

TOWN OF
WHITE CASTLE
LOUISIANA



2018

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018**



COMPREHENSIVE ANNUAL FINANCIAL REPORT

TOWN OF WHITE CASTLE, LOUISIANA

For the fiscal year ended September 30, 2018



Prepared by

Town of White Castle
Town Clerk's Office



TOWN OF WHITE CASTLE, LOUISIANA

TABLE OF CONTENTS

September 30, 2018

	<u>Exhibit</u>	<u>Page</u>
INTRODUCTORY SECTION		
Letter of Transmittal		v
GFOA Certificate of Achievement		ix
Principal Officials		x
Organizational Chart: Primary Government		xi
Organizational Chart: Town Clerk's Office		xii
FINANCIAL SECTION		
Independent Auditors' Report		1
Management's Discussion and Analysis		5
Basic Financial Statements:		
Government-wide Financial Statements:		
Statement of Net Position	A	17
Statement of Activities	A-1	18
Fund Financial Statements:		
Governmental Funds:		
Balance Sheets	A-2	19
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	A-3	20
Statements of Revenues, Expenditures, and Changes in Fund Balances	A-4	21
Reconciliation of the Statements of Revenues, Expenditures, and Changes in Fund Balances of the Governmental Funds to the Statement of Activities	A-5	22
Proprietary Funds:		
Statements of Net Position	A-6	23
Statements of Revenues, Expenses, and Changes in Net Position	A-7	24
Statements of Cash Flows	A-8	25
Notes to Financial Statements	A-9	27
Required Supplementary Information:		
General Fund:		
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget (GAAP Basis) and Actual	B	61

TABLE OF CONTENTS (Continued)

	<u>Exhibit</u>	<u>Page</u>
Required Supplementary Information (Continued):		
Notes to Required Supplementary Information	B-1	62
Schedule of Proportionate Share of Net Pension Liability	B-2	63
Schedule of Pension Contributions	B-3	65
Notes to Schedule of Proportionate Share of Net Pension Liability and Schedule of Pension Contributions	B-4	66
Supplementary information:		
Combining Balance Sheet - Nonmajor Governmental Funds	C	67
Combining Statement of Revenues, Expenditures, and Changes In Fund Balance - Nonmajor Governmental Funds	C-1	68
Individual Fund Statements:		
General Fund:		
Schedule of Departmental Expenditures - Budget (GAAP Basis) and Actual	C-2	69
Sinking Fund:		
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget (GAAP Basis) and Actual	C-3	72
Reserve Fund:		
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget (GAAP Basis) and Actual	C-4	73
Section 8 Fund :		
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget (GAAP Basis) and Actual	C-5	74
2008 Capital Project Fund:		
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget (GAAP Basis) and Actual	C-6	75
Schedule of Compensation, Benefits, and Other Payments to Agency Head	C-7	76
Schedule of Utility Customers	C-8	77
Schedule of Insurance in Force	C-9	78
STATISTICAL SECTION (UNAUDITED)		
Net Position By Component, Last Ten Fiscal Years	D-1	80
Changes in Net Position, Last Ten Fiscal Years	D-2	82
Governmental Activities Tax Revenues by Source, Last Ten Fiscal Years	D-3	84
Fund Balance of Governmental Funds, Last Ten Fiscal Years	D-4	85
Changes in Fund Balances of Governmental Funds, Last Ten Fiscal Years	D-5	86
Tax Revenues By Source, Governmental Funds, Last Ten Fiscal Years	D-6	88
Property Tax Rates and Tax Levies, Direct and Overlapping Governments, Last Ten Fiscal Years	D-7	89
Sales Tax Revenues, Last Ten Fiscal Years	D-8	90

TABLE OF CONTENTS (Continued)

	<u>Exhibit</u>	<u>Page</u>
STATISTICAL SECTION (UNAUDITED) (CONTINUED)		
Taxable Sales by Category – General Sales and Use Tax, Last Ten Years	D-9	91
Ratios of Outstanding Debt by Type, Last Ten Fiscal Years	D-10	92
Composition of Direct and Overlapping Government Activities Debt	D-11	93
Legal Debt Margin Calculation, Last Ten Fiscal Years	D-12	94
Pledged Revenue Coverage, Last Ten Fiscal Years	D-13	95
Demographic and Economic Statistics, Last Ten Calendar Years	D-14	96
Principal Employers, Current and Ten Years Ago	D-15	97
Full-Time Equivalent City Government Employees by Function/Department, Last Ten Fiscal Years	D-16	98
Operating Indicators by Function/Program, Last Ten Fiscal Years	D-17	99
Capital Asset Statistics by Function/Program, Last Ten Fiscal Years	D-18	100
SPECIAL INDEPENDENT AUDITORS’ REPORTS		
Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>		101
SCHEDULE OF FINDINGS AND RESPONSES		103
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS		110
MANAGEMENT’S CORRECTIVE ACTION PLAN		115
SPECIAL ACKNOWLEDGEMENTS		117



INTRODUCTORY SECTION

2018







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)

March 4, 2019

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

Dear Citizens, Mayor, and Council:

Pursuant to Louisiana State Statutes, I hereby issue the Comprehensive Annual Financial Report (CAFR) for the Town of White Castle (the Town) for the year ended September 30, 2018. 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, 2018, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first document of the financial section of this report.

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

Profile of the Government

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

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

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

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

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

Budgetary Control

The annual budget serves as the foundation for the Town's financial planning and control. The annual operating budget is proposed by the Mayor and enacted by the Town Council. The Town Council is required to adopt the final budgets no later than September 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 few decades, experiencing a growth of approximately 33% since the year 2000.

White Castle is located on the Mississippi River in the southeast region of the State of Louisiana (State) and in Iberville Parish (Parish). The Town participates in a parish-wide sales tax which is collected throughout the Parish and shared with the Parish incorporated municipalities on a pro-rata basis based on population. The largest sales tax payers in the Parish are companies involved in the petrochemical and energy sectors. Products range from refined chemicals, household products and plastic materials. These industries provide the majority of the jobs within the Town. The taxes paid by the local industries are significant to the overall Parish tax base and local economy. Because of an increase in capital acquisition and proposed construction in the petrochemical industry, the Town expects to maintain a stable level of sales tax collections through 2019. 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 2018 for operations of the Town were approximately \$2 million, which represents 11% 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 87% of available resources.

During 2018, the Town had employed labor of approximately 800 with an unemployment rate of 6% and a current median household income of \$28,177 and age of 32.

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

Major Initiatives in 2019

The Town is in the process of constructing the sidewalks and improving streetlights throughout the Town with budgeted project cost of approximately \$500,000, funded through grants. Additionally, multiple improvements to recreational facilities are incorporated in the capital projects budget with estimated project costs of \$211,000. The Town anticipates these initiatives to be concluded over the fiscal year 2019.

LONG-TERM FINANCIAL PLANNING

As mentioned above, the Town has planned to complete the construction of sidewalks and improvements to the Town's lighting by fiscal year 2019. 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. 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 the two years through 2017. 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, 2017

