribution not restricted to specific programs					35,641	5,397	41,038
Investment earnings					9,538	788	10,326
Payments in-lieu of taxes					65,648	-	65,648
Transfers					(325,000)	325,000	-
Total general revenues and transfers					<u>2,289,049</u>	<u>331,185</u>	<u>2,620,234</u>
Change in net position					(214,459)	(344,142)	(558,601)
NET POSITION							
Beginning of year					<u>3,671,778</u>	<u>2,668,586</u>	<u>6,340,364</u>
Ending of year					<u>\$ 3,457,319</u>	<u>\$ 2,324,444</u>	<u>\$ 5,781,763</u>

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

TOWN OF WHITE CASTLE, LOUISIANA

BALANCE SHEETS
GOVERNMENTAL FUNDS

September 30, 2020

	General	Sinking Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 11,564	\$ 10,150	\$ 40,357	\$ 62,071
Investments - certificates of deposit	272,901	-	-	272,901
Account receivable	59,684	-	-	59,684
Due from other governments	377,336	-	-	377,336
Due from other funds	358,262	122,000	497,772	978,034
Prepaid insurance	16,587	-	-	16,587
Restricted cash	-	137,897	-	137,897
Total assets	<u>\$ 1,096,334</u>	<u>\$ 270,047</u>	<u>\$ 538,129</u>	<u>\$ 1,904,510</u>
LIABILITIES				
Accounts payable	\$ 51,999	\$ -	\$ -	\$ 51,999
Payroll and other accrued liabilities	8,446	-	-	8,446
Due to other funds	422,191	268,772	-	690,963
Total liabilities	<u>482,636</u>	<u>268,772</u>	<u>-</u>	<u>751,408</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	-	-	12,685	12,685
FUND BALANCE				
Nonspendable	16,587	-	-	16,587
Restricted for:				
Debt service	-	1,275	239,749	241,024
Capital projects	-	-	285,695	285,695
Unassigned	597,111	-	-	597,111
Total fund balance	<u>613,698</u>	<u>1,275</u>	<u>525,444</u>	<u>1,140,417</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 1,096,334</u>	<u>\$ 270,047</u>	<u>\$ 538,129</u>	<u>\$ 1,904,510</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, 2020

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

Total fund balances - governmental funds (Exhibit A-2)	\$	1,140,417
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds, net of accumulated depreciation		5,011,808
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		165,739
Deferred inflows and outflows of resources for pension plans and debt refundings are not due and payable in the current period, and therefore, are not reported in the governmental funds.		
Deferred outflows related to pension liability	182,630	
Deferred inflows related to pension liability	<u>(42,790)</u>	139,840
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.		
Accrued interest payable	(13,654)	
Net pension liability	(660,968)	
Premium on bond issuance	(20,304)	
Bonds payable, installment purchase agreements, and claims and judgements	(2,303,002)	
Compensated absences payable	<u>(2,557)</u>	<u>(3,000,485)</u>
Net position of governmental activities (Exhibit A)	\$	<u><u>3,457,319</u></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, 2020

	General Fund	Sinking Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES				
Taxes	\$ 2,503,222	\$ -	\$ -	\$ 2,503,222
Intergovernmental	66,148	-	61,898	128,046
License and permits	72,732	-	-	72,732
Fines	92,245	-	-	92,245
Other	17,592	-	1,324	18,916
	<u>2,751,939</u>	<u>-</u>	<u>63,222</u>	<u>2,815,161</u>
Total revenues				
EXPENDITURES				
Current function				
General government	700,461	-	-	700,461
Public safety	731,563	-	-	731,563
Streets and sanitation	574,416	-	-	574,416
Public health	-	-	61,907	61,907
Recreation	72,594	-	-	72,594
Debt service:				
Principal	19,464	140,000	-	159,464
Interest	528	84,725	-	85,253
Capital outlay	129,949	-	-	129,949
	<u>2,228,975</u>	<u>224,725</u>	<u>61,907</u>	<u>2,515,607</u>
Total expenditures				
Excess (deficiency) of revenues over expenditures	<u>522,964</u>	<u>(224,725)</u>	<u>1,315</u>	<u>299,554</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	226,000	-	226,000
Proceeds from issuance	17,160	-	-	17,160
Transfers out	(551,000)	-	-	(551,000)
	<u>(533,840)</u>	<u>226,000</u>	<u>-</u>	<u>(307,840)</u>
Total other financing sources (uses)				
Net change in fund balance	(10,876)	1,275	1,315	(8,286)
FUND BALANCE				
Beginning of year	<u>624,574</u>	<u>-</u>	<u>524,129</u>	<u>1,148,703</u>
End of year	<u>\$ 613,698</u>	<u>\$ 1,275</u>	<u>\$ 525,444</u>	<u>\$ 1,140,417</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, 2020

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)	\$	(8,286)
<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	(405,256)	
Capital outlay	129,949	(275,307)
<p>The net effect of various transactions involving capital assets, trade-ins, and donations, is to decrease net position.</p>		
		(2,926)
<p>The liability and expense for compensated absences are not reported in governmental funds. Payments for compensated absences are reported as salaries when they occur. The payment consumes current financial resources, and it would take a catastrophic event for this liability to become a current liability.</p>		
		(552)
<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	159,464	
Amortization of deferred loss on refunding bonds	(24,554)	
Amortization of bond premium	2,652	137,562
<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		1,117
<p>Change in net pension obligations are reported only in the Statement of Activities</p>		
		(66,067)
Change in net position of governmental activities (Exhibit A-1)	\$	(214,459)

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, 2020

	Gas Utility Fund	Waterworks Utility Fund	Sewerage Utility Fund	Total
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 6,643	\$ 9,264	\$ 8,238	\$ 24,145
Investments - certificates of deposit	38,085	53,111	47,229	138,425
Accounts receivable, net	41,750	48,078	56,157	145,985
Prepaid insurance	319	319	321	959
Due from other funds	150,000	167,191	308,000	625,191
Inventories	4,063	7,903	-	11,966
Total current assets	240,860	285,866	419,945	946,671
Long-term assets:				
Restricted cash	40,046	80,991	195,288	316,325
Capital assets:				
Non-depreciable	-	9,000	31,588	40,588
Depreciable, net	18,634	1,798,291	935,461	2,752,386
Total noncurrent assets	58,680	1,888,282	1,162,337	3,109,299
Total assets	299,540	2,174,148	1,582,282	4,055,970
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows related to pension liability	24,095	24,095	-	48,190
Total assets and deferred outflows of resources	\$ 323,635	\$ 2,198,243	\$ 1,582,282	\$ 4,104,160
LIABILITIES				
Current liabilities:				
Accounts payable	\$ 11,906	\$ 28,777	\$ 44,234	\$ 84,917
Payroll and other accrued liabilities	1,156	4,397	301	5,854
Customer deposits	40,046	33,118	-	73,164
Unearned revenues	1,376	-	-	1,376
Due to other funds	178,313	709,000	24,949	912,262
Total current liabilities	232,797	775,292	69,484	1,077,573
Long-term liabilities:				
Due within one year	16,000	55,723	2,355	74,078
Due in more than one year:				
Accrued sick leave	2,720	1,641	-	4,361
Capital lease obligation	-	179,726	-	179,726
Bonds payable	-	121,436	64,810	186,246
Net pension liability	126,325	126,325	-	252,650
Total long-term liabilities	145,045	484,851	67,165	697,061
Total liabilities	377,842	1,260,143	136,649	1,774,634
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to pension liability	2,541	2,541	-	5,082
NET POSITION				
Net investment in capital assets	18,634	1,457,406	899,884	2,375,924
Restricted for:				
Debt service	-	14,641	83,784	98,425
Capital projects	-	33,232	111,504	144,736
Unrestricted	(75,382)	(569,720)	350,461	(294,641)
Total net position	(56,748)	935,559	1,445,633	2,324,444
Total liabilities, deferred inflows of resources, and net position	\$ 323,635	\$ 2,198,243	\$ 1,582,282	\$ 4,104,160

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, 2020

	<u>Gas Utility Fund</u>	<u>Waterworks Utility Fund</u>	<u>Sewerage Utility Fund</u>	<u>Total</u>
OPERATING REVENUES				
Charges for services	\$ 220,843	\$ 221,810	\$ 275,513	\$ 718,166
Other	<u>555</u>	<u>495</u>	<u>471</u>	<u>1,521</u>
Total operating revenues	<u>221,398</u>	<u>222,305</u>	<u>275,984</u>	<u>719,687</u>
OPERATING EXPENSES				
Administration	172,964	189,361	168,338	530,663
Field	98,474	331,806	172,227	602,507
Depreciation	5,652	80,462	120,899	207,013
Gas purchases	<u>41,849</u>	<u>-</u>	<u>-</u>	<u>41,849</u>
Total operating expenses	<u>318,939</u>	<u>601,629</u>	<u>461,464</u>	<u>1,382,032</u>
Operating loss	<u>(97,541)</u>	<u>(379,324)</u>	<u>(185,480)</u>	<u>(662,345)</u>
NON-OPERATING				
Interest income	217	302	269	788
Other contributions	-	3,876	-	3,876
Interest expense	<u>-</u>	<u>(8,472)</u>	<u>(2,989)</u>	<u>(11,461)</u>
Total non-operating, net	<u>217</u>	<u>(4,294)</u>	<u>(2,720)</u>	<u>(6,797)</u>
Loss before transfers	(97,324)	(383,618)	(188,200)	(669,142)
Transfers in	<u>75,000</u>	<u>250,000</u>	<u>-</u>	<u>325,000</u>
Change in net position	(22,324)	(133,618)	(188,200)	(344,142)
NET POSITION				
Beginning of year	<u>(34,424)</u>	<u>1,069,177</u>	<u>1,633,833</u>	<u>2,668,586</u>
Ending of year	<u>\$ (56,748)</u>	<u>\$ 935,559</u>	<u>\$ 1,445,633</u>	<u>\$ 2,324,444</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, 2020

	Gas Utility Fund	Waterworks Utility Fund	Sewerage Utility Fund	Totals
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers and users	\$ 217,237	\$ 229,712	\$ 277,326	\$ 724,275
Payments to suppliers for goods and services	(210,384)	(218,470)	(241,671)	(670,525)
Payments to employees for services and benefits	(78,570)	(258,464)	(46,235)	(383,269)
Other operating revenues	555	495	471	1,521
Net cash used by operating activities	<u>(71,162)</u>	<u>(246,727)</u>	<u>(10,109)</u>	<u>(327,998)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Due to other funds	(26,687)	(20,000)	24,949	(21,738)
Due from other funds	26,133	70,125	9,704	105,962
Transfers in	<u>75,000</u>	<u>250,000</u>	<u>-</u>	<u>325,000</u>
Net cash provided by noncapital financing activities	<u>74,446</u>	<u>300,125</u>	<u>34,653</u>	<u>409,224</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition and construction of capital assets	(1,670)	(41,062)	(18,616)	(61,348)
Interest expense	-	(8,472)	(2,989)	(11,461)
Repayment of revenue bonds	<u>-</u>	<u>(6,686)</u>	<u>(2,252)</u>	<u>(8,938)</u>
Net cash used by capital activities	<u>(1,670)</u>	<u>(56,220)</u>	<u>(23,857)</u>	<u>(81,747)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest income	<u>217</u>	<u>302</u>	<u>269</u>	<u>788</u>
Increase (decrease) in cash	1,831	(2,520)	956	267
CASH AND CASH EQUIVALENTS, including restricted cash				
Beginning of period	<u>44,858</u>	<u>92,775</u>	<u>202,570</u>	<u>340,203</u>
End of period	<u>\$ 46,689</u>	<u>\$ 90,255</u>	<u>\$ 203,526</u>	<u>\$ 340,470</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, 2020