Christopher P. Morill

Executive Director/CEO

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

MAYOR

John Morris III

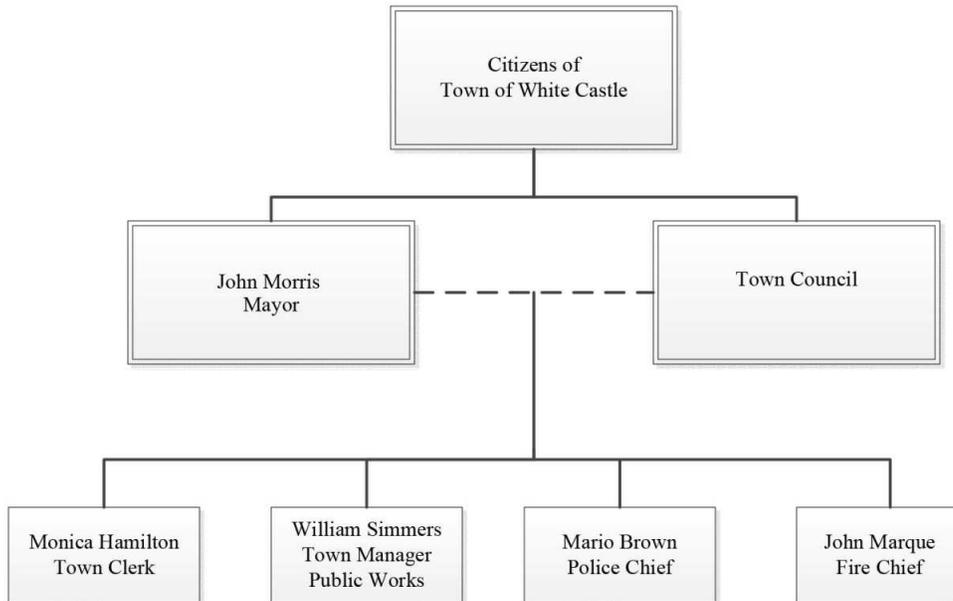
COUNCIL MEMBERS

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

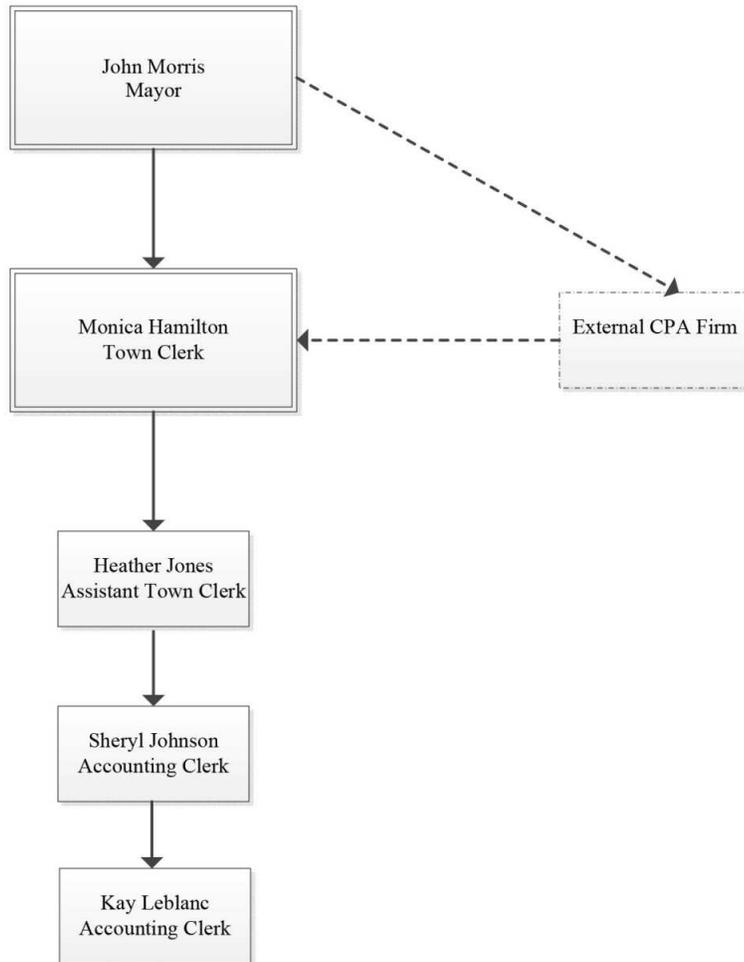
CHIEF OF POLICE

Mario Brown

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



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



FINANCIAL SECTION

2018







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, and 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, 2018, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

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MEMBER OF:

AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund, and the aggregate remaining fund information of the Town as of September 30, 2018, 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 the schedules within the statistical section, presented as referenced in the table of contents, respectively, are presented for purposes of additional analysis and are not 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 in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is 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 March 04, 2019, on our consideration of the Town of White Castle, Louisiana's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Town of White Castle, Louisiana's internal control over financial reporting and compliance.

J. Walker & Company, APC

Lake Charles, Louisiana

March 4, 2019





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, 2018. 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 2019 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, 2018 are detailed throughout this analysis. Significant highlights are as follows:

- Assets and deferred outflows of the Town exceeded its liabilities and deferred inflows by approximately \$6.9 million at the close of the year. Of this amount, \$901,000 (unrestricted net position) may be used to meet the Town's ongoing obligations to citizens and creditors.
- As of September 30, 2018, the Town's governmental funds reported combined fund balances of approximately \$1.7 million. Additionally, approximately \$1.1 million of this fund balance is unassigned.
- At year end the Town's proprietary funds reported net position of approximately \$2.9 million, of which included a deficit of \$9,000 in unrestricted net position.

USING THIS ANNUAL REPORT

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Government-Wide Financial Analysis

As mentioned earlier, changes in net position may serve over time as a useful indicator of a government's financial position. In the case of the Town, assets and deferred outflows exceeded liabilities and deferred inflows by approximately \$6.9 million at the close of the fiscal year, a decrease of approximately \$732,000 from the prior year.

(Continued)

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

Net Position September 30, 2018 and 2017 (in thousands)						
	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Current and other assets	\$ 1,751	\$ 2,884	\$ 519	\$ 555	\$ 2,270	\$ 3,439
Capital assets	<u>5,236</u>	<u>5,099</u>	<u>2,901</u>	<u>3,076</u>	<u>8,137</u>	<u>8,175</u>
Total assets	<u>6,987</u>	<u>7,983</u>	<u>3,420</u>	<u>3,631</u>	<u>10,407</u>	<u>11,614</u>
Deferred outflows of resources	<u>425</u>	<u>491</u>	<u>64</u>	<u>66</u>	<u>489</u>	<u>557</u>
Total assets and deferred outflows of resources	<u>\$ 7,412</u>	<u>\$ 8,474</u>	<u>\$ 3,484</u>	<u>\$ 3,697</u>	<u>\$ 10,896</u>	<u>\$ 12,171</u>
Current and other liabilities	\$ 295	\$ 285	\$ 145	\$ 126	\$ 440	\$ 411
Noncurrent liabilities	<u>3,042</u>	<u>3,461</u>	<u>456</u>	<u>637</u>	<u>3,498</u>	<u>4,098</u>
Total liabilities	<u>3,337</u>	<u>3,746</u>	<u>601</u>	<u>763</u>	<u>3,938</u>	<u>4,509</u>
Deferred inflows of resources	<u>79</u>	<u>49</u>	<u>19</u>	<u>21</u>	<u>98</u>	<u>70</u>
Net position:						
Net investment in capital assets	3,822	3,533	2,642	2,687	5,184	4,923
Restricted	544	528	231	224	775	752
Unrestricted	<u>(370)</u>	<u>618</u>	<u>(9)</u>	<u>2</u>	<u>901</u>	<u>1,917</u>
Total net position	<u>3,996</u>	<u>4,679</u>	<u>2,864</u>	<u>2,913</u>	<u>6,860</u>	<u>7,592</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 7,412</u>	<u>\$ 8,474</u>	<u>\$ 3,484</u>	<u>\$ 3,697</u>	<u>\$ 10,896</u>	<u>\$ 12,171</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, 2018 (76%) 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, 2017 (65%).

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 \$901,000 in unrestricted net position of the Town at the end of fiscal 2018 represents the accumulated results of operations.

Unrestricted net position of governmental activities decreased during the year by approximately 160%, or \$989,000, this decrease resulted in a deficit in unrestricted net position and is correlated to the increase in net investment in capital assets, as the Town placed new assets into service and began making payments on debt that was issued in prior years. Furthermore, unrestricted net position for business-type activities decreased by approximately \$11,000 or 564%. Collectively, the business-type activities experienced a net decrease in net position of approximately \$49,000 or 2% for the year ended September 30, 2018.

(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, 2018 and 2017
(in thousands)

	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Revenues:						
Program revenues:						
Charges for services	\$ 165	\$ 217	\$ 772	\$ 768	\$ 937	\$ 985
Operating grants and contributions	63	60	-	-	63	60
Capital grants and contributions	-	78	-	-	-	78
General revenues:						
Ad valorem	32	32	-	-	32	32
Sales taxes	2,041	2,250	-	-	2,041	2,250
Other taxes	48	52	-	-	48	52
Other general revenues	91	32	21	26	112	58
Total revenues	<u>2,440</u>	<u>2,721</u>	<u>793</u>	<u>794</u>	<u>3,233</u>	<u>3,515</u>
Functions/Program Expenses:						
General government	875	715	-	-	875	715
Public safety	741	731	-	-	741	731
Streets and sanitation	702	627	-	-	702	627
Public health	63	61	-	-	63	61
Recreation	275	245	-	-	275	245
Gas	-	-	357	346	357	346
Waterworks	-	-	500	519	500	519
Sewerage	-	-	365	380	365	380
Interest	87	102	-	-	87	102
Total expenses	<u>2,743</u>	<u>2,481</u>	<u>1,222</u>	<u>1,245</u>	<u>3,965</u>	<u>3,726</u>
Increase (decrease) in net position before transfers	(303)	240	(429)	(451)	(732)	(211)
Transfers	<u>(380)</u>	<u>(380)</u>	<u>380</u>	<u>380</u>	<u>-</u>	<u>-</u>
Change in net position	(683)	(140)	(49)	(71)	(732)	(211)
Beginning net position	<u>4,679</u>	<u>4,819</u>	<u>2,913</u>	<u>2,984</u>	<u>7,592</u>	<u>7,803</u>
Ending net position	<u>\$ 3,996</u>	<u>\$ 4,679</u>	<u>\$ 2,864</u>	<u>\$ 2,913</u>	<u>\$ 6,860</u>	<u>\$ 7,592</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 2018 by fund type.

	(in thousands)					
	2018				2017	
	General Fund	Special Revenue Fund	Debt Service Funds	Capital Project Fund	Totals	Totals
Revenues and other						
financing sources	\$ 2,358	\$ 63	\$ 181	\$ -	\$ 2,602	\$ 2,937
Expenditures and other						
financing uses	2,741	63	176	-	2,980	2,643
Transfers, net	<u>(556)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(556)</u>	<u>(558)</u>
Change in fund balance	<u>\$ (939)</u>	<u>\$ -</u>	<u>\$ 5</u>	<u>\$ -</u>	<u>\$ (934)</u>	<u>\$ (264)</u>

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

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

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

(in thousands)

Source of Revenue	2018		2017	
	Revenue	Percent	Revenue	Percent
Taxes	\$ 2,121	87	\$ 2,321	86
Licenses and permits	85	4	77	3
Intergovernmental	91	4	151	6
Miscellaneous	128	5	157	5
Total	\$ 2,425	100%	\$ 2,706	100%

The Town's governmental activities are largely supported by tax revenues, which are recorded in the General fund, representing 87% of the total governmental revenues in 2018, which decrease by approximately \$200,000 (or 9%) during the current year due primarily to decreases in sales tax revenues.

Expenditures in the Town's General fund increased by approximately \$334,000 due to increased general government related to various community events and streets and sanitation expenditures for tree removal and beautification projects during 2018. The Town's Sinking fund expenditures remained relatively consistent for the year. Overall, expenditures of the governmental funds increased by approximately \$337,000 in 2018. The increase in expenditures is correlated with general government and streets and sanitation projects. Expenditures for all governmental funds by each major function are summarized below.

(in thousands)

Function	2018		2017	
	Expenditure	Percent	Expenditure	Percent
General government	\$ 786	26	\$ 633	24
Public safety	646	22	619	23
Streets and sanitation	614	21	451	17
Public health	63	2	60	2
Recreation	84	3	81	3
Debt service	266	11	249	10
Capital outlay	521	18	550	21
Total	\$ 2,980	100%	\$ 2,643	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, 2018. Additionally, Gas, Water and Sewer experienced operating losses as summarized in the table below.

	(in thousands)			
	2018		2017	
	Total	Percent	Total	Percent
<u>Operating revenues:</u>				
Gas	\$ 260	33	\$ 252	32
Waterworks	246	31	243	31
Sewerage	279	36	293	37
Total revenues	<u>785</u>	<u>100</u>	<u>788</u>	<u>100</u>
<u>Operating expenses:</u>				
Gas	357	30	347	28
Waterworks	490	41	507	42
Sewerage	357	29	368	30
Total expenses	<u>1,204</u>	<u>100</u>	<u>1,222</u>	<u>100</u>
Net operating loss	<u>\$ (419)</u>	<u>(55)</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 \$424,000 and reduce sales tax revenue by \$220,000. Actual total revenues were approximately \$70,000 less than the final budget, primarily due to no grant funding received in 2018.

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 general government and streets and sanitation for beautification projects in the Town. The decrease in capital outlay expenditures from the original budget of approximately \$201,000 was the result of expected postponement of capital outlay projects and grant funding.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2018 the Town had approximately \$8,137,000 invested in a broad range of capital assets including streets, heavy equipment for street and drainage maintenance, vehicles, computer equipment, office furniture, land, buildings, park facilities, gas and water distribution systems, and sewer treatment systems. This amount represents a net decrease of \$38,000, or 1% over the prior fiscal year. The 2018 additions in the governmental and business type activities were approximately \$522,000 and \$38,000, respectively. Additions included the purchase of equipment and improvements to the Community Center and Splash Park. During 2018, depreciation expense for the governmental and business type activities were approximately \$384,000 and 213,000, respectively.

	in thousands (net of depreciation)					
	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Land	\$ 321	\$ 321	\$ 41	\$ 41	\$ 362	\$ 362
Construction in progress	269	103	-	-	269	103
Buildings and systems	1,049	918	2,777	2,947	3,826	3,865
Equipment and vehicles	449	468	83	88	532	556
Improvements other than buildings	82	121	-	-	82	121
Infrastructure	<u>3,066</u>	<u>3,168</u>	<u>-</u>	<u>-</u>	<u>3,066</u>	<u>3,168</u>
 Total assets, net of depreciation	 <u>\$5,236</u>	 <u>\$5,099</u>	 <u>\$2,901</u>	 <u>\$3,076</u>	 <u>\$8,137</u>	 <u>\$8,175</u>

The Town's fiscal year 2018 capital budget included purchases for equipment and building improvements. More detailed information about the Town's capital assets is presented in Note 5 to the financial statements.

Debt

On September 30, 2018, the Town had \$3,774,000 in outstanding debt, compared to \$4,098,000 on September 30, 2017, a decrease of 8%, as shown in the following table.

	(in thousands)					
	Governmental		Business-type		Total	
	Activities	Activities	Activities	Activities	Activities	Activities
	2018	2017	2018	2017	2018	2017
Public improvement bonds	\$ 2,560	\$ 2,645	\$ -	\$ 50	\$ 2,560	\$ 2,695
Premium on bond issuance	26	29	-	-	26	29
Installment purchase agreements	108	190	-	-	108	190
Net pension liability	540	578	231	223	771	801
Revenue bonds	-	-	259	338	259	338
Accrued sick leave	24	19	26	26	50	45
	<u>\$ 3,258</u>	<u>\$ 3,461</u>	<u>\$ 516</u>	<u>\$ 637</u>	<u>\$ 3,774</u>	<u>\$ 4,098</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 2019 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 2019. Amounts available for appropriation in the General Fund are \$2.7 million. Property taxes, licensing fees, sales taxes, franchise taxes, and utility taxes are expected to remain consistent with the final 2018 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 \$2.7 million, with the largest expenditures allocated to capital projects related to streets that will be financed through capital grants. If these estimates are realized, the General Fund's fund balance is expected to remain the same.

OTHER INFORMATION

Contacting The Town's Financial Management

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

Town Council

Melissa Allen

Erick Batiste

Candice Depron

Kipp Knight

Barbara O'Bear

BASIC FINANCIAL STATEMENTS

2018





TOWN OF WHITE CASTLE, LOUISIANA

STATEMENT OF NET POSITION

September 30, 2018

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 701,051	\$ 106,897	\$ 807,948
Investments - certificate of deposit	253,917	151,125	405,042
Accounts receivable, net	16,127	143,642	159,769
Due from other governments	384,723	-	384,723
Prepaid insurance	25,700	25,702	51,402
Internal balances	227,000	(227,000)	-
Inventories	-	14,717	14,717
Restricted cash	142,296	303,789	446,085
Capital assets:			
Non depreciable	590,744	40,588	631,332
Depreciable, net	<u>4,645,681</u>	<u>2,860,623</u>	<u>7,506,304</u>
Total assets	6,987,239	3,420,083	10,407,322
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pension liability	228,386	63,780	292,166
Deferred outflows related to debt refunding	<u>196,432</u>	<u>-</u>	<u>196,432</u>
Total deferred outflows of resources	<u>424,818</u>	<u>63,780</u>	<u>488,598</u>
Total assets and deferred outflows of resources	<u>\$ 7,412,057</u>	<u>\$ 3,483,863</u>	<u>\$ 10,895,920</u>
LIABILITIES			
Accounts payable	\$ 32,351	\$ -	\$ 32,351
Payroll and other accrued liabilities	46,144	11,266	57,410
Unearned revenue	-	222	222
Customer deposits	-	73,232	73,232
Long-term payables:			
Due within one year	216,284	59,901	276,185
Due in more than one year	2,502,166	225,284	2,727,450
Net pension liability	<u>539,777</u>	<u>230,983</u>	<u>770,760</u>
Total liabilities	<u>3,336,722</u>	<u>600,888</u>	<u>3,937,610</u>
DEFERRED INFLOWS OF RESOURCES			
Pension liability	68,493	19,076	87,569
Other	<u>10,262</u>	<u>-</u>	<u>10,262</u>
Total deferred inflows of resources	<u>78,755</u>	<u>19,076</u>	<u>97,831</u>
NET POSITION			
Net investment in capital assets	3,822,441	2,642,311	5,184,752
Restricted for:			
Debt service	258,662	97,160	355,822
Capital projects	285,695	133,397	419,092
Unrestricted	<u>(370,218)</u>	<u>(8,969)</u>	<u>900,813</u>
Total net position	<u>3,996,580</u>	<u>2,863,899</u>	<u>6,860,479</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 7,412,057</u>	<u>\$ 3,483,863</u>	<u>\$ 10,895,920</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, 2018