	Gas Utility Fund	Waterworks Utility Fund	Sewerage Utility Fund	Totals
RECONCILIATION OF CASH				
Cash and cash equivalents	\$ 6,643	\$ 9,264	\$ 8,238	\$ 24,145
Restricted cash	<u>40,046</u>	<u>80,991</u>	<u>195,288</u>	<u>316,325</u>
Total cash	<u>\$ 46,689</u>	<u>\$ 90,255</u>	<u>\$ 203,526</u>	<u>\$ 340,470</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES:				
Operating loss	\$ (97,541)	\$ (379,324)	\$ (185,480)	\$ (662,345)
Adjustments of operating income (loss):				
Depreciation	5,652	80,462	120,899	207,013
Non-employer pension contributions	-	3,876	-	3,876
Change in operating assets and liabilities:				
Accounts receivable	(5,240)	4,135	1,813	708
Prepaid assets	13,576	13,548	11,771	38,895
Customer deposits	430	(109)	-	321
Inventory	(254)	1,795	-	1,541
Accounts payable and accrued expenses	7,548	25,753	40,888	74,189
Unearned revenue	1,204	-	-	1,204
Net pension liability and related deferred inflows and outflows	<u>2,762</u>	<u>2,762</u>	<u>-</u>	<u>5,524</u>
Net cash used by operating activities	<u>\$ (71,162)</u>	<u>\$ (246,727)</u>	<u>\$ (10,109)</u>	<u>\$ (327,998)</u>
SUPPLEMENTAL DISCLOSURE				
Noncash capital financing activity	<u>\$ -</u>	<u>\$ 221,439</u>	<u>\$ -</u>	<u>\$ 221,439</u>

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

NOTES TO FINANCIAL STATEMENTS



2020



TOWN OF WHITE CASTLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

September 30, 2020

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.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Reporting Entity (Continued)

White Castle Housing Authority

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

GASB Statement 14 establishes criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the White Castle Housing Authority (the Authority) is considered a primary government, since it is a special purpose government that has a separate governing body, is legally separate, and is fiscally independent of other state or local governments. As used in GASB Statement 14, fiscally independent means that the Housing Authority may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt with HUD approval.

The Authority is a related organization of the Town of White Castle since the Town of White Castle appoints a voting majority of the Authority's governing board. The Town of White Castle is not financially accountable for the Housing Authority as it cannot impose its will on the Authority and there is no potential for the Authority to provide financial benefit to, or impose financial burdens on, the Town of White Castle. Accordingly, the Authority is not a component unit of the financial reporting entity of the Town of White Castle.

White Castle Housing Authority's 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.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (Continued)

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.

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.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (Continued)

Fund Financial Statements (Continued)

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.

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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (Continued)

Governmental Fund Types (Continued)

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.

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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting and Measurement Focus (Continued)

Fund financial statements (Continued)

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.

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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 \$43,046 as of September 30, 2020.

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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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	\$ -	\$ 40,046	\$ 33,118	\$ -	\$ 73,164
Restricted for debt service	137,897	-	33,232	83,784	254,913
Restricted for depreciation and contingencies	-	-	14,641	111,504	126,145
Total restricted cash	\$ 137,897	\$ 40,046	\$ 80,991	\$ 195,288	\$ 454,222

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.

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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets (Continued)

Government-wide Statements (Continued)

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, meters, equipment and vehicles	5 years

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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Long-term Debt (Continued)

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.
- 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 position followed by unrestricted net position.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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. The General Fund is the only fund that can have a positive unassigned fund balance.

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 two items that qualify for this category; pension liability and deferred loss on refunding, which are reported in the government-wide statement.

In addition to liabilities, the Statement of Net Position or Balance Sheet will sometimes report a separate section 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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 modified-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, May 20, 2021, 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, 2020, the Town was not exposed to any custodial credit risk.

NOTE 2 - CASH AND INVESTMENTS (CONTINUED)

Deposit balances (bank balances) at September 30, 2020, were secured as follows:

	<u>Bank Balances</u>
Federal deposit insurance	\$ 592,898
Pledged securities in the Town's name	137,897
Funds not subject to categorization:	
Louisiana Asset Management Pool (LAMP)	262,714
Bank Balances	\$ 993,509

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. As of September 30, 2020, the Town had a balance of \$262,714 invested in LAMP.

LAMP is an investment pool that, to the extent practical, invest in a manner consistent with GASB Statement No. 79. The following facts are relevant for investment pools:

- Credit risk: LAMP is rated AAAM 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.
- Concentration of credit risk: Pooled investments are excluded from the 5 percent disclosure requirement.
- Interest rate risk: LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP prepares its own interest rate risk disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days or 762 days for U.S. Government floating/variable rate investments. The WAM for LAMP's total investments is (NUMBER – days) from LAMP's monthly Portfolio Holdings as of September 30, 2020.
- Foreign currency risk: Not applicable.

NOTE 2 - CASH AND INVESTMENTS (CONTINUED)

The investments in LAMP are stated at fair value. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the net asset value of the pool shares. LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company.

NOTE 3 - DUE FROM OTHER GOVERNMENTS

Due from other governments at September 30, 2020, consisted of sales tax receivable from the Parish of Iberville, Louisiana for \$337,336.

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, 2020, taxes of 7.00 mills for the general fund were levied on property with assessed valuations totaling \$4,264,300. Total taxes assessed of \$29,850 were levied on November 10, 2019, and were due and payable prior to December 31, 2019.

(Continued)

NOTE 5 - CAPITAL ASSETS

A summary of changes in capital assets for the primary government for the year ended September 30, 2020 is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 321,833	\$ -	\$ -	\$ 321,833
Construction in progress	91,966	8,000	-	99,966
Total capital assets not being depreciated	<u>413,799</u>	<u>8,000</u>	<u>-</u>	<u>421,799</u>
Capital assets being depreciated:				
Building and improvements	2,541,487	-	-	2,541,487
Equipment and vehicles	2,468,955	59,076	40,087	2,487,944
Improvements other than buildings	853,812	57,578	-	911,390
Infrastructure	9,566,688	5,295	-	9,571,983
Total capital assets being depreciated	<u>15,430,942</u>	<u>121,949</u>	<u>40,087</u>	<u>15,512,804</u>
Less accumulated depreciation for:				
Building and improvements	1,542,543	44,718	-	1,587,261
Equipment and vehicles	2,100,757	132,540	24,720	2,208,577
Improvements other than buildings	591,748	51,901	-	643,649
Infrastructure	6,307,211	176,097	-	6,483,308
Total accumulated depreciation	<u>10,542,259</u>	<u>405,256</u>	<u>24,720</u>	<u>10,922,795</u>
Total capital assets being depreciated net of accumulated depreciation	<u>4,888,683</u>	<u>(283,307)</u>	<u>15,367</u>	<u>4,590,009</u>
Governmental activities capital assets, net	<u>\$ 5,302,482</u>	<u>\$ (275,307)</u>	<u>\$ 15,367</u>	<u>\$ 5,011,808</u>

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

Governmental activities:	
Streets and sanitation	\$ 103,959
Public safety	48,356
General government	49,844
Recreation	<u>203,097</u>
Total depreciation expense - governmental activities	<u>\$ 405,256</u>

(Continued)

NOTE 5 - CAPITAL ASSETS (CONTINUED)

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 40,588	\$ -	\$ -	\$ 40,588
Capital assets being depreciated:				
Distribution systems	7,460,830	-	-	7,460,830
Machinery, meters, equipment, and vehicles	617,536	282,788	-	900,324
Total capital assets being depreciated	8,078,366	282,788	-	8,361,154
Less accumulated depreciation for:				
Distribution systems	4,859,075	175,454	-	5,034,529
Machinery, meters, equipment and vehicles	542,679	31,560	-	574,239
Total accumulated depreciation	5,401,754	207,014	-	5,608,768
Total capital assets being depreciated net of accumulated depreciation	2,676,612	75,774	-	2,752,386
Business-type activities capital assets, net	\$ 2,717,200	\$ 75,774	\$ -	\$ 2,792,974

Lease Obligations

As of September 30, 2020, the Town's Waterworks Utility Fund has capitalized equipment acquired through a capital lease with a cost of \$221,439 and corresponding accumulated depreciation of \$1,845. Depreciation expense for these assets was \$1,845 in 2020.

NOTE 6 - LONG-TERM LIABILITIES

Debt Outstanding

The following is a summary of long-term debt transactions of the Town for the year ended September 30, 2020.

	September 30, 2019	Additions	Reductions	September 30, 2020	Due Within One Year
Governmental activities:					
Public improvement bonds	\$ 2,420,000	\$ -	\$ 140,000	\$ 2,280,000	\$ 145,000
Premium on bond issuance	22,956	-	2,652	20,304	-
Installment purchase agreement	31,906	-	31,906	-	-
Net pension liability	544,347	195,156	78,535	660,968	-
Accrued sick leave	25,006	17,168	16,615	25,559	23,000
Total	\$ 3,044,215	\$ 212,324	\$ 269,708	\$ 2,986,831	\$ 168,000

NOTE 6 - LONG-TERM LIABILITIES (CONTINUED)

Debt Outstanding (Continued)

	September 30, 2019	Additions	Reductions	September 30, 2020	Due Within One Year
Business-type activities:					
Net pension liability	\$ 235,834	\$ 45,113	\$ 28,297	\$ 252,650	\$ -
Revenue bonds	204,549	-	8,937	195,612	9,365
Capital lease obligation	-	221,439	-	221,439	41,713
Accrued sick leave	<u>26,285</u>	<u>6,216</u>	<u>5,141</u>	<u>27,360</u>	<u>23,000</u>
Total	<u>\$ 466,668</u>	<u>\$ 272,768</u>	<u>\$ 42,375</u>	<u>\$ 697,061</u>	<u>\$ 74,078</u>

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, 2020, 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. \$ 2,280,000

Net pension liability 660,968

Bond Premium, net of accumulated amortization 20,304

Accrued sick leave 25,559

Total long-term debt from governmental activities \$ 2,963,831

(Continued)

NOTE 6 - LONG-TERM LIABILITIES (CONTINUED)

Debt Outstanding (continued)

Long-term debt obligations for the primary government for business-type activities at September 30, 2020, is comprised of the following:

Public Improvement Bond

Revenue Bonds

\$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% \$ 67,165

\$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% 128,447

\$221,439 of proceeds for the purchase of water meters due in annual installments of \$48,345 through June 10, 2025; interest at 3.0%. The lease is secured by the equipment. 221,439

Net pension liability 252,650

Accrued sick leave 27,360

Total long-term debt from business-type activities \$ 697,061

Debt Service Requirements to Maturity

The annual requirements to amortize debt outstanding for governmental activities at September 30, 2020, are as follows:

Year	Public Improvement Bonds	
	Principal	Interest
2021	\$ 145,000	\$ 81,925
2022	150,000	77,575
2023	150,000	73,075
2024	155,000	68,575
2025	160,000	63,925
2026-2030	895,000	232,875
2031-2033	625,000	50,600
	<u>\$ 2,280,000</u>	<u>\$ 648,550</u>

NOTE 6 - LONG-TERM LIABILITIES (CONTINUED)

Debt Service Requirements to Maturity (Continued)

The annual requirements to amortize debt outstanding for business-type activities at September 30, 2020, are as follows:

Year	Sewer Revenue Bonds		Water Revenue and Public Improvement Bonds		Capital Lease Obligation		Total Business-type Long-term debt	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2021	\$ 2,355	\$ 2,984	\$ 7,010	\$ 12,594	\$ 41,713	\$ 12,594	\$ 51,078	\$ 28,172
2022	2,463	2,876	7,351	11,004	42,963	11,004	52,777	24,883
2023	2,577	2,763	7,708	9,360	44,249	9,360	54,534	21,483
2024	2,695	2,644	8,082	7,661	45,575	7,661	56,351	17,966
2025	2,819	2,520	8,474	5,904	46,939	5,904	58,232	14,328
2026-2030	16,159	11,246	48,956	19,577	-	-	65,115	30,823
2031-2035	20,228	7,356	40,866	6,768	-	-	61,094	14,124
2031-2035	17,870	2,050	-	-	-	-	17,870	2,050
2035-2039	-	-	-	-	-	-	-	-
	<u>\$ 67,165</u>	<u>\$ 34,439</u>	<u>\$ 128,447</u>	<u>\$ 72,867</u>	<u>\$ 221,439</u>	<u>\$ 46,523</u>	<u>\$ 417,051</u>	<u>\$ 153,829</u>

Normally debt issues are not retired prior to their maturity. For accounting purposes, interest coupons issued in connection with the sale of various bond issues become obligations 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 as of September 30, 2020.

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 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 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.

NOTE 6 - LONG-TERM LIABILITIES (CONTINUED)

Bond Restrictions (Continued)

Sewer Revenue Bonds

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

1. The Sewer System Revenue Fund requires all revenue derived from its operations to be deposited in a bank that is a member of the Federal Deposit Insurance Corporation as long as any of the bonds are outstanding. Required transfers are made on a monthly basis to designated trust accounts. In addition, the Series 1999 bonds require the use of a separate construction account.
2. The Sewer Revenue Bond Fund requires monthly fund transfers from the Sewer System Revenue Fund to provide payment of the next maturing interest and principal of the revenue bonds.
3. The Sewer Revenue Bond Reserve Fund requires monthly transfers of \$338 until \$80,980 has been accumulated. This fund is restricted to payment of principal and interest in case of default. 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 \$369. 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 \$111,504.

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.

NOTE 6 - LONG-TERM LIABILITIES (CONTINUED)

Bond Restrictions (Continued)

Water Revenue Bonds (Continued)

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 sum of \$14,641 has been deposited into this fund to satisfy this requirement.
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 \$33,232.

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, 2020, the amount of defeased debt outstanding but removed from the government-wide financial statements related to the 2008 Sales Tax Revenue Bonds is \$2,180,000.

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, 2020:

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 in 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 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

MPERS: 7722 Office Park Boulevard | Baton Rouge, Louisiana 70809 | www.lampers.org

The Town implemented Government Accounting Standards Board (GASB) Statement 68 on Accounting and Financial Reporting for Pensions and Statement 71 on Pension Transition for Contributions Made Subsequent to the Measurement Date – an Amendment of GASB 68. These standards require the City to record its proportional share of each of the pension plans Net Pension Liability and report the following disclosures:

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. 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.

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)

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, 2020 for the Town and covered employees were as follows:

Plan	Town	Employees
MERS (Plan B)	15.50%	5.00%
MPERS	33.75%	8.00%

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

Plan	2020	2019	2018
MERS (Plan B)	\$ 70,743	\$ 62,798	\$ 67,446
MPERS	<u>36,089</u>	<u>20,902</u>	<u>20,570</u>
Total	<u>\$ 106,832</u>	<u>\$ 83,700</u>	<u>\$ 88,016</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, 2020 measurement date. The Town uses this measurement to record its Net Pension Liability and associated amounts as of September 30, 2020 in accordance with GASB Statement 68. The schedule also includes the proportionate share allocation rate used at June 30, 2020 along with the change compared to the June 30, 2019 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.

	Net Pension Liability at June 30, 2020	Current Measurement Rate	Previous Measurement Rate	Increase (Decrease)
MERS	\$ 631,625	0.6970%	0.6740%	0.023%
MPERS	<u>281,993</u>	0.0305%	0.0210%	0.010%
Total	<u>\$ 913,618</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, 2020:

	Total
Municipal Employees' Retirement Fund	\$ 13,809
Municipal Police Employees' Retirement Fund	58,729
Total	\$ 72,538

At September 30, 2020, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Deferred Outflows of Resources:	MERS	MPERS	Total
Differences between expected and actual experience	\$ -	\$ -	\$ -
Changes of assumptions	19,575	6,701	26,276
Net difference between projected and actual earnings on pension plan investments	68,572	33,831	102,403
Changes in proportion and differences between employer contributions and proportionate share of contributions	11,794	58,880	70,674
Differences between allocated and actual contributions	-	-	-
Employer contributions subsequent to the measurement date	20,535	10,932	31,467
Total	\$ 120,476	\$ 110,344	\$ 230,820

Deferred Inflows of Resources:	MERS	MPERS	Total
Differences between expected and actual experience	\$ 10,627	\$ 11,107	\$ 21,734
Changes of assumptions	-	6,959	6,959
Net difference between projected and actual earnings on pension plan investments	-	-	-
Changes in proportion and differences between Employer contributions and proportionate share of contributions	2,079	17,100	19,179
Employer contributions subsequent to the measurement date	-	-	-
Total	\$ 12,706	\$ 35,166	\$ 47,872

NOTE 9 - PENSION PLAN (CONTINUED)

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

Summary totals of deferred outflows of resources and deferred inflows of resources by pension plan:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Municipal Employees' Retirement Fund	\$ 120,476	\$ 12,706
Municipal Police Employees' Retirement Fund	110,344	35,166
	\$ 230,820	\$ 47,872

The Town reported a total of \$31,467 as deferred outflows of resources related to pension contributions made subsequent to the measurement period of June 30, 2020 which will be recognized as a reduction in net pension liability in the plan year ended June 30, 2021. The following schedule lists the pension contributions made subsequent to the measurement period for each pension plan:

	Subsequent Contributions
Municipal Employees' Retirement Fund	\$ 20,535
Municipal Police Employees' Retirement Fund	10,932
	\$ 31,467

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
2021	35,695	\$ 7,348	\$ 43,043
2022	25,873	24,513	50,386
2023	15,623	25,955	41,578
2024	10,045	6,429	16,474
	\$ 87,236	\$ 64,245	\$ 151,481

Actuarial Methods and Assumptions

MERS

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an experienced study, for the period July 2013 through June 30, 2018.

NOTE 9 - PENSION PLAN (CONTINUED)

Actuarial Methods and Assumptions (Continued)

MPERS

The actuarial assumptions used in the June 30, 2020 valuation were based on the assumptions used in the June 30, 2020 actuarial finding valuation and were based on the results of an actuarial experience study for the period of July 1, 2014 through June 30, 2019. In cases where benefit structures were changed after the study period, assumptions were based on estimates of future experiences.

A summary of the actuarial methods and assumptions used in determining the total pension liability for each pension plan as of June 30, 2020 are as follows:

	Measurement/ Valuation Date	Expected Remaining Service Lives	Investment Rate of Return
MERS	June 30, 2020	3 years	6.95%; net of pension plan investment expense, including inflation
MPERS	June 30, 2020	4 years	6.95%; net of investment expense

Mortality:

MERS

Mortality rates for non-disabled are based on PubG-2010(B) Healthy Retiree Table set and PubG-2010(B) Employee Table set equal to 120% for males and females, each adjusted using their respective male and female MP2018 scales.

Mortality rates for disabled are based on PubNS-2010(B) Disabled Retiree Table set equal to 120% for male and females with full generational MP2018 scale.

MPERS

Mortality rates for non-disabled are based on Pub-2010 Healthy Retiree Table set and Pub-2010 Employee Table set equal to 115% for males and 125% for females, each adjusted using their respective MP2019 scales.

Mortality rates for disabled are based on Pub-2010 Disabled Retiree Table set equal to 105% for males and 115% for females with full generational projection using the MP2019 scale.

NOTE 9 - PENSION PLAN (CONTINUED)

Actuarial Methods and Assumptions (Continued)

Salary Increases:

MERS (Plan B)

Years of Service	Salary Growth Rate
1-4	7.4%
Over 4	4.9%

MPERS

Years of Service	Salary Growth Rate
1-2	12.30%
Over 2	4.70%

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.

Discount Rate:

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

(Continued)

NOTE 9 - PENSION PLAN (CONTINUED)

Actuarial Methods and Assumptions (Continued)

Discount Rate: (Continued)

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 7.0% for the plan year ended June 30, 2020.

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 2.55% inflation of and an adjustment for the effect of rebalancing/diversification. The resulting forecasted long-term rate of return is 7.19% for the plan year ended June 30, 2020.

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, 2020:

Asset Class	Target Allocation		Long - Term Expected Real Rate of Return	
	MERS	MPERS	MERS	MPERS
Public Equity	53.00%	-	2.33%	-
Equity	-	48.50%	-	3.08%
Public Fixed Income	38.00%	-	1.67%	-
Fixed Income	-	33.50%	-	0.54%
Alternatives	9.00%	18.00%	0.40%	1.02%
Other	-	-	-	-
Total	<u>100.00%</u>	<u>100.00%</u>	<u>4.40%</u>	<u>4.64%</u>
Inflation			<u>2.60%</u>	<u>2.55%</u>
Expected Arithmetic Nominal Return			<u>7.00%</u>	<u>7.19%</u>

NOTE 9 - PENSION PLAN (CONTINUED)

Actuarial Methods and Assumptions (Continued)

Discount Rate: (Continued)

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 both 6.95% for the year ended June 30, 2020.

Sensitivity of the Employer’s Proportionate Share of Net Pension Liability to Changes in the 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:

	1.0% Decrease	Current Discount Rate	1.0% Increase
MERS			
Discount Rates	5.95%	6.95%	7.95%
Shares of Net Pension Liability	\$ 840,811	\$ 631,625	\$ 454,625
MPERS			
Discount Rates	5.95%	6.95%	7.95%
Shares of Net Pension Liability	\$ 396,170	\$ 281,993	\$ 186,545

Payments to the Pension Plan

MPERS

Town has a payable to MPERS of \$4,709 for contributions made subsequent to both the plan’s measurement period and the Town’s fiscal year ending September 30, 2020.

NOTE 10 - INTERFUND RECEIVABLE AND PAYABLE BALANCES

Interfund balances at September 30, 2020, were as follows:

	Interfund	
	Receivable	Payable
Governmental Activities		
General Fund:		
2008 Sinking Fund	\$ 185,000	\$ -
Capital Projects Fund	-	255,000
Gas Utility Fund	148,313	-
Water Utility Fund	-	167,191
Sewer Utility Fund	24,949	-
Total General Fund	358,262	422,191
2008 Reserve Fund:		
2008 Sinking Fund	58,772	-
Water Utility Fund	159,000	-
Total 2008 Reserve Fund	217,772	-
2008 Sinking Fund:		
General Fund	-	185,000
2008 Reserve Fund:	-	58,772
Capital Projects Fund	-	25,000
Water Utility Fund	122,000	-
Total 2008 Sinking Fund	122,000	268,772
Capital Projects Fund:		
General Fund	255,000	-
2008 Sinking Fund:	25,000	-
Total Capital Projects Fund	280,000	-
Total governmental funds	978,034	690,963

(Continued)

NOTE 10 - INTERFUND RECEIVABLE AND PAYABLE BALANCES (CONTINUED)

Proprietary Funds:

Gas Utility Fund:

General Fund	-	148,313
Water Utility Fund	150,000	-
Sewer Utility Fund	-	30,000
Total Gas Utility Fund	150,000	178,313

Water Utility Fund:

General Fund	167,191	-
2008 Sinking Fund	-	122,000
2008 Reserve Fund	-	159,000
Sewer Utility Fund	-	278,000
Gas Utility Fund	-	150,000
Total Water Utility Fund	167,191	709,000

Sewer Utility Fund:

General Fund	-	24,949
Gas Utility Fund	30,000	-
Water Utility Fund	278,000	-
Total Sewer Utility Fund	308,000	24,949

Total proprietary funds

	625,191	912,262
--	---------	---------

Total primary government

	\$ 1,603,225	\$ 1,603,225
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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.