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
Primary government:						
Governmental activities:						
General government	\$ 877,642	\$ 94,315	\$ -	\$ (783,327)	\$ -	\$ (783,327)
Public safety	739,007	70,973	-	(668,034)	-	(668,034)
Streets and sanitation	701,517	-	-	(701,517)	-	(701,517)
Public health	63,444	-	63,438	(6)	-	(6)
Recreation	274,591	-	-	(274,591)	-	(274,591)
Interest on long-term debt	86,671	-	-	(86,671)	-	(86,671)
Total governmental activities	<u>2,742,872</u>	<u>165,288</u>	<u>63,438</u>	<u>(2,514,146)</u>	<u>-</u>	<u>(2,514,146)</u>
Business-type activities:						
Gas	357,422	256,837	-	-	(100,585)	(100,585)
Waterworks	499,638	236,250	-	-	(263,388)	(263,388)
Sewerage	<u>364,432</u>	<u>278,605</u>	<u>-</u>	<u>-</u>	<u>(85,827)</u>	<u>(85,827)</u>
Total business-type activities	<u>1,221,492</u>	<u>771,692</u>	<u>-</u>	<u>-</u>	<u>(449,800)</u>	<u>(449,800)</u>
Total primary government	<u>\$3,964,364</u>	<u>\$ 936,980</u>	<u>\$ 63,438</u>	<u>(2,514,146)</u>	<u>(449,800)</u>	<u>(2,963,946)</u>
General revenues:						
Taxes:						
Ad valorem				31,802	-	31,802
Sales and use				2,041,036	-	2,041,036
Franchise				37,231	-	37,231
Video poker				8,474	-	8,474
Other				2,519	-	2,519
Grants and contribution not restricted to specific programs				33,577	20,640	54,217
Investment earnings				28,969	33	29,002
Payments in-lieu of taxes				28,034	-	28,034
Transfers				<u>(380,000)</u>	<u>380,000</u>	<u>-</u>
Total general revenues and transfers				<u>1,831,642</u>	<u>400,673</u>	<u>2,232,315</u>
Change in net position				(682,504)	(49,127)	(731,631)
NET POSITION						
Beginning of year				<u>4,679,084</u>	<u>2,913,026</u>	<u>7,592,110</u>
Ending of year				<u>\$ 3,996,580</u>	<u>\$ 2,863,899</u>	<u>\$6,860,479</u>

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

TOWN OF WHITE CASTLE, LOUISIANA

BALANCE SHEETS
GOVERNMENTAL FUNDS

September 30, 2018

	General	Sinking Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 160,451	\$ 6,209	\$ 534,391	\$ 701,051
Investments - certificates of deposit	253,917	-	-	253,917
Account receivable	16,127	-	-	16,127
Due from other governments	384,723	-	-	384,723
Due from other funds	405,000	122,000	-	527,000
Prepaid insurance	25,700	-	-	25,700
Restricted cash	-	142,296	-	142,296
	<u>-</u>	<u>142,296</u>	<u>-</u>	<u>142,296</u>
Total assets	<u>\$ 1,245,918</u>	<u>\$ 270,505</u>	<u>\$ 534,391</u>	<u>\$ 2,050,814</u>
LIABILITIES				
Accounts payable	\$ 32,351	\$ -	\$ -	\$ 32,351
Payroll and other accrued liabilities	30,867	-	-	30,867
Due to other funds	65,000	235,000	-	300,000
	<u>65,000</u>	<u>235,000</u>	<u>-</u>	<u>300,000</u>
Total liabilities	<u>128,218</u>	<u>235,000</u>	<u>-</u>	<u>363,218</u>
DEFERRED INFLOWS OF RESOURCES				
Other	-	-	10,262	10,262
	<u>-</u>	<u>-</u>	<u>10,262</u>	<u>10,262</u>
FUND BALANCE				
Nonspendable	25,700	-	-	25,700
Restricted for:				
Debt service	-	35,505	238,434	273,939
Capital projects	-	-	285,695	285,695
Unassigned	1,092,000	-	-	1,092,000
	<u>1,092,000</u>	<u>-</u>	<u>-</u>	<u>1,092,000</u>
Total fund balance	<u>1,117,700</u>	<u>35,505</u>	<u>524,129</u>	<u>1,677,334</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 1,245,918</u>	<u>\$ 270,505</u>	<u>\$ 534,391</u>	<u>\$ 2,050,814</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, 2018

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

Total fund balances - governmental funds (Exhibit A-2)	\$	1,677,334
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds, net of accumulated depreciation		5,236,425
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		196,432
Long-term liabilities (e.g. bonds, leases), are not due and payable in the current period and, therefore, are not reported in the governmental funds.		
Deferred outflows related to pension liability	228,386	
Accrued interest payable	(15,277)	
Net pension liability	(539,777)	
Deferred inflows related to pension liability	(68,493)	
Premium on bond issuance	(25,696)	
Bonds payable, installment purchase agreements, and claims and judgements	(2,668,288)	
Compensated absences payable	(24,466)	(3,113,611)
Net position of governmental activities (Exhibit A)	\$	<u>3,996,580</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, 2018

	<u>General Fund</u>	<u>Sinking Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES				
Taxes	\$ 2,121,062	\$ -	\$ -	\$ 2,121,062
Intergovernmental	28,034	-	63,438	91,472
License and permits	84,897	-	-	84,897
Fines	70,973	-	-	70,973
Other	<u>52,900</u>	<u>3,966</u>	<u>301</u>	<u>57,167</u>
 Total revenues	 <u>2,357,866</u>	 <u>3,966</u>	 <u>63,739</u>	 <u>2,425,571</u>
EXPENDITURES				
Current function				
General government	785,544	-	-	785,544
Public safety	646,070	-	-	646,070
Streets and sanitation	613,605	-	-	613,605
Public health	-	-	63,444	63,444
Recreation	84,018	-	-	84,018
Debt service:				
Principal	81,851	85,000	-	166,851
Interest	8,010	90,800	-	98,810
Capital outlay	<u>521,578</u>	<u>-</u>	<u>-</u>	<u>521,578</u>
 Total expenditures	 <u>2,740,676</u>	 <u>175,800</u>	 <u>63,444</u>	 <u>2,979,920</u>
 Excess (deficiency) of revenues over expenditures	 <u>(382,810)</u>	 <u>(171,834)</u>	 <u>295</u>	 <u>(554,349)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	176,000	-	176,000
Transfers out	<u>(556,000)</u>	<u>-</u>	<u>-</u>	<u>(556,000)</u>
 Total other financing sources (uses)	 <u>(556,000)</u>	 <u>176,000</u>	 <u>-</u>	 <u>(380,000)</u>
 Net change in fund balance	 <u>(938,810)</u>	 <u>4,166</u>	 <u>295</u>	 <u>(934,349)</u>
FUND BALANCE				
Beginning of year	<u>2,056,510</u>	<u>31,339</u>	<u>523,834</u>	<u>2,611,683</u>
End of year	<u>\$ 1,117,700</u>	<u>\$ 35,505</u>	<u>\$ 524,129</u>	<u>\$ 1,677,334</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, 2018

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)	\$	(934,349)
<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	(384,246)	
Capital outlay	521,578	137,332
<p>The liability and expense for compensated absences are not reported in governmental funds. Instead, payments for compensated absences are reported as salaries when they occur. Only the payment consumes current financial resources and it would take a catastrophic event for this liability to become a current liability.</p>		
		(5,209)
<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	166,851	
Amortization of deferred loss on refunding bonds	(6,139)	
Amortization of bond premium	2,756	163,468
<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		12,139
Change in net pension obligations are reported only in the Statement of Activities		(55,885)
Change in net position of governmental activities (Exhibit A-1)	\$	(682,504)