NOTE 11 - INTERFUND TRANSFERS

Interfund Transfers

Interfund transfers for the year ended September 30, 2020, were as follows:

	Transfers	
	In	Out
Governmental funds:		
General Fund:		
2008 Sales Tax Sinking Fund	\$ -	\$ 226,000
Water Utility Fund	-	250,000
Gas Utility Fund	-	75,000
Total General Fund	-	551,000
2008 Sales Tax Sinking Fund:		
General Fund	226,000	-
Total governmental funds	226,000	551,000
Proprietary funds:		
Gas Utility Fund:		
General Fund	75,000	-
Water Utility Fund:		
General Fund	250,000	-
Total proprietary funds	325,000	-
Total primary government	\$ 551,000	\$ 551,000

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, 2022:	Amount
Kipp Knight	\$ 11,621
Erick Batiste	11,052
Candice Depron	10,992
Melissa Allen	10,992
Barbara O'Bear	10,600
Total	\$ 55,255

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, 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.



REQUIRED SUPPLEMENTARY INFORMATION



2020



**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, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Taxes:				
Sales	\$ 2,285,000	\$ 2,575,000	\$ 2,429,792	\$ (145,208)
Ad valorem	32,500	32,500	30,156	(2,344)
Public utility franchise	24,000	24,000	22,706	(1,294)
Video poker	15,000	8,500	5,092	(3,408)
Cable T.V. franchise	15,000	15,000	13,052	(1,948)
Beer	3,000	3,000	2,424	(576)
Licenses and permits	85,000	72,000	72,732	732
Intergovernmental:				
Grants	682,000	133,800	500	(133,300)
Local housing authority	29,500	31,500	65,648	34,148
Fines	62,000	32,000	92,245	60,245
Other:				
Lease and royalty	18,000	7,700	3,127	(4,573)
Interest	20,000	6,500	8,214	1,714
Miscellaneous	12,000	19,160	6,251	(12,909)
Total revenues	<u>3,283,000</u>	<u>2,960,660</u>	<u>2,751,939</u>	<u>(208,721)</u>
EXPENDITURES				
Current function:				
General government	686,280	655,525	700,461	(44,936)
Public safety	754,065	749,300	731,563	17,737
Streets and sanitation	508,260	552,300	574,416	(22,116)
Recreation	74,090	81,800	72,594	9,206
Debt service	43,250	32,250	19,992	12,258
Capital outlay	375,000	185,000	129,949	55,051
Total expenditures	<u>2,440,945</u>	<u>2,256,175</u>	<u>2,228,975</u>	<u>27,200</u>
Excess of revenues over expenditures	842,055	704,485	522,964	(181,521)
OTHER FINANCING SOURCES (USES)				
Proceeds from insurance claims	-	17,160	17,160	-
Transfers out	381,000	(551,000)	(551,000)	-
Total other financing sources (uses)	<u>381,000</u>	<u>(551,000)</u>	<u>(533,840)</u>	<u>-</u>
Net change in fund balance	<u>\$ 1,223,055</u>	<u>\$ 153,485</u>	(10,876)	<u>\$ (181,521)</u>
FUND BALANCE				
Beginning of year			<u>624,574</u>	
End of year			<u>\$ 613,698</u>	

Notes on Exhibits A-9 and B-3 are an integral part of this statement.

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):	2020	
	MERS (Plan B)	MPERS
Employer's Proportion of the Net Pension Liability (Asset)	0.6970%	0.0305%
Employer's Proportionate Share of the Net Pension Liability (Asset)	\$ 631,625	\$ 281,993
Employer's Covered Payroll	\$ 513,600	\$ 120,976
Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	122.98%	233.10%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	66.26%	70.94%
As of the fiscal year ended (2):	2019	
	MERS (Plan B)	MPERS
Employer's Proportion of the Net Pension Liability (Asset)	0.6739%	0.0210%
Employer's Proportionate Share of the Net Pension Liability (Asset)	\$ 589,584	\$ 190,597
Employer's Covered Payroll	\$ 515,652	\$ 47,124
Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	114.34%	404.46%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	64.68%	71.01%
As of the fiscal year ended (2):	2018	
	MERS (Plan B)	MPERS
Employer's Proportion of the Net Pension Liability (Asset)	0.6830%	0.0229%
Employer's Proportionate Share of the Net Pension Liability (Asset)	\$ 577,458	\$ 193,302
Employer's Covered Payroll	\$ 561,456	\$ 60,399
Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	102.85%	320.04%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	65.60%	71.88%

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

(2) The amounts presented have a measurement date of the Plan's prior June 30th fiscal year end.

The two Retirement Systems reported in this schedule are as follows:

MERS (Plan B) = Municipal Employees' Retirement System

MPERS = Municipal Police Employees' Retirement System

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 (Asset)	0.6454%	0.0279%
Employer's Proportionate Share of the Net Pension Liability (Asset)	\$ 558,404	\$ 243,378
Employer's Covered Payroll	\$ 486,678	\$ 72,337
Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	114.74%	336.45%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	70.08%	63.49%
 As of the fiscal year ended (2):	2016	
	MERS (Plan B)	MPERS
Employer's Proportion of the Net Pension Liability (Asset)	0.7180%	0.0023%
Employer's Proportionate Share of the Net Pension Liability (Asset)	\$ 595,116	\$ 21,520
Employer's Covered Payroll	\$ 509,077	\$ 6,023
Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	116.90%	357.30%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	63.34%	66.04%
 As of the fiscal year ended (2):	2015	
	MERS (Plan B)	MPERS
Employer's Proportion of the Net Pension Liability (Asset)	0.7000%	0.0000%
Employer's Proportionate Share of the Net Pension Liability (Asset)	\$ 476,062	\$ -
Employer's Covered Payroll	\$ 486,021	\$ -
Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	97.95%	0.00%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	68.71%	0.00%

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

(2) The amounts presented have a measurement date of the Plan's prior June 30th fiscal year end.

The two Retirement Systems reported in this schedule are as follows:

MERS (Plan B) = Municipal Employees' Retirement System

MPERS = Municipal Police Employees' Retirement System

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

	2020	
	MERS (Plan B)	MPERS
Contractually Required Contribution	\$ 75,174	\$ 44,140
Contributions in Relation to Contractually Required Contribution	<u>75,174</u>	<u>44,140</u>
Contribution Deficiency (Excess)	\$ -	\$ -
Employer's Covered Payroll	536,955	135,815
Contributions as a % of Covered Payroll	14.00%	32.50%
	2019	
	MERS (Plan B)	MPERS
Contractually Required Contribution	\$ 62,798	\$ 20,902
Contributions in Relation to Contractually Required Contribution	<u>72,130</u>	<u>20,902</u>
Contribution Deficiency (Excess)	\$ (9,332)	\$ -
Employer's Covered Payroll	448,559	64,313
Contributions as a % of Covered Payroll	14.00%	32.50%
	2018	
	MERS (Plan B)	MPERS
Contractually Required Contribution	\$ 67,310	\$ 19,766
Contributions in Relation to Contractually Required Contribution	<u>67,310</u>	<u>19,766</u>
Contribution Deficiency (Excess)	\$ -	\$ -
Employer's Covered Payroll	508,000	59,448
Contributions as a % of Covered Payroll	13.25%	33.25%

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

The three Retirement Systems reported in this schedule are as follows:

MERS (Plan A) = Municipal Employees' Retirement System

MPERS = Municipal Police Employees' Retirement System

FRSL = Firefighters Retirement System of Louisiana

TOWN OF WHITE CASTLE, LOUISIANA

SCHEDULE OF PENSION CONTRIBUTIONS

LAST TEN FISCAL YEARS (1)

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

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

The three Retirement Systems reported in this schedule are as follows:

MERS (Plan A) = Municipal Employees' Retirement System

MPERS = Municipal Police Employees' Retirement System

FRSL = Firefighters Retirement System of Louisiana



TOWN OF WHITE CASTLE, LOUISIANA

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

For the year ended September 30, 2020

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 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.

Basis of Accounting

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

NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Expenditures Exceeding Appropriations

Excess of expenditures over appropriations in individual funds or departments within the fund occurred as follows:

	<u>Revised Budget</u>	<u>Actual (GAAP Basis)</u>	<u>Excess over Budget</u>
Governmental Fund:			
General Fund:			
General government	\$ 655,525	\$ 686,572	\$ (44,936)
Streets and sanitation	552,300	574,416	(22,116)

NOTE 3 - DEFINED BENEFIT PLANS

Changes of Benefit Terms

Municipal Employees' Retirement System (Plan B)

No changes.

Municipal Police Employees' Retirement System

No changes.

Changes of Assumptions

Municipal Employees' Retirement System (Plan B)

In 2020, the investment rate of return and inflation rate decreased from 7.00% to 6.95%.

Municipal Police Employees' Retirement System

In 2020, the investment rate of return and inflation rate decreased from 7.125% to 6.950%.

INDIVIDUAL FUND STATEMENTS



2020



TOWN OF WHITE CASTLE, LOUISIANA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

September 30, 2020

	<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>
ASSETS				
Cash and cash equivalents	\$ 12,685	\$ 21,977	\$ 5,695	\$ 40,357
Due from other funds	-	217,772	280,000	497,772
Total assets	<u>\$ 12,685</u>	<u>\$ 239,749</u>	<u>\$ 285,695</u>	<u>\$ 538,129</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE				
LIABILITIES				
Due to other funds	\$ -	\$ -	\$ -	\$ -
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	12,685	-	-	12,685
FUND BALANCE				
Restricted for:				
Debt service	-	239,749	-	239,749
Capital projects	-	-	285,695	285,695
Total fund balance	-	239,749	285,695	525,444
Total deferred inflows of resources and fund balance	<u>\$ 12,685</u>	<u>\$ 239,749</u>	<u>\$ 285,695</u>	<u>\$ 538,129</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, 2020

	<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>
REVENUES				
Intergovernmental	\$ 61,898	\$ -	\$ -	\$ 61,898
Interest	9	1,315	-	1,324
Total revenues	<u>61,907</u>	<u>1,315</u>	<u>-</u>	<u>63,222</u>
EXPENDITURES				
Current function				
Public health	<u>61,907</u>	<u>-</u>	<u>-</u>	<u>61,907</u>
Net change in fund balance	<u>-</u>	<u>1,315</u>	<u>-</u>	<u>1,315</u>
FUND BALANCE				
Beginning of year	<u>-</u>	<u>238,434</u>	<u>285,695</u>	<u>524,129</u>
End of year	<u>\$ -</u>	<u>\$ 239,749</u>	<u>\$ 285,695</u>	<u>\$ 525,444</u>

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

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

For the year ended September 30, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
GENERAL GOVERNMENT				
Salaries	\$ 149,880	\$ 161,900	\$ 171,053	\$ (9,153)
Payroll taxes	20,000	20,000	19,650	350
Municipal retirement	16,500	16,500	19,147	(2,647)
Employees' insurance	66,000	51,600	62,568	(10,968)
Insurance	80,000	104,250	118,290	(14,040)
Legal fees	47,500	33,950	33,606	344
Emergency preparedness - animal control	46,500	48,000	47,780	220
Travel	53,000	21,350	17,234	4,116
Professional services	31,000	48,000	52,158	(4,158)
Utilities and telephone	20,000	20,950	8,857	12,093
Publishing	12,000	16,450	10,958	5,492
Maintenance - building	38,000	35,350	42,935	(7,585)
Postage	6,000	6,000	5,771	229
Computer services	9,600	13,175	8,624	4,551
Bank fees	3,000	4,550	3,862	688
Dues and subscriptions	3,700	8,200	5,895	2,305
Maintenance - equipment and vehicle	5,000	5,000	5,819	(819)
Other	67,000	31,050	49,505	(18,455)
Coroner	2,000	3,700	6,554	(2,854)
Printing	8,000	4,550	9,501	(4,951)
Drug testing	1,600	1,000	694	306
Total general government	<u>686,280</u>	<u>655,525</u>	<u>700,461</u>	<u>(44,936)</u>

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

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

For the year ended September 30, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
PUBLIC SAFETY				
Police				
Salaries	\$ 460,565	\$ 472,500	\$ 448,501	\$ 23,999
Payroll taxes	33,700	37,700	36,780	920
Municipal retirement	24,500	34,500	44,220	(9,720)
Employees' insurance	105,000	79,000	89,124	(10,124)
Maintenance - vehicle	4,000	3,000	2,287	713
Vehicle fuel	8,250	4,500	4,794	(294)
Travel	11,000	9,650	9,540	110
Telephone	7,000	5,000	4,605	395
Computer services	15,500	9,600	6,995	2,605
Jail house	750	-	-	-
Maintenance contracts	4,000	8,800	8,913	(113)
Maintenance - building	2,500	12,800	18,298	(5,498)
Court fees	3,500	1,100	709	391
Field supplies	1,750	2,500	3,221	(721)
Dues and subscriptions	500	-	189	(189)
Drug testing	800	1,250	894	356
Printing	1,250	-	2,220	(2,220)
Accounting	-	-	747	(747)
Clothing	1,500	1,500	1,733	(233)
Total police	<u>686,065</u>	<u>683,400</u>	<u>683,770</u>	<u>(370)</u>
Volunteer fire				
Salary supplement	22,400	12,800	12,800	-
Maintenance - vehicle	3,000	6,200	11,653	(5,453)
Maintenance - building	-	15,250	3,377	11,873
Maintenance - equipment	-	-	53	(53)
Vehicle insurance	2,200	2,200	2,187	13
Computer service	-	1,800	2,879	(1,079)
Telephone	2,400	5,400	6,104	(704)
Vehicle fuel	600	1,850	1,542	308
Equipment testing	37,400	12,400	-	12,400
Maintenance contracts	-	8,000	7,198	802
Total volunteer fire	<u>68,000</u>	<u>65,900</u>	<u>47,793</u>	<u>18,107</u>
Total public safety	<u>754,065</u>	<u>749,300</u>	<u>731,563</u>	<u>17,737</u>

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

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

For the year ended September 30, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
STREETS AND SANITATION				
Salaries	\$ 191,360	\$ 184,100	\$ 173,711	\$ 10,389
Payroll taxes	16,200	17,200	15,873	1,327
Municipal retirement	19,000	23,300	25,016	(1,716)
Employees' insurance	62,000	47,550	53,848	(6,298)
Utilities	75,000	80,000	83,302	(3,302)
Maintenance - street	75,000	136,800	179,442	(42,642)
Maintenance - vehicle	7,000	12,050	25,225	(13,175)
Vehicle fuel	9,000	10,450	12,428	(1,978)
Maintenance - equipment	25,000	36,450	-	36,450
Equipment rental	27,000	-	256	(256)
Drug testing	500	500	222	278
Other	1,200	3,900	5,093	(1,193)
Total streets and sanitation	<u>508,260</u>	<u>552,300</u>	<u>574,416</u>	<u>(22,116)</u>
RECREATION				
Salaries	21,840	29,450	26,653	2,797
Payroll Taxes	1,750	1,750	1,708	42
Utilities	36,000	25,000	19,580	5,420
Maintenance	9,500	17,500	20,354	(2,854)
Summer enrichment	5,000	5,000	-	5,000
Youth recreation	-	3,100	4,299	(1,199)
Total recreation	<u>74,090</u>	<u>81,800</u>	<u>72,594</u>	<u>9,206</u>
DEBT SERVICE	43,250	32,250	19,992	12,258
CAPITAL OUTLAY	<u>375,000</u>	<u>185,000</u>	<u>129,949</u>	<u>55,051</u>
Total expenditures	<u>\$ 2,440,945</u>	<u>\$ 2,256,175</u>	<u>\$ 2,228,975</u>	<u>\$ 27,200</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, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Other				
Interest	\$ 3,000	\$ 1,600	\$ -	\$ (1,600)
EXPENDITURES				
Debt service	175,000	225,000	224,725	275
Deficiency of revenues over expenditures	(172,000)	(223,400)	(224,725)	(1,325)
OTHER FINANCING SOURCES				
Transfers in	117,333	226,000	226,000	-
Net change in fund balance	<u>\$ (54,667)</u>	<u>\$ 2,600</u>	1,275	<u>\$ (1,325)</u>
FUND BALANCE				
Beginning of year			-	
End of year			<u>\$ 1,275</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, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Other				
Interest	\$ 200	\$ 200	\$ 1,315	\$ 1,115
Net change in fund balance	<u>\$ 200</u>	<u>\$ 200</u>	1,315	<u>\$ 1,115</u>
FUND BALANCE				
Beginning of year			<u>238,434</u>	
End of year			<u>\$ 239,749</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, 2020

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Intergovernmental				
HUD receipts	\$ 71,500	\$ 71,500	\$ 61,898	\$ (9,602)
Interest	-	-	9	9
	71,500	71,500	61,907	(9,593)
EXPENDITURES				
Public health				
Rent and utility assistance	63,000	63,000	57,033	5,967
Section 8 - URP	1,500	1,500	-	1,500
Administrative	7,000	7,000	4,874	2,126
	71,500	71,500	61,907	9,593
Net change in fund balance	\$ -	\$ -	-	\$ -
FUND BALANCE				
Beginning of year			-	
End of year			\$ -	

**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, 2020

	Original Budget	Final Budget	Actual	Variance with Final Budget
CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
FUND BALANCE				
Beginning of year			<u>285,695</u>	
End of year			<u>\$ 285,695</u>	

TOWN OF WHITE CASTLE, LOUISIANA

**SCHEDULE OF COMPENSATION, BENEFITS AND
OTHER PAYMENTS TO AGENCY HEAD**

For the year ended September 30, 2020

Agency Head: John Morris, Mayor

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 55,662
Vehicle provided by government	19,992
Benefits - retirement	8,970
Travel	2,253
Benefits - insurance	12,082
Per diem	376
	<u>\$ 99,336</u>

TOWN OF WHITE CASTLE, LOUISIANA

**SCHEDULE OF UTILITY
CUSTOMERS**

September 30, 2020
(Without Audit)

Records maintained by the Town indicated the number of residential and commercial users for both water and sewer systems at September 30, 2020 were as follows:

	<u>Water</u>	<u>Sewer</u>	<u>Gas</u>
Residential	684	682	409
Commercial	51	19	29

At September 30, 2020, 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, 2020, the aging of accounts receivable for the enterprise funds was as follows:

Current	\$ 95,758
31-60 days	20,829
61-90 days	15,953
Over 90 days	56,491
Allowance for doubtful accounts	<u>(43,046)</u>
	<u>\$ 145,985</u>

TOWN OF WHITE CASTLE, LOUISIANA

SCHEDULE OF INSURANCE IN FORCE

September 30, 2020

(Without Audit)

<u>Issuer</u>	<u>Type of Insurance</u>	<u>Property Covered and Location</u>	<u>Insurance</u>	<u>Expiration Date</u>
LA Municipal Risk Management Agent	Automobile	19 Automobiles	\$ 500,000	May 1, 2021
	Commercial general liability	Premises operations, general	500,000	May 1, 2021
		Products and completed operations	500,000	May 1, 2021
		Medical payments	10,000/per accident	May 1, 2021
		Fire legal liability	50,000/per occurrence	May 1, 2021
	Law enforcement liability	Enforcement officers	500,000	May 1, 2021
	Public officials' errors and omissions liability	Public officials' errors and omissions	500,000	May 1, 2021
	Workers compensation	Eligible employees	statutory	January 1, 2021
Scottsdale Insurance Company	Commercial property	Sewage plant, 31540 Hwy. 405	560,000	April 12, 2021
	Fire and extended coverage	Water tower, 33060 Bowie St.	232,000	April 12, 2021
		Water treatment building	150,000	
		Garage	56,000	
		Storage building	50,000	April 12, 2021
		Chlorine Injector	15,000	
	Fire and extended coverage	Police and Fire Station, 32535 Bowie St.	300,000	April 12, 2021
		Storage shed, 32535 Bowie St.	11,000	April 12, 2021
	Fire and extended coverage	Jail house, 32535 Rear Bowie	120,000	April 12, 2021
	Fire and extended coverage	Fire station, 32055 Hwy. 405	81,000	April 12, 2021
Fire and extended coverage	Council on Aging building, 55050 Latino St	145,000	April 12, 2021	
Fire and extended coverage	Town Hall, 32515 Bowie St.	800,000	April 12, 2021	
Fire and extended coverage	Sewage station, 54940 Cambre St.	96,000	April 12, 2021	
Fire and extended coverage	Fitness Park, 32540 Bowie St.	150,000	April 12, 2021	
	Gazebo	55,000		
Fire and extended coverage	Rec Center, 32711 Bowie St.	1,200,000	April 12, 2021	
	Cummins Generator	70,000		
Rod Prejean & Associates, Inc.	Automobile	Ford Explorer w/ equipment	25,974	February 5, 2021
		Ford Explorer w/ equipment	25,974	
		Ford Explorer w/ equipment	25,974	

STATISTICAL SECTION



2020



TOWN OF WHITE CASTLE, LOUISIANA

STATISTICAL SECTION (UNAUDITED)

September 30, 2020

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>
<u>Financial Trends Information</u> - <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	82
Changes in Net Position, Last Ten Fiscal Years	D-2	84
Governmental Activities Tax Revenues by Source, Last Ten Fiscal Years	D-3	86
Fund Balance of Governmental Funds, Last Ten Fiscal Years	D-4	87
Changes in Fund Balances of Governmental Funds, Last Ten Fiscal Years	D-5	88
Tax Revenues By Source, Governmental Funds, Last Ten Fiscal Years	D-6	90
<u>Revenue Capacity Information</u> - <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	91
Sales Tax Revenues, Last Ten Years	D-8	92
Taxable Sales by Category- General Sales and Use Tax, Last Ten Years	D-9	93
<u>Debt Capacity Information</u> - <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	94
Computation of Direct and Overlapping Governmental Activities Debt	D-11	95
Legal Debt Margin Calculation, Last Ten Fiscal Years	D-12	96
Pledged Revenue Coverage, Last Ten Fiscal Years	D-13	97
<u>Demographic and Economic Information</u> - <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	98
Principal Employers, Current Year and Ten Years Ago	D-15	99
<u>Operating Information</u> - <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	100
Operating Indicators by Function/Program, Last Ten Fiscal Years	D-17	101
Capital Asset Statistics by Function/Program, Last Ten Fiscal Years	D-18	102

TOWN OF WHITE CASTLE, LOUISIANA

NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(UNAUDITED)(accrual basis of accounting)
(in thousands)

	FISCAL YEAR			
	2020	2019	2018	2017
Governmental activities				
Net investment in capital assets	\$ 3,851	\$ 4,038	\$ 3,822	\$ 3,533
Restricted	513	509	544	528
Unrestricted	<u>(907)</u>	<u>(876)</u>	<u>(370)</u>	<u>618</u>
Total governmental activities net position	<u>3,457</u>	<u>3,671</u>	<u>3,996</u>	<u>4,679</u>
Business-type activities				
Net investment in capital assets	2,376	2,513	2,642	2,687
Restricted	243	237	231	224
Unrestricted	<u>(294)</u>	<u>(81)</u>	<u>(9)</u>	<u>2</u>
Total business-type activities net position	<u>2,325</u>	<u>2,669</u>	<u>2,864</u>	<u>2,913</u>
Primary government				
Net investment in capital assets	5,088	5,340	5,184	4,923
Restricted	756	746	775	752
Unrestricted	<u>(62)</u>	<u>254</u>	<u>901</u>	<u>1,917</u>
Total primary government net position	<u>\$ 5,782</u>	<u>\$ 6,340</u>	<u>\$ 6,860</u>	<u>\$ 7,592</u>