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, 2018

	Gas Utility Fund	Waterworks Utility Fund	Sewerage Utility Fund	Total
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 13,393	\$ 4,535	\$ 88,969	\$ 106,897
Investments - certificates of deposit	43,039	60,773	47,313	151,125
Accounts receivable, net	35,341	51,840	56,461	143,642
Prepaid insurance	8,567	8,567	8,568	25,702
Due from other funds	150,000	65,000	250,000	465,000
Inventories	4,439	10,278	-	14,717
Total current assets	254,779	200,993	451,311	907,083
Long-term assets:				
Restricted cash	39,910	77,078	186,801	303,789
Capital assets:				
Non-depreciable	-	9,000	31,588	40,588
Depreciable, net	21,973	1,686,570	1,152,080	2,860,623
Total noncurrent assets	61,883	1,772,648	1,370,469	3,205,000
Total assets	316,662	1,973,641	1,821,780	4,112,083
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows related to pension liability	31,890	31,890	-	63,780
Total assets and deferred outflows of resources	\$ 348,552	\$ 2,005,531	\$ 1,821,780	\$ 4,175,863
LIABILITIES				
Current liabilities:				
Payroll and other accrued liabilities	\$ 7,822	\$ 6,821	\$ 2,173	\$ 16,816
Customer deposits	39,910	33,322	-	73,232
Bonds payable	-	6,376	47,975	54,351
Unearned revenues	222	-	-	222
Due to other funds	170,000	522,000	-	692,000
Total current liabilities	217,954	568,519	50,148	836,621
Long-term liabilities:				
Accrued sick leave	14,214	6,521	-	20,735
Bonds payable	-	135,132	69,417	204,549
Net pension liability	115,492	115,491	-	230,983
Total noncurrent liabilities	129,706	257,144	69,417	456,267
Total liabilities	347,660	825,663	119,565	1,292,888
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to pension liability	9,538	9,538	-	19,076
NET POSITION				
Net investment in capital assets	21,973	1,554,062	1,066,276	2,642,311
Restricted for:				
Debt service	-	13,376	83,784	97,160
Capital projects	-	30,380	103,017	133,397
Unrestricted	(30,619)	(427,488)	449,138	(8,969)
Total net position	(8,646)	1,170,330	1,702,215	2,863,899
Total liabilities, deferred inflows of resources, and net position	\$ 348,552	\$ 2,005,531	\$ 1,821,780	\$ 4,175,863

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, 2018

	Gas Utility Fund	Waterworks Utility Fund	Sewerage Utility Fund	Total
OPERATING REVENUES				
Charges for services	\$ 256,837	\$ 236,250	\$ 278,605	\$ 771,692
Other	3,417	9,894	473	13,784
Total operating revenues	<u>260,254</u>	<u>246,144</u>	<u>279,078</u>	<u>785,476</u>
OPERATING EXPENSES				
Administration	128,852	184,574	132,342	445,768
Field	163,586	212,314	105,693	481,593
Depreciation	718	93,109	118,967	212,794
Gas purchases	64,266	-	-	64,266
Total operating expenses	<u>357,422</u>	<u>489,997</u>	<u>357,002</u>	<u>1,204,421</u>
Operating income (loss)	<u>(97,168)</u>	<u>(243,853)</u>	<u>(77,924)</u>	<u>(418,945)</u>
NON-OPERATING				
Interest income	-	33	-	33
Other contributions	3,428	3,428	-	6,856
Interest expense	-	(9,641)	(7,430)	(17,071)
Total non-operating, net	<u>3,428</u>	<u>(6,180)</u>	<u>(7,430)</u>	<u>(10,182)</u>
Loss before transfers	(93,740)	(250,033)	(85,354)	(429,127)
Transfers in	80,000	190,000	120,000	390,000
Transfers out	-	-	(10,000)	(10,000)
Net income (loss)	(13,740)	(60,033)	24,646	(49,127)
NET POSITION				
Beginning of year	<u>5,094</u>	<u>1,230,363</u>	<u>1,677,569</u>	<u>2,913,026</u>
Ending of year	<u>\$ (8,646)</u>	<u>\$ 1,170,330</u>	<u>\$ 1,702,215</u>	<u>\$ 2,863,899</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, 2018

	Gas Utility Fund	Waterworks Utility Fund	Sewerage Utility Fund	Totals
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers and users	\$ 258,646	\$ 241,660	\$ 282,530	\$ 782,836
Payments to suppliers for goods and services	(219,867)	(229,804)	(196,869)	(646,540)
Payments to employees for services and benefits	(136,605)	(188,840)	(46,570)	(372,015)
Other operating revenues	<u>3,417</u>	<u>9,894</u>	<u>473</u>	<u>13,784</u>
Net cash (used) provided by operating activities	<u>(94,409)</u>	<u>(167,090)</u>	<u>39,564</u>	<u>(221,935)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Due to other funds	-	(65,000)	-	(65,000)
Transfers in	80,000	190,000	120,000	390,000
Transfers out	<u>-</u>	<u>-</u>	<u>(10,000)</u>	<u>(10,000)</u>
Net cash provided by noncapital activities	<u>80,000</u>	<u>125,000</u>	<u>110,000</u>	<u>315,000</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition and construction of capital assets	(21,971)	-	(16,449)	(38,420)
Interest expense	-	(9,641)	(7,430)	(17,071)
Repayment of revenue bonds	<u>-</u>	<u>(56,081)</u>	<u>(73,492)</u>	<u>(129,573)</u>
Net cash used by capital activities	<u>(21,971)</u>	<u>(65,722)</u>	<u>(97,371)</u>	<u>(185,064)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Change in investment	(33,484)	(60,773)	(25,302)	(119,559)
Interest income	<u>-</u>	<u>33</u>	<u>-</u>	<u>33</u>
Net cash used by investing activities	<u>(33,484)</u>	<u>(60,740)</u>	<u>(25,302)</u>	<u>(119,526)</u>
Increase (decrease) in cash	(69,864)	(168,552)	26,891	(211,525)
CASH AND CASH EQUIVALENTS, including restricted cash				
Beginning of period	<u>123,167</u>	<u>250,165</u>	<u>248,879</u>	<u>622,211</u>
End of period	<u>\$ 53,303</u>	<u>\$ 81,613</u>	<u>\$ 275,770</u>	<u>\$ 410,686</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, 2018

	<u>Gas Utility Fund</u>	<u>Waterworks Utility Fund</u>	<u>Sewerage Utility Fund</u>	<u>Totals</u>
RECONCILIATION OF CASH				
Cash and cash equivalents	\$ 13,393	\$ 4,535	\$ 88,969	\$ 106,897
Restricted cash	<u>39,910</u>	<u>77,078</u>	<u>186,801</u>	<u>303,789</u>
Total cash	<u>\$ 53,303</u>	<u>\$ 81,613</u>	<u>\$ 275,770</u>	<u>\$ 410,686</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:				
Operating loss	\$ (97,168)	\$ (243,853)	\$ (77,924)	\$ (418,945)
Adjustments of operating income (loss):				
Depreciation	718	93,109	118,967	212,794
Change in operating assets and liabilities:				
Accounts receivable	1,416	2,096	3,925	7,437
Prepaid assets	1,591	1,591	(49)	3,133
Customer deposits	(520)	(114)	-	(634)
Inventory	(943)	(296)	-	(1,239)
Accrued sick leave	240	480	-	720
Accounts payable and accrued expenses	(4,664)	(27,539)	(5,355)	(37,558)
Unearned revenue	(2,515)	-	-	(2,515)
Net pension liability and related deferred inflows and outflows	<u>4,008</u>	<u>4,008</u>	<u>-</u>	<u>8,016</u>
Net cash provided (used) by operating activities	<u>\$ (94,409)</u>	<u>\$ (167,090)</u>	<u>\$ 39,564</u>	<u>\$ (221,935)</u>

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

NOTES TO FINANCIAL STATEMENTS

2018





TOWN OF WHITE CASTLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

September 30, 2018

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.

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.

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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting and Measurement Focus (continued)

Fund financial statements

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

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

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

Ad valorem taxes are recorded in the year the taxes are assessed. Ad valorem taxes are assessed on a calendar year basis, become due on November 15th of each year, and become delinquent after December 31st. The taxes are generally collected in December, January, and February of the current fiscal year. Sales taxes are recorded when in the possession of the intermediary collecting agent and are recognized as revenue at that time. Federal and state aid and grants are recorded as revenue when the Town is entitled to the funds, generally corresponding to when grant related costs are incurred by the Town.

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

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

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

Investments

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

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

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

Accounts Receivable and Bad Debts

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Uncollectible amounts due for receivables are recognized as bad debts directly charged off at the time information becomes available which indicates that the particular receivable is not collectible. In governmental fund types, the uncollectible amount is charged directly to the revenue reported. On the other hand, in proprietary fund types, uncollectible amounts due from utility billings are recognized as bad debts through the use of an allowance account or are directly charged off at the time information becomes available which indicates that the particular receivable is not collectible. The allowance for doubtful accounts for the Gas, Waterworks, and Sewerage Funds was collectively \$14,719 as of September 30, 2018.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Interfund Transactions

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

Restricted Cash

Restricted cash on the Statement of Net Position represents (1) amounts which have been designated to meet unexpected contingencies for property repairs and replacements, (2) funds held for customer deposits, and (3) funds held for retirement of water and sewer revenue bonds and/or public improvement bonds. Restricted cash consists of the following:

	Governmental				Total
	Activities	Gas	Waterworks	Sewerage	
Customer deposits	\$ -	\$ 39,910	\$ 33,322	\$ -	\$ 73,232
Restricted for debt service	142,296	-	30,380	83,784	256,460
Restricted for capital projects	-	-	13,376	103,017	116,393
Total restricted cash	\$ 142,296	\$ 39,910	\$ 77,078	\$ 186,801	\$ 446,085

Inventory

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

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

Prepaid Expenses

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

Capital Assets

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-wide Statements

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

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

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

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

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

Fund Financial Statements

In the fund financial statements capital assets used in governmental fund operations are not capitalized. Instead, capital acquisition and construction are reflected as expenditures in the governmental funds.