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

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

(accrual basis of accounting)
(in thousands)

FISCAL YEAR						
2016	2015	2014 (1)	2013	2012	2011	
\$ 3,363	\$ 3,811	\$ 2,275	\$ 1,729	\$ 2,062	\$ 2,428	
523	551	550	569	545	542	
933	1,543	1,514	1,420	1,046	864	
<u>4,819</u>	<u>5,905</u>	<u>4,339</u>	<u>3,718</u>	<u>3,653</u>	<u>3,834</u>	
2,709	1,598	1,691	1,768	1,881	2,025	
217	211	174	173	173	173	
58	160	134	160	270	402	
<u>2,984</u>	<u>1,969</u>	<u>1,999</u>	<u>2,101</u>	<u>2,324</u>	<u>2,600</u>	
4,757	5,409	3,966	3,497	3,943	4,453	
740	762	724	742	718	715	
2,306	1,703	1,648	1,580	1,316	1,266	
<u>\$ 7,803</u>	<u>\$ 7,874</u>	<u>\$ 6,338</u>	<u>\$ 5,819</u>	<u>\$ 5,977</u>	<u>\$ 6,434</u>	

TOWN OF WHITE CASTLE, LOUISIANA

CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(UNAUDITED)(accrual basis of accounting)
(in thousands)

	FISCAL YEAR									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Expenses										
Governmental activities										
General government	\$ 792	\$ 880	\$ 875	\$ 715	\$ 913	\$ 720	\$ 568	\$ 554	\$ 548	\$ 729
Public safety	845	821	741	731	626	621	632	654	657	635
Streets and sanitation	678	700	702	627	509	518	583	491	494	540
Public works	-	-	-	-	-	-	-	-	-	487
Public health	62	52	63	61	80	67	59	51	60	65
Culture and recreation	276	319	275	245	202	101	64	69	63	65
Interest on long-term debt	84	92	87	102	123	77	79	80	83	84
Total governmental activities	<u>2,737</u>	<u>2,864</u>	<u>2,743</u>	<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>
Business-type activities										
Gas	319	348	357	346	333	301	341	312	297	365
Waterworks	610	534	500	519	556	494	529	492	510	504
Sewerage	464	354	365	380	368	328	322	338	358	385
Total business-type activities	<u>1,393</u>	<u>1,236</u>	<u>1,222</u>	<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>
Total primary government expenses	<u>4,130</u>	<u>4,100</u>	<u>3,965</u>	<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>
Program Revenues										
Governmental activities										
Charges for services:										
General government	79	82	94	84	93	71	73	77	88	76
Public safety	92	52	71	122	70	33	19	31	29	36
Culture and recreation	-	-	-	11	-	-	-	-	-	-
Operating grants and contributions	63	53	63	60	79	67	60	134	59	70
Capital grants and contributions	-	8	-	78	26	1,580	899	1	25	262
Total governmental activities program revenues	<u>234</u>	<u>195</u>	<u>228</u>	<u>355</u>	<u>268</u>	<u>1,751</u>	<u>1,051</u>	<u>243</u>	<u>201</u>	<u>444</u>
Business-type activities										
Charges for Services:										
Gas	221	258	257	240	235	303	372	309	282	289
Waterworks	222	239	236	235	234	241	242	240	246	240
Sewerage	275	293	279	293	304	290	290	283	277	286
Capital grants and contributions	-	-	-	-	-	-	-	-	-	501
Total business-type activities program revenues	<u>718</u>	<u>790</u>	<u>772</u>	<u>768</u>	<u>773</u>	<u>834</u>	<u>904</u>	<u>832</u>	<u>805</u>	<u>1,316</u>
Total primary government total revenues	<u>952</u>	<u>985</u>	<u>1,000</u>	<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>

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

(accrual basis of accounting)
(in thousands)

	FISCAL YEAR									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Net revenue (expense):										
Governmental activities	\$ (2,503)	\$ (2,669)	\$ (2,515)	\$ (2,126)	\$ (2,184)	\$ (353)	\$ (934)	\$ (1,655)	\$ (1,704)	\$ (2,161)
Business-type activities	(675)	(446)	(450)	(477)	(484)	(289)	(288)	(309)	(360)	62
Total primary government net revenue (expense)	<u>(3,178)</u>	<u>(3,115)</u>	<u>(2,965)</u>	<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>
General Revenues and Other Changes in Net Position										
Governmental activities										
Taxes:										
Ad Valorem	30	31	32	32	32	31	30	33	34	33
Sales	2,430	2,419	2,041	2,250	2,442	2,027	1,998	1,837	1,494	1,680
Video Poker	5	9	8	13	7	12	11	9	12	15
Franchise	36	36	37	37	38	39	41	39	35	39
Other	2	3	3	2	2	3	3	3	3	6
Unrestricted grants and contributions	36	36	34	15	33	28	21	23	15	34
Investment earnings	9	25	29	17	10	1	3	5	1	11
Proceeds from insurance	-	-	-	-	-	-	5	-	3	3
Miscellaneous	66	28	28	-	21	52	-	-	-	-
Transfers to other funds	(325)	(243)	(380)	(380)	(1,487)	(258)	(330)	(152)	(75)	(75)
Total governmental activities general revenues	<u>2,289</u>	<u>2,344</u>	<u>1,832</u>	<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>
Business-type activities										
Unrestricted grants and contributions	5	8	21	26	7	12	-	9	-	-
Investment earnings	1	-	-	-	-	-	-	-	2	8
Special Item-loss	-	-	-	-	5	-	7	-	7	-
Transfers from other funds	325	243	380	380	1,487	258	330	152	75	75
Total business-type activities general revenues	<u>331</u>	<u>251</u>	<u>401</u>	<u>406</u>	<u>1,499</u>	<u>270</u>	<u>337</u>	<u>161</u>	<u>84</u>	<u>83</u>
Total primary government general revenues	<u>2,620</u>	<u>2,595</u>	<u>2,233</u>	<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>
Change in Net Position										
Governmental activities	(214)	(325)	(683)	(140)	(1,086)	1,582	848	142	(182)	(415)
Business-type activities	(344)	(195)	(49)	(71)	1,015	(19)	49	(148)	(276)	145
Total change in net position	<u>\$ (558)</u>	<u>\$ (520)</u>	<u>\$ (732)</u>	<u>\$ (211)</u>	<u>\$ (71)</u>	<u>\$ 1,563</u>	<u>\$ 897</u>	<u>\$ (6)</u>	<u>\$ (458)</u>	<u>\$ (270)</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
2020	\$ 30	\$ 2,430	\$ 36	\$ 7	\$ 2,503
2019	31	2,419	36	12	2,498
2018	32	2,041	37	11	2,121
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	30	1,998	41	14	2,083
2012	33	1,837	39	12	1,921
2011	34	1,494	35	15	1,578

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		
	Nonspendable	Unassigned	Total	Committed	Restricted	Total all other Governmental Funds
2020	\$ 17	\$ 597	\$ 614	\$ -	\$ 527	\$ 527
2019	66	559	625	-	524	524
2018	26	1,092	1,118	-	560	560
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

*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 position resulting from the application of existing accounting principles, the illustrated comparisons of the Town's prior year government wide net position 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			
	2020	2019	2018	2017
REVENUES				
Taxes	\$ 2,503	\$ 2,498	\$ 2,121	\$ 2,321
Intergovernmental	128	87	92	151
Licenses and permits	73	80	85	77
Fines	92	52	71	122
Miscellaneous revenues	19	47	57	35
Total revenues	<u>2,815</u>	<u>2,764</u>	<u>2,426</u>	<u>2,706</u>
EXPENDITURES				
Current				
General government	700	779	786	633
Public safety	732	720	646	619
Streets and sanitation	574	604	614	451
Public works	-	-	-	-
Public health	62	52	63	60
Culture and recreation	73	117	84	81
Debt service				
Principal	159	216	167	145
Interest	85	92	99	104
Bond issuance costs	-	-	-	-
Capital outlay	130	472	521	550
Total expenditures	<u>2,515</u>	<u>3,052</u>	<u>2,980</u>	<u>2,643</u>
Excess (deficiency) of revenues over expenditures	<u>300</u>	<u>(288)</u>	<u>(554)</u>	<u>63</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	226	188	176	178
Proceeds from sale of capital assets	-	3	-	-
Proceeds from insurance	17	-	-	-
Proceeds from installment purchase agreements	-	-	-	53
Proceeds from issuance of refunded debt	-	-	-	-
Premium on issuance	-	-	-	-
Payment to refunded bond agent	-	-	-	-
Transfers out	(551)	(431)	(556)	(558)
Total other financing sources and uses	<u>(308)</u>	<u>(240)</u>	<u>(380)</u>	<u>(327)</u>
Net change in fund balances	<u>\$ (8)</u>	<u>\$ (528)</u>	<u>\$ (934)</u>	<u>\$ (264)</u>
Debt service as a percentage of noncapital expenditures	10.2%	11.9%	10.8%	11.9%

FISCAL YEAR						
2016	2015	2014	2013	2012	2011	
\$ 2,515	\$ 2,099	\$ 2,072	\$ 1,912	\$ 1,566	\$ 1,758	
134	1,712	970	151	96	356	
93	70	73	77	88	76	
70	33	19	31	29	36	
31	20	24	21	17	36	
<u>2,843</u>	<u>3,934</u>	<u>3,158</u>	<u>2,192</u>	<u>1,796</u>	<u>2,262</u>	
690	601	484	470	452	666	
594	517	520	539	542	519	
336	344	393	302	283	326	
-	-	-	-	-	487	
79	68	59	50	60	66	
39	33	17	27	19	19	
60	43	40	40	35	35	
106	77	79	81	87	84	
117	-	-	-	-	-	
311	1,925	939	61	55	951	
<u>2,332</u>	<u>3,608</u>	<u>2,531</u>	<u>1,570</u>	<u>1,533</u>	<u>3,153</u>	
<u>511</u>	<u>326</u>	<u>627</u>	<u>622</u>	<u>263</u>	<u>(891)</u>	
218	-	120	125	175	183	
-	-	-	-	-	-	
-	-	4	-	2	3	
205	-	-	-	-	-	
2,640	-	-	-	-	-	
32	-	-	-	-	-	
(1,413)	-	-	-	-	-	
<u>(1,705)</u>	<u>(258)</u>	<u>(450)</u>	<u>(277)</u>	<u>(250)</u>	<u>(258)</u>	
<u>(23)</u>	<u>(258)</u>	<u>(326)</u>	<u>(152)</u>	<u>(73)</u>	<u>(72)</u>	
<u>\$ 488</u>	<u>\$ 68</u>	<u>\$ 301</u>	<u>\$ 470</u>	<u>\$ 190</u>	<u>\$ (963)</u>	
8.2%	7.1%	7.5%	8.0%	8.3%	5.4%	

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
2020	\$ 30	\$ 2,430	\$ 36	\$ 7	\$ 2,503
2019	31	2,419	36	12	2,498
2018	32	2,041	37	11	2,121
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

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	
2020	7.00	7.00	22.00	57.83	22.68	2.06	4.01	115.58
2019	7.00	7.00	22.00	57.83	22.68	2.06	4.04	115.61
2018	7.00	7.00	22.00	57.83	22.68	2.06	4.04	115.61
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

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
2020	\$ 1,790,350	\$ 639,442	\$ 2,429,792
2019	1,782,758	636,725	2,419,483
2018	1,502,475	538,561	2,041,036
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

The following is a summary of sales and use taxes being collected within the Town of White Castle as of September 30, 2020:

Iberville Parish Council	3.00%
Iberville Parish School Board	2.00%
State Rate	<u>4.45%</u>
 Total Rate	 <u>9.45%</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)
(in thousands)

Primary Taxpayers by Industry	FISCAL YEAR									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Manufacturer of chemicals	\$ 700,640	\$ 527,575	\$ 446,990	\$ 376,030	\$ 533,317	\$ 303,072	\$ 538,882	\$ 398,210	\$ 407,495	\$ 555,261
Industrial equipment sales	135,323	127,432	133,401	61,344	101,849	44,996	69,003	77,657	51,835	57,495
Grocery stores	38,753	39,030	39,953	20,642	41,348	20,631	38,401	37,586	37,090	37,315
Department stores & dry goods	47,700	49,827	46,419	21,677	38,818	18,893	36,621	37,595	37,965	37,657
Lumber, building materials stores	46,016	28,082	25,130	26,319	26,928	16,152	17,777	15,943	21,086	21,878
Miscellaneous - others	431,083	341,604	421,656	239,067	342,596	182,207	331,732	298,441	238,550	137,580
	<u>\$ 1,399,514</u>	<u>\$ 1,113,550</u>	<u>\$ 1,113,550</u>	<u>\$ 745,081</u>	<u>\$ 1,084,857</u>	<u>\$ 585,951</u>	<u>\$ 1,032,417</u>	<u>\$ 865,432</u>	<u>\$ 794,020</u>	<u>\$ 847,186</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 2020

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	Capital Lease Obligation			
2020	\$ 2,300	\$ -	\$ -	\$ 196	\$ 221	\$ 2,717	189.49%	\$ 1,645
2019	2,443	32	-	205	-	2,680	195.37%	1,559
2018	2,586	108	-	259	-	2,953	221.45%	1,708
2017	2,674	190	50	338	-	3,252	251.44%	1,848
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

(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, 2020
(in thousands)

Jurisdiction	Debt Outstanding	(2) Estimated Percentage Applicable	Estimated Share of Direct and Overlapping Debt
Town direct debt	\$ 2,300	100%	\$ 2,300
<u>Overlapping -other government agencies (1):</u>			
Iberville Parish School Board (3)	\$ 29,733	1%	\$ 297
Iberville Parish Government (4)	16,805	1%	168
Total other government agencies	\$ 46,538		\$ 466
Total direct and overlapping			\$ 2,766
2020 population estimate			1,633
Per capita			\$ 1.694

(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: 2020 Basic Financial Statements

(4) Source: 2019 Comprehensive Annual Financial Report

TOWN OF WHITE CASTLE, LOUISIANA

LEGAL DEBT MARGIN CALCULATION

LAST TEN FISCAL YEARS

(UNAUDITED)

Year	Assessed Value	Any One Purpose	Aggregate All Purposes (1)	Debt Outstanding (2)	Legal Debt Margin	Legal Debt Margin to Aggregate Debt Limit
2020	\$ 4,264,300	\$ 426,430	\$ 1,492,505	\$ -	\$ 1,492,505	0.00%
2019	4,347,850	434,785	1,521,748	-	1,521,748	0.00%
2018	4,384,430	438,443	1,534,551	-	1,534,551	0.00%
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%

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

PLEGGED REVENUE COVERAGE

LAST TEN FISCAL YEARS

(UNAUDITED)

(full accrual basis of accounting)

SCHEDULE A - REVENUE BONDS-SALES TAX-ROAD IMPROVEMENT

Year	(1)		Available for Debt Service	Debt Service Requirements			Coverage
	Gross Revenue	Expenses		Principal	Interest	Total	
2020	\$ 639,442	\$ -	\$ 639,442	\$ 140,000	\$ 84,725	\$ 224,725	2.85
2019	636,725	-	636,725	140,000	87,525	227,525	2.80
2018	538,561	-	538,561	85,000	90,800	175,800	3.06
2017	591,172	-	591,172	82,500	93,938	176,438	3.35
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	-	472,393	35,000	84,017	119,017	3.77

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	
2020	\$ 472,305	\$ 521,167	\$ (48,862)	\$ 6,686	\$ 6,286	\$ 12,972	(3.77)
2019	429,159	446,928	(17,769)	6,376	6,596	12,972	(1.37)
2018	436,144	396,888	39,256	56,081	9,641	65,722	0.60
2017	543,255	413,818	129,437	53,299	12,536	65,835	1.97
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

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	
2020	\$ 275,984	\$ 340,565	\$ (64,581)	\$ 2,252	\$ 3,087	\$ 5,339	(12.10)
2019	308,568	231,008	77,560	47,975	3,292	51,267	1.51
2018	399,078	238,035	161,043	73,492	7,430	80,922	1.99
2017	293,268	250,101	43,167	69,924	11,055	80,979	0.53
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

(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
2020	32,511	1,633	\$ 1,417,494	\$ 43,600	5.9
2019	32,721	1,723	1,374,844	42,017	5.7
2018	33,027	1,729	1,333,476	40,375	5.8
2017	33,327	1,760	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

Source:

(1) U.S. Department of Commerce, Bureau of the Census and U.S. Beacon.com.

(2) Iberville Parish Council Financial Report.

2019 Amounts are estimated based on historical trends and are subject to change.

TOWN OF WHITE CASTLE, LOUISIANA
PRINCIPAL EMPLOYERS
CURRENT YEAR AND TEN YEARS AGO
(UNAUDITED)

2020(1)		
Employer	Number of Employees	Percent of total
Dow Chemical Company	2,200	36%
La Dept. of Safety and Corrections	1,200	19%
Iberville Parish School Board	750	12%
Westlake	485	8%
Shintech	410	7%
Syngenta	334	5%
Total Petrochemicals USA, Inc.	232	4%
Iberville Parish Council	230	4%
Wal-Mart	180	3%
Iberville Parish Sheriff Office	168	3%
	<u>6,189</u>	<u>100%</u>

2011(2)		
Employer	Number of Employees	Percent of total
Dow Chemical Company	1,500	35%
Iberville Parish School Board	675	16%
Georgia Gulf	370	9%
Syngenta	340	8%
HBT	300	7%
Iberville Parish Council	270	6%
Total Petrochemicals USA, Inc.	244	6%
Wal-Mart	220	5%
Olin Chlor Alkali Products	160	4%
Shintech	160	4%
	<u>4,239</u>	<u>100%</u>

(1) Source: 2019 Iberville Parish Council CAFR.

(2) Source: 2011 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									
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
General Government	8	9	10	10	8	11	11	8	8	10
Police Department	9	8	14	13	12	12	15	12	14	17
Street Maintenance	6	6	6	6	6	6	6	6	6	6
Gas Utility	3	3	2	2	3	3	3	2	2	3
Water Utility	5	4	3	3	2	2	2	1	1	3
Sewer Utility	1	1	1	1	1	1	1	1	1	1
Total employees	<u>32</u>	<u>31</u>	<u>36</u>	<u>35</u>	<u>32</u>	<u>35</u>	<u>38</u>	<u>30</u>	<u>32</u>	<u>40</u>

Source: Town of White Castle

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

	FISCAL YEAR									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Function:										
Public Safety:										
Police:										
Traffic violations	480	491	1,700	1,339	1,040	151	300	316	371	364
Administration:										
Occupational licenses	294	287	282	316	332	301	308	322	332	302
Building permits - single family	-	-	-	-	-	-	-	4	9	-
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	438	451	451	456	461	455	487	452	488	486
Water:										
Number of users	735	752	751	751	762	755	769	769	763	767
Wastewater:										
Number of users	701	737	736	747	744	742	756	757	749	752
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	5	5	5	4	4	4	4	4	4

Source: Town of White Castle

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

Major Programs	FISCAL YEAR									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
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	4	5	5	5	5	5	5	5	5	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	3	3
Streets and Sanitation:										
Number of vehicles	5	5	5	5	5	5	5	5	5	5
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	5	5	5	4	4	4	4	4	4
Number of community centers	2	2	2	2	2	2	1	1	1	1

Source: Town of White Castle

SPECIAL INDEPENDENT AUDITORS' REPORTS



2020





J. WALKER & COMPANY^{APC}

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 John Morris, 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, each major fund, and the aggregate remaining fund information of the Town of White Castle, Louisiana, as of and for the year ended September 30, 2020, 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 May 20, 2021.

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.

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. 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.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weakness or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiency

OFFICES:

2740 RUE DE JARDIN
STE.100
LAKE CHARLES
LOUISIANA 70605
(O) 337-478-7902
(F) 337-478-3345

5100 WESTHEIMER
SUITE 230
HOUSTON
TEXAS 77056
(O) 713-588-4460
(F) 713-966-6125

WWW.JWALKERCO.COM

MEMBER OF:

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in internal control, described in the accompanying schedule of findings and responses, as item [2020-01] that we consider to be significant deficiency.

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

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 responses. 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

May 20, 2021



TOWN OF WHITE CASTLE, LOUISIANA

Schedule of Findings and Responses For the Year Ended September 30, 2020

I Summary of Auditors' Results

a. Financial Statements

1. The independent auditors' report expresses an unmodified opinion on the financial statements of the Town of White Castle, Louisiana.
2. There was one control deficiency 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*. The deficiency is reported as significant deficiency.
3. There were no 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. Management letter was issued in connection with the audit for the year ended September 30, 2020.

TOWN OF WHITE CASTLE, LOUISIANA

Schedule of Findings and Responses
For the Year Ended September 30, 2020

II Findings – Financial Statement Audit

INTERNAL CONTROL AND COMPLIANCE FINDINGS

2020-01 Quarterly Audits of Traffic Citations

Fiscal Year Finding Originated: Unknown.

Condition:

No documentation provided to demonstrate that Town officials conducted quarterly audits of all traffic citations as required by state law.

Criteria:

State law 32:398.3(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.

Cause:

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

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.

TOWN OF WHITE CASTLE, LOUISIANA

Summary of Prior Year Findings
For the Year Ended September 30, 2020

III Summary of Prior Year Findings

INTERNAL CONTROL AND COMPLIANCE FINDINGS

2019-01 Credit Card Transactions

Fiscal Year Finding Originated: 2018

Condition:

A sample of transactions were selected from all the Town's credit card transactions. The Town was unable to provide documentation relating to the business purpose for some of the transactions sampled. It was not clear what the business purpose and use of the 56 out of 56 credit card charges were. Transactions charged to credit cards (Dollar Tree, Wal-Mart, Sam's Club, Amazon, and Apple iTunes) and were without receipts/documentation; the business purpose of the purchases was not clear.

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 related to Town business.

Recommendation:

Town should strengthen controls to ensure that transactions have a clear business purpose. The Town should emphasize with credit card holders the importance of proper usage of the credit card in accordance with the Town's credit card policy.

Current Status:

Resolved

2019-02 Past Due Utility Accounts

Fiscal Year Finding Originated: Unknown

Condition:

The Town had a past due utility account balances from certain elected officials at certain times during the fiscal year ending September 30, 2019. During the year, the utility accounts for some elected officials were up to 3 months past due. Several elected officials had outstanding past due utility account balances throughout the fiscal period.

TOWN OF WHITE CASTLE, LOUISIANA

Summary of Prior Year Findings (continued)
For the Year Ended September 30, 2020

2019-02 Past Due Utility Accounts, continued

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.

Recommendation:

The Town of White Castle should monitor the past due accounts to ensure that all customers, including elected officials and employees, are paying utility bills in full as they become due. The suspension of services for past due accounts were not applied, due to the Governor’s Executive Order suspending the termination of utility services for non-payment due to COVID-19. Given the issue relating to COVID-19, no testing was performed relating to this control. This matter will be considered in next audit period.