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Long-term Debt

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

Government-wide Statements and Proprietary Fund Net Position

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

Fund Financial Statements

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

Compensated Absences

All full time employees of the Town are entitled to annual vacation and sick leave with pay. Vacation leave entitlement does not carry over at the end of a year. Employees are able to accrue unused sick leave without limitation; however, the Town is liable to pay only 30 days of unused sick leave upon retirement. The liability for these compensated absences is recorded as other accrued liabilities in the government-wide statements and proprietary fund. The current portion of this debt is estimated based on historical trends. In the fund financial statements, vacation and sick leave payments are included in expenditures for the General Fund, Gas and Water Utility Funds when the payments are made to employees. The proprietary funds present on an accrual basis the amount of earned but unused sick leave estimated to be payable in future periods.

Government-wide and Proprietary Fund Net Position

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-wide and Proprietary Fund Net Position (Continued)

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

Use of Restricted Resources

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

Governmental Fund Balances

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

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

Use of Restricted Fund Balance

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

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

Deferred Outflows and Inflows of Resources

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Outflows and Inflows of Resources

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

Budget Policy and Budgetary Accounting

A proposed budget is prepared by the Mayor and submitted to the Town Council prior to the beginning of each fiscal year. A budget summary and notice of a public hearing is published with the public hearing being conducted prior to the adoption of the budget year.

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

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

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

Estimates

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

Subsequent Events

In preparing the financial statements, the Town has evaluated events and transactions for potential recognition or disclosure through the date of the independent auditors' report, March 4, 2019, 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, 2018, the Town had no unsecured deposits.

Deposit balances (bank balances) at September 30, 2018, were secured as follows:

	<u>Bank Balances</u>
Federal deposit insurance	\$ 652,924
Pledged securities in the Town's name	238,287
Funds not subject to categorization:	
Louisiana Asset Management Pool (LAMP)	<u>1,010,253</u>
Bank Balances	<u>\$ 1,901,464</u>

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.

GASB Statement No. 40 Deposit and Investment Risk Disclosure, requires disclosure of credit risk, custodial credit risk, concentration of credit risk, interest rate risk, and foreign currency risk for all public investments.

(Continued)

NOTE 2 - CASH AND INVESTMENTS (CONTINUED)

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 maturity in excess of 397 days or 762 days for U.S. Government floating/variable rate investments.
- Foreign currency risk: Not applicable.

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, 2018, consists of the following:

Parish of Iberville, Louisiana – Sales Tax	\$ 383,703
Other	<u>1,020</u>
Total	<u>\$ 384,723</u>

NOTE 4 - AD VALOREM TAXES

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

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

For the year ended September 30, 2018, taxes of 7.00 mills for the general fund were levied on property with assessed valuations totaling \$4,384,430. Total taxes assessed of \$30,691 were levied on November 10, 2017, and were due and payable prior to December 31, 2017.

(Continued)

NOTE 5 - CAPITAL ASSETS

A summary of changes in capital assets for the primary government for the year ended September 30, 2018 is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 321,833	\$ -	\$ -	\$ 321,833
Construction in progress	103,451	165,460	-	268,911
Total capital assets not being depreciated	<u>425,284</u>	<u>165,460</u>	<u>-</u>	<u>590,744</u>
Capital assets being depreciated:				
Building and improvements	2,365,926	183,033	-	2,548,959
Equipment and vehicles	2,617,694	104,417	-	2,722,111
Improvements other than buildings	628,618	-	-	628,618
Infrastructure	9,132,654	68,668	-	9,201,322
Total capital assets being depreciated	<u>14,744,892</u>	<u>356,118</u>	<u>-</u>	<u>15,101,010</u>
Less accumulated depreciation for:				
Building and improvements	1,448,222	52,017	-	1,500,239
Equipment and vehicles	2,150,298	122,820	-	2,273,118
Improvements other than buildings	507,676	38,755	-	546,431
Infrastructure	5,964,887	170,654	-	6,135,541
Total accumulated depreciation	<u>10,071,083</u>	<u>384,246</u>	<u>-</u>	<u>10,455,329</u>
Total capital assets being depreciated net of accumulated depreciation	<u>4,673,809</u>	<u>(28,128)</u>	<u>-</u>	<u>4,645,681</u>
Governmental activities capital assets, net	<u>\$ 5,099,093</u>	<u>\$ 137,332</u>	<u>\$ -</u>	<u>\$ 5,236,425</u>

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

Governmental activities:	
Streets and sanitation	\$ 85,183
Public safety	42,763
General government	65,727
Recreation	<u>190,573</u>
Total depreciation expense - governmental activities	<u>\$ 384,246</u>

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	7,482,809	16,449	-	7,499,258
Machinery, equipment, and vehicles	656,138	21,971	-	678,109
Meters	99,331	-	-	99,331
Total capital assets being depreciated	<u>8,238,278</u>	<u>38,420</u>	<u>-</u>	<u>8,276,698</u>
Less accumulated depreciation for:				
Distribution systems	4,536,148	185,900	-	4,722,048
Machinery, equipment and vehicles	567,802	26,894	-	594,696
Meters	99,331	-	-	99,331
Total accumulated depreciation	<u>5,203,281</u>	<u>212,794</u>	<u>-</u>	<u>5,416,075</u>
Total capital assets being depreciated net of accumulated depreciation	<u>3,034,997</u>	<u>(174,374)</u>	<u>-</u>	<u>2,860,623</u>
Business-type activities capital assets, net	<u>\$ 3,075,585</u>	<u>\$ (174,374)</u>	<u>\$ -</u>	<u>\$ 2,901,211</u>

NOTE 6 - LONG-TERM DEBT

Debt Outstanding

The following is a summary of long-term debt transactions of the Town for the year ended September 30, 2018:

	September 30, 2017	Additions	Reductions	September 30, 2018	Due Within One Year
Governmental activities:					
Public improvement bonds	\$ 2,645,000	\$ -	\$ 85,000	\$ 2,560,000	\$ 140,000
Premium on bond issuance	28,452	-	2,756	25,696	-
Installment purchase agreement	190,139	-	81,851	108,288	61,541
Net pension liability	578,421	19,668	58,312	539,777	-
Accrued sick leave	19,257	17,285	12,076	24,466	14,743
Total	\$ 3,461,269	\$ 36,953	\$ 239,995	\$ 3,258,227	\$ 216,284
Business-type activities:					
Public improvement bond	\$ 50,000	\$ -	\$ 50,000	\$ -	\$ -
Net pension liability	223,361	34,590	26,968	230,983	-
Revenue bonds	338,473	-	79,573	258,900	54,351
Accrued sick leave	25,565	5,963	5,243	26,285	5,550
Total	\$ 637,399	\$ 40,553	\$ 161,784	\$ 516,168	\$ 59,901

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, 2018, 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. \$ 2,560,000

NOTE 6 - LONG-TERM DEBT (CONTINUED)

Debt Outstanding (Continued)

Installment Purchase Agreement

\$160,348 of proceeds for the purchase of police vehicles, due in monthly installments of \$10,811 through July 2020, interest at 3.31%.	73,237
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\$44,440 of proceeds for the purchase of a vehicle, due in monthly installments of \$1,348 through June 2019, interest at 6.15%	11,828
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\$52,633 of proceeds for the purchase of an excavator, due in monthly installments of \$1,593 through December 2019, interest at 5.55%	23,223
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<i>Net pension liability</i>	539,777
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<i>Bond Premium, net of accumulated amortization</i>	25,696
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<i>Accrued sick leave</i>	24,466
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Total long-term debt from governmental activities	\$ 3,258,227
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Long-term debt for the primary government for business-type activities at September 30, 2018, is comprised of the following:

Public Improvement Bond

Revenue Bonds

\$1,077,500 Sewer Revenue bonds secured by a pledge and dedication of sewer revenues, due in monthly installments through May 25, 2019; interest at 5%.	45,823
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\$98,000 Sewer Revenue Rehabilitation bonds secured by a pledge and dedication of sewer revenues, due in monthly installments through June 25, 2039; interest at 4.5%.	71,569
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\$225,800 advanced on \$230,000 authorized Water Revenue bonds secured by a pledge and dedication of water revenues, due in monthly installments through March 20, 2038; interest at 4.75%.	141,508
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NOTE 6 - LONG-TERM DEBT (CONTINUED)

Debt Outstanding (Continued)