Current Status:

Resolved

2019-03 No Authorization for Overtime Payments to Town employees

Fiscal Year Finding Originated: 2018

Condition:

Overtime payments are being made to Town employees with no documented authorization of the overtime. In one instance, an office clerk received more than 404 hours of overtime payments during the fiscal period totaling \$10,004 in additional compensation to the employee. The Town was unable to provide documentation authorizing the overtime or purpose for the overtime.

Criteria

Absent an ordinance or human resource manual/handbook in place that gives specific information relative to overtime pay; the mayor or authorized department head should provide written authorization for the overtime. In our review, no evidence/documentation was provided authorizing the overtime paid to Town employees.

Recommendation:

Town of White Castle should adhere to Louisiana Law, Lawrason Act, and labor laws relative to use of overtime for hourly and salaried employees. The Mayor should exercise responsibility for pre-authorizing overtime for administrative staff and/or approving overtime.

TOWN OF WHITE CASTLE, LOUISIANA

Summary of Prior Year Findings (continued)
For the Year Ended September 30, 2020

Current Status:

Resolved

2019-04 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:

State law 32:398.3(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.

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.

Current Status:

Unresolved. See 2020-01

2019-05 Failure to Collect Reconnection Fees Due to the Town

Fiscal Year Finding Originated: Unknown.

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.

TOWN OF WHITE CASTLE, LOUISIANA

Summary of Prior Year Findings (continued)
For the Year Ended September 30, 2020

2019-05 Failure to Collect Reconnection Fees Due to the Town, continued

Criteria:

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

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.

Recommendation:

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

Current Status:

Resolved

2019-06 Noncompliance with Public Bid Law

Fiscal Year Finding Originated: 2019

Condition:

No documentation provided by Town indicating contract awarded under a public bid process. Auditor unable to determine if contracts were approved by Town.

Criteria:

R.S 38:2212 requires the Town to conduct competitive bids for all purchases exceeding \$30,000.

Recommendation:

We recommend that Town establish controls to ensure that the public bid laws for goods and services exceeding \$30,000 are followed regarding prospective contractors.

Current Status:

Resolved



Town Of White Castle, Louisiana

John Morris, III., Mayor • Mario D. Brown, Chief of Police • Monica A. Hamilton, Town Clerk
Aldermen: Melissa Allen • Erick Batiste • Candice Depron • Kipp Knight • Barbara O'Bear (Mayor Pro-Temp)

May 20, 2021

J. Walker & Company, APC
2740 Rue de Jardin, Ste. 100
Lake Charles, LA 70605

Thank you for serving the Town of White Castle (Town) by conducting our audit for the year ended September 30, 2020. Below is the Town's corrective action plan related to your recommendations for our financial practices.

2020-01 Quarterly Audits of Traffic Citations

The Town will review this matter with the Chief of Police and collaborate with the Police Department to implement procedures for quarterly review of traffic fine activity by the Town Clerk in addition to review of all traffic citations by the Town's Police Department. Additionally, the Town will ensure that each traffic citation written is sent to the proper authorities.

Sincerely,

John Morris,
Mayor

SPECIAL ACKNOWLEDGEMENTS

John Morris
Mayor

Monica Hamilton
Town Clerk

Heather A. Jones
Assistant Town Clerk

Sheryl Johnson
Accounting Clerk

Kay Leblanc
Accounting Clerk



J. WALKER & COMPANY^{APC}

ACCOUNTANTS AND ADVISORS

May 20, 2021

Honorable John Morris, Mayor
and Members of the Town Council
Town of White Castle, Louisiana

Dear Sirs/Madams:

In planning and performing our audit of the financial statements of Town of White Castle (the "Town") as of and for the year ended September 30, 2020 in accordance with auditing standards generally accepted in the United States of America, we considered the Town's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town'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 discussed below, we identified a certain deficiency internal control that we consider to be a significant deficiency.

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 Organization's financial statements will not be prevented or detected and corrected on a timely basis. We did not identify any deficiencies in internal control that we consider to be material weaknesses.

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.

During our audit we became aware of several matters as they are significant enough in manner to warrant comment. As, these comments are opportunities for strengthening internal controls and operating efficiency. The memorandum that accompanies this letter summarizes our comments and recommendations regarding those matters.

Management's written responses to the comments that follow have not been subjected to the audit procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

OFFICES:

2740 RUE DE JARDIN
STE.100
LAKE CHARLES
LOUISIANA 70605
(O) 337-478-7902
(F) 337-478-3345

5100 WESTHEIMER
SUITE 230
HOUSTON
TEXAS 77056
(O) 713-588-4460
(F) 713-966-6125

WWW.JWALKERCO.COM

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Current Year Comments

Collection of Reconnections Fees Due to the Town

2020 Observation: During our audit, we observed that before the Governor's Executive order suspending the disconnection of utilities due to Covid-19, that several customer services accounts where services were disconnected and reconnected once the outstanding balance was paid or payment arrangements made. Auditor noted that in some instances no reconnection fee was assessed

2020 Recommendation: We recommend that once the Governor's Executive order suspending the disconnection of utility services is lifted that the Town establishes controls to ensure proper fees are assessed to and collected from customers.

Test of Bank Reconciliations

2020 Observation: During our audit, we observed that bank reconciliations did not include evidence that a member of management or a councilmember who does not handle cash, post ledgers, or issue checks has reviewed the bank reconciliations.

2020 Recommendation: We recommend that a member or manger or the Town council review all bank reconciliations and once they are reviewed that they sign and date the bank reconciliation.

Collections

2020 Observation: During the audit, we noted that all employees who are responsible for collecting cash share and have access to the same cash drawer/register.

2020 Recommendation: We recommend that the Town issue individual locked cash drawer/register to each employee who has cash collection responsibilities and that the boxes are balanced daily. This process will enhance controls over cash and the collection process.

Bank Deposits

2020 Observation: During the audit, we noted that three deposits on one date in August of 2020, that the Town did not make bank deposits within one business day of receipt.

2020 Recommendation: We recommend that the Town take every effort to ensure that all deposits are made within one business day of receipt.

Purchasing

2020 Observation: During the audit, we noted instances where the Town did not properly utilize its purchase order system for the purchases of goods and/or services.



2020 Recommendation: To reduce the possibility of unauthorized purchases, and to retain control over the purchasing process. We recommend that the following practices and procedures be implemented:

Purchasing Continued

- A clerk should be responsible for the maintenance and distribution of all purchase orders.
- The purchasing department should retain copies of all purchase orders in numerical, rather than chronological order.
- The Mayor should approve all issued purchase orders.
- A copy of all issued purchase orders should be forwarded to the accounting department as well as a copy being retained in the purchasing department.
- An employee in the department that requested the goods/services should be responsible for receipt of the goods/services in satisfactory condition, etc. and sign off the receiving departments copy of the purchase order and invoice approving payment.
- The accounting department should receive the receiving department copy of the purchase order as well as all other related documents from the receiving department for matching with the vendor's invoice.

Credit Card Late Fees

2020 Observation: During the audit, we noted two instances in February and September of 2020 where late fees were assessed on the Town's credit card statements. This causes the city to pay unnecessary late fees and possibly affect its positive credit rating.

2020 Recommendation: We recommend that the Town closely monitor when credit card payment is due and ensure that all payments are made on or before the required due date.

Contracts

2020 Observation: During the audit, we noted that Town could not provide copies of all requested contracts.

2020 Recommendation: We recommend that the Town establish controls to obtain and maintain current copies of all contracts and keep them in a readily accessible location. Additionally, the Town should ensure that all contracts/purchase over \$30,000 are done so in accordance with R.S 38:2212 which requires the Town to conduct competitive bids.

Overtime

2020 Observation: During the audit, we noted that the Town (including the Police Department) was unable to provide written documentation that overtime paid to employees was approved by someone in management. If overtime was approved by management, no written policy was provided on the process for approving overtime.

2020 Recommendation: We recommend that the Mayor and/or Police Chief provide an email or an overtime approval form to the payroll/personnel department once they verbally approve overtime for their respective departments. Some form of written documentation should be provided. (i.e. email or overtime approval form)



Personnel

2020 Observation: During the audit, we noted that Town could not provide copies of all I-9 forms requested

2020 Recommendation: We recommend that the Town ensures that all employees complete I-9 forms upon hire and that the personnel department verifies that employee portion is correct and completes the employer portion within three business days of hiring the employee. Also, all I-9 forms should be kept in separate binder or file specially designated for I-9 forms in alphabetical order.

Status of Prior Year Comments

No Prior Year Comments

This communication is intended solely for the information and use of management, the Board of Trustees and others within the organization and should not be used by anyone other than these specified parties.

J. Walker & Company, APC
Lake Charles, Louisiana





Town Of White Castle, Louisiana

John Morris, III., Mayor • Mario D. Brown, Chief of Police • Monica A. Hamilton, Town Clerk
Alderman: Melissa Allen • Erick Batiste • Candice Depron • Kipp Knight • Barbara O'Bear (Mayor Pro-Temp)

May 20, 2021

J. Walker & Company, APC
2740 Rue de Jardin, Ste. 100
Lake Charles, LA 70605

Thank you for serving the Town of White Castle (Town) by conducting our audit for the year ended September 30, 2020. Below is the Town's corrective action plan related to your recommendations for our financial practices.

Collection of Reconnection Fees Due to the Town

The Town is in the process of enhancing controls to ensure fees are assessed properly in relation to reconnections of accounts previous disconnected due to outstanding delinquent balances. The Town believes this matter will improve significantly once the Governor's Executive order suspending the disconnection of utilities due to COVID-19. Additionally, the Town is working out payment plan programs with customers to collect delinquent balances due to the COVID suspension.

Test of Bank Reconciliations

The Town will implement procedures to include the Mayor to review and sign and date monthly bank reconciliations for all cash accounts of the Town.

Collections

The Town will issue separate cash drawers/registers to each employee that is responsible for handling cash collections. Additionally, the Town will implement procedures to ensure that each box has adequate funds to support daily cash activity and is balanced daily.

Bank Deposits

The Town will take necessary actions to ensure daily collections are deposited within one business day of receipt. The Town believes this event to be an anomaly due and is directly related to Town Hall being required to shut down on multiple occasions as a result of COVID-19 infections and exposure.

Purchasing

To retain controls over the purchasing process, the Town will enhance purchasing procedures to ensure a clerk of the Town is responsible for maintenance and distribution of all purchase orders, all copies of purchase orders are maintained in a sequential order, all purchase orders are properly approved, and all purchase orders are compared to final invoices received from vendors.

Credit Card Late Fees

The Town will closely monitor the due dates related to all credit cards utilized by the Town to ensure that payments are made timely. The Town believes this item to be irregular and is not expected to be a reoccurring matter in the future. Additionally, the \$59 in charges are considered isolated.

Contracts

The Town will implement procedures to ensure that copies of all contracts executed are retained by fiscal year and maintained in a readily accessible location. Additionally, the Town will also ensure that all contracts entered and/or purchases made over \$30,000 are done so in accordance with R.S. 38:2212, where applicable.

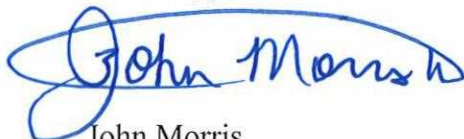
Overtime

The Town will review this matter with the Police Chief and develop procedures to ensure that all overtime that was approved verbally is also documented in written form such as through an e-mail or an overtime approval form that is to be signed by the respective department head. Additionally, the Town will develop a written policy that encompasses the aforementioned.

Personnel

The Town will implement procedures to ensure that all employees complete an I-9 form upon hire and will require the Town Clerk or finance office employee to verify the employee is correct in addition to completing the employer portion within three business days of any new hires. Additionally, the Town will take the necessary action to ensure all I-9 forms are retained in a file that is specially designed for all new hires of the Town.

Sincerely,



John Morris,
Mayor