<i>Net pension liability</i>	230,983
<i>Accrued sick leave</i>	<u>26,285</u>
Total long-term debt from business-type activities	<u><u>\$ 516,168</u></u>

Debt Service Requirements to Maturity

The annual requirements to amortize debt outstanding for governmental activities at September 30, 2018, are as follows:

Year	Public Improvement Bond		Installment Purchase Agreement		Total Government Activities Long-term Debt	
	Principal	Interest	Principal	Interest	Principal	Interest
2019	140,000	87,525	61,541	3,344	201,541	90,869
2020	140,000	84,725	46,747	959	186,747	85,684
2021	145,000	81,925	-	-	145,000	81,925
2022	150,000	77,575	-	-	150,000	77,575
2023	150,000	73,075	-	-	150,000	73,075
2024-2028	830,000	292,375	-	-	830,000	292,375
2029-2033	<u>1,005,000</u>	<u>123,600</u>	<u>-</u>	<u>-</u>	<u>1,005,000</u>	<u>123,600</u>
Totals	<u><u>\$ 2,560,000</u></u>	<u><u>\$ 820,800</u></u>	<u><u>\$ 108,288</u></u>	<u><u>\$ 4,303</u></u>	<u><u>\$ 2,668,288</u></u>	<u><u>\$ 825,103</u></u>

The annual requirements to amortize debt outstanding for business-type activities at September 30, 2018, are as follows:

Year	Sewer Revenue Bonds		Water Revenue and Public Improvement Bonds		Total Business-type Long-term Debt	
	Principal	Interest	Principal	Interest	Principal	Interest
2019	\$ 47,975	\$ 3,292	\$ 6,376	\$ 6,596	\$ 54,351	\$ 9,888
2020	2,252	3,087	6,686	6,286	8,938	9,373
2021	2,355	2,984	7,010	5,962	9,365	8,946
2022	2,463	2,876	7,351	5,621	9,814	8,497
2023	2,577	2,763	7,708	5,264	10,285	8,027
2024-2028	14,771	11,925	44,528	20,332	59,299	32,257
2029-2033	18,490	8,205	56,252	8,608	74,742	16,813
2034-2038	23,146	3,550	5,597	889	28,743	4,439
2039	<u>3,363</u>	<u>539</u>	<u>-</u>	<u>-</u>	<u>3,363</u>	<u>539</u>
Totals	<u><u>\$ 117,392</u></u>	<u><u>\$ 39,221</u></u>	<u><u>\$ 141,508</u></u>	<u><u>\$ 59,558</u></u>	<u><u>\$ 258,900</u></u>	<u><u>\$ 98,779</u></u>

(Continued)

NOTE 6 - LONG-TERM DEBT (CONTINUED)

Debt Service Requirements to Maturity (Continued)

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

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

Bond Restrictions

Town of White Castle Sales Tax Revenue Bonds

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

Sales Tax Revenue Bond – Series 2008 – Sinking Fund to be used for the payment of principal and interest on the outstanding bond as they are due and payable. Monthly payments are equal to the sum of one-sixth of interest falling due on the next interest payment date and one-twelfth of principal falling due on the next principal payment date.

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

Sales Tax Revenue Bond – Series 2016 – Sinking Fund to be used for the payment of principal and interest on the outstanding bond as they are due and payable. Monthly payments are equal to the sum of one-sixth of interest falling due on the next interest payment date and one-twelfth of principal falling due on the next principal payment date.

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

Sewer Revenue Bonds

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

NOTE 6 - LONG-TERM DEBT (CONTINUED)

Bond Restrictions (Continued)

1. The Sewer System Revenue Fund requires all revenue derived from its operations to be deposited in a bank that is a member of the Federal Deposit Insurance Corporation as long as any of the bonds are outstanding. Required transfers are made on a monthly basis to designated trust accounts. In addition, the Series 1999 bonds require the use of a separate construction account.
2. The Sewer Revenue Bond Fund requires monthly fund transfers from the Sewer System Revenue Fund to provide payment of the next maturing interest and principal of the revenue bonds.
3. The Sewer Revenue Bond Reserve Fund requires monthly transfers of \$338 until \$80,980 has been accumulated. This fund is restricted to payment of principal and interest in case of default. The sum of \$83,784 has been deposited into this fund to satisfy this requirement.
4. The Sewer Depreciation and Contingency Fund requires monthly transfers of \$346. The Fund is restricted to payments for unusual or extraordinary maintenance, repairs, replacement, extensions, and improvements that will either enhance its revenue-producing capacity or provide improved service. It will also be used to pay principal and interest if there are not sufficient funds in either the Sewer Revenue Bond Fund or Sewer Revenue Bond Reserve Fund. The current balance of the fund is \$103,017.

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

Water Revenue Bonds

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

1. The Water Revenue Fund requires all revenue derived from the operation of the system be deposited into the Water Revenue Fund. Required transfers are made on a monthly basis to designated trust accounts.
2. The Water Revenue Bond and Interest Sinking Fund requires monthly transfers from the Water Revenue Fund to provide payment of the next maturing interest and principal of the revenue bonds.
3. The Water Revenue Bond Reserve Fund requires monthly transfers of \$55 until \$12,972 has been accumulated. This fund is restricted to payment of principal and interest in case of default. The sum of \$13,376 has been deposited into this fund to satisfy this requirement.

NOTE 6 - LONG-TERM DEBT (CONTINUED)

Water Revenue Bonds (Continued)

4. The Water Depreciation and Contingency Fund requires monthly transfers of \$124. The fund is established to care for extensions, additions, improvements, renewals and replacements necessary to properly operate the system. Such payments into the fund are to continue over the life of the bonds. The current balance of the fund is \$30,380.

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, 2018, the amount of defeased debt outstanding but removed from the government-wide financial statements related to the 2008 Sales Tax Revenue Bonds is \$2,290,000.

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, 2018:

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

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

NOTE 9 - PENSION PLAN

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

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

MERS: 7937 Office Park Boulevard | Baton Rouge, Louisiana 70809 | www.mersla.com

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

Municipal Employees' Retirement System of Louisiana (MERS)

The Municipal Employees' Retirement System of Louisiana (MERS) is the administrator of a cost sharing multiple-employer defined benefit pension plan. The System was originally established by Act 356 of the 1954 regular session of the Legislature of the State of Louisiana. The System provides retirement benefits to employees of all incorporated villages, towns and cities within the State which do not have their own retirement system and which elect to become members of the System. For the year ended September 30, 2018, there were 86 contributing municipalities in Plan A and 69 in Plan B. The Town of White Castle is a participant in Plan B only.

Municipal Police Employees' Retirement System (MPERS)

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

Funding Policy

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

NOTE 9 - PENSION PLAN (CONTINUED)

Funding Policy (Continued)

Contributions to the plans are required and determined by State statute (which may be amended) and are expressed as a percentage of covered payroll. The contribution rates in effect for the year ended September 30, 2018, for the Town and covered employees were as follows:

Plan	Town	Employees
MERS (Plan B)	13.25%	5.00%
MPERS	30.75%	10.00%

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

Plan	2018	2017	2016
MERS (Plan B)	\$ 67,446	\$ 52,244	\$ 49,955
MPERS	<u>20,570</u>	<u>24,906</u>	<u>7,588</u>
Total	<u>\$ 88,016</u>	<u>\$ 77,150</u>	<u>\$ 57,543</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, 2018 measurement date. The Town uses this measurement to record its Net Pension Liability and associated amounts as of September 30, 2018 in accordance with GASB Statement 68. The schedule also includes the proportionate share allocation rate used at June 30, 2018 along with the change compared to the June 30, 2017 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, 2018	Current Measurement Rate	Previous Measurement Rate	Increase (Decrease)
MERS	\$ 577,458	0.683%	0.645%	0.038%
MPERS	<u>193,302</u>	0.023%	0.028%	-0.005%
Total	<u>\$ 770,760</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, 2018:

	Total
Municipal Employees' Retirement Fund	\$ 52,202
Municipal Police Employees' Retirement Fund	53,783
Total	\$ 105,985

At September 30, 2018, 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	\$ 1,547	\$ 871	\$ 2,418
Changes of assumptions	21,609	12,632	34,241
Net difference between projected and actual earnings on pension plan investments	93,856	9,266	103,122
Changes in proportion and differences between Employer contributions and proportionate share of contributions	18,741	101,794	120,535
Differences between allocated and actual contributions	-	-	-
Employer contributions subsequent to the measurement date	23,698	8,152	31,850
Total	\$ 159,451	\$ 132,715	\$ 292,166
Deferred Inflows of Resources:	MERS	MPERS	Total
Differences between expected and actual experience	\$ 26,009	\$ 9,878	\$ 35,887
Changes of assumptions	-	-	-
Net difference between projected and actual earnings on pension plan investments	-	-	-
Changes in proportion and differences between Employer contributions and proportionate share of contributions	21,395	29,083	50,478
Differences between allocated and actual contributions	286	918	1,204
Employer contributions subsequent to the measurement date	-	-	-
Total	\$ 47,690	\$ 39,879	\$ 87,569

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	\$ 159,451	\$ 47,690
Municipal Police Employees' Retirement Fund	132,715	39,879
	\$ 292,166	\$ 87,569

The Town reported a total of \$31,850 as deferred outflows of resources related to pension contributions made subsequent to the measurement period of June 30, 2018 which will be recognized as a reduction in net pension liability in the year ended September 30, 2019. The following schedule lists the pension contributions made subsequent to the measurement period for each pension plan:

	Subsequent Contributions
Municipal Employees' Retirement Fund	\$ 23,698
Municipal Police Employees' Retirement Fund	8,152
	\$ 31,850

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
2019	51,856	\$ 54,174	\$ 106,031
2020	24,784	45,180	69,965
2021	8,515	(15,007)	(6,492)
2022	2,911	337	3,248
	\$ 88,067	\$ 84,685	\$ 172,751

Actuarial Assumptions

MERS

The actuarial assumptions used in the June 30, 2018 valuation was based on the results of an experienced study, for the period July 2009 through June 30, 2014.

MPERS

The actuarial assumptions used in the June 30, 2018 valuation were based on the assumptions used in the June 30, 2018 actuarial finding valuation and were based on the results of an actuarial experience study for the period of July 1, 2009 through June 30, 2014.

NOTE 9 - PENSION PLAN (CONTINUED)

Actuarial Assumptions (Continued)

A summary of the actuarial methods and assumptions used in determining the total pension liability for each pension plan as of June 30, 2018 are as follows:

	Measurement/ Valuation Date	Expected Remaining Service Lives	Investment Rate of Return
MERS	June 30, 2018	3 years	7.275%
MPERS	June 30, 2018	4 years	7.20%; net of investment expense

Mortality:

MERS

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

MPERS

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

Salary Increases:

MERS

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

MPERS

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

NOTE 9 - PENSION PLAN (CONTINUED)

Actuarial Assumptions (Continued)

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:

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 2.7% 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, 2018.

MPERS

The forecasted long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected 2.75% inflation of and an adjustment for the effect of rebalancing/diversification. The resulting forecasted long-term rate of return is 8.03% for the plan year ended June 30, 2018.

NOTE 9 - PENSION PLAN (CONTINUED)

Discount Rate (Continued)

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, 2018:

Asset Class	Target Allocation		Long - Term Expected Real Rate of Return	
	MERS	MPERS	MERS	MPERS
Public Equity	50%	-	2.20%	-
Equity	0%	52%	-	3.58%
Public Fixed Income	35%	-	1.50%	-
Fixed Income	0%	22%	-	0.46%
Alternatives	15%	20%	0.60%	1.07%
Other	-	6%	-	0.17%
Total	100%	100%	4.30%	5.28%
Inflation			2.70%	2.75%
Expected Arithmetic Nominal Return			7.0%	8.03%

The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, each of the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate used to measure the total pension liability for MERS and MPERS were 7.275% and 7.20%, respectively for the year ended June 30, 2018.

NOTE 9 - PENSION PLAN (CONTINUED)

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	6.275%	7.275%	8.725%
Shares of Net Pension Liability	\$ 757,840	\$ 577,458	\$ 424,114
MPERS			
Discount Rates	6.20%	7.20%	8.20%
Shares of Net Pension Liability	\$ 271,643	\$ 193,302	\$ 127,577

(Continued)

NOTE 10 - INTERFUND RECEIVABLE AND PAYABLE BALANCES

Interfund balances at September 30, 2018, were as follows:

	Interfund	
	Receivable	Payable
Governmental Activities		
General Fund:		
Gas Utility Fund:	\$ 170,000	\$ -
Water Utility Fund	-	65,000
2008 Sinking Fund	235,000	-
2008 Sinking Fund		
Water Fund	122,000	235,000
Total governmental funds	\$ 527,000	\$ 300,000
Proprietary Funds:		
Gas Utility Fund:		
General Fund	\$ -	\$ 170,000
Water Utility Fund	150,000	-
Water Utility Fund:		
2008 Sinking Fund	-	122,000
Sewer Utility Fund	-	250,000
Gas Utility Fund:		
General Fund	65,000	-
Sewer Utility Fund:		
Water Utility Fund	250,000	-
Total proprietary funds	465,000	692,000
Total primary government	\$ 992,000	\$ 992,000

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

(Continued)

NOTE 11 - INTERFUND TRANSFERS

Interfund Transfers

Interfund transfers for the year ended September 30, 2018, were as follows:

	Transfers	
	In	Out
Governmental funds:		
General Fund:		
Water Utility Fund	\$ -	\$ 180,000
Sewer Utility Fund	-	120,000
2008 Sales Tax Sinking Fund	-	176,000
2008 Sales Tax Sinking Fund:		
Gas Utility Fund	-	80,000
1% Sales Tax Fund	176,000	-
Total governmental funds	176,000	556,000
Proprietary funds:		
Gas Utility Fund:		
2008 Sales Tax Sinking Fund	80,000	-
Sewer Utility Fund:		
Water Utility Fund	-	10,000
General Fund	120,000	-
Water Utility Fund:		
Sewer Utility Fund	10,000	-
General Fund	180,000	-
Total proprietary funds	390,000	10,000
	\$ 566,000	\$ 566,000

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

NOTE 12 - COMPENSATION TO GOVERNING BODY

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

Councilmembers' terms ending December 31, 2018:

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

NOTE 13 - COMMITMENTS AND CONTINGENCIES

Litigation

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

Grants and Loans

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

Risk Management

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

REQUIRED SUPPLEMENTARY INFORMATION

2018





**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, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Taxes:				
Sales	\$ 2,270,000	\$ 2,050,000	\$ 2,041,036	\$ (8,964)
Ad valorem	32,000	32,000	31,802	(198)
Public utility franchise	27,000	27,000	22,868	(4,132)
Video poker	15,000	15,000	8,474	(6,526)
Cable T.V. franchise	16,000	16,000	14,363	(1,637)
Beer	3,000	3,000	2,519	(481)
Licenses and permits	85,000	85,000	84,897	(103)
Intergovernmental:				
Grants	473,773	49,773	-	(49,773)
Local housing authority	26,500	28,000	28,034	34
Fines	65,000	70,000	70,973	973
Other:				
Lease and royalty	16,000	19,500	18,780	(720)
Interest	13,500	22,500	24,702	2,202
Miscellaneous	7,500	10,000	9,418	(582)
Total revenues	<u>3,050,273</u>	<u>2,427,773</u>	<u>2,357,866</u>	<u>(69,907)</u>
EXPENDITURES				
Current function:				
General government	662,520	725,220	785,544	(60,324)
Public safety	723,834	691,734	646,070	45,664
Streets and sanitation	378,333	642,427	613,605	28,822
Recreation	49,500	68,500	84,018	(15,518)
Debt service	59,250	72,950	89,861	(16,911)
Capital outlay	797,066	595,572	521,578	73,994
Total expenditures	<u>2,670,503</u>	<u>2,796,403</u>	<u>2,740,676</u>	<u>55,727</u>
Excess (deficiency) of revenues over expenditures	379,770	(368,630)	(382,810)	(14,180)
OTHER FINANCING USES				
Transfers out	<u>(526,000)</u>	<u>(556,000)</u>	<u>(556,000)</u>	<u>-</u>
Net change in fund balance	<u>\$ (146,230)</u>	<u>\$ (924,630)</u>	(938,810)	<u>\$ (14,180)</u>
FUND BALANCE				
Beginning of year			<u>2,056,510</u>	
End of year			<u>\$ 1,117,700</u>	

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

TOWN OF WHITE CASTLE, LOUISIANA

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

For the year ended September 30, 2018

NOTE 1 - BUDGETS

Budget Policy and Budgetary Accounting

A proposed budget is prepared and submitted by the Mayor to the Town Council prior to the beginning of each fiscal year. A budget summary and notice of a public hearing is published with the public hearing being conducted prior to adoption of the budget.

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

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

Basis of Accounting

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

TOWN OF WHITE CASTLE, LOUISIANA
SCHEDULE OF PROPORTIONATE SHARE
OF NET PENSION LIABILITY
LAST TEN FISCAL YEARS (1)(2)

As of the fiscal year ended (2):

	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%

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%

(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 MERS'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):	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 MERS'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)

	2018	
	MERS (Plan B)	MPERS
Contractually Required Contribution	\$ 67,310	\$ 19,766
Contributions in Relation to Contractually Required Contribution	67,310	19,766
Contribution Deficiency (Excess)	\$ -	\$ -
Employer's Covered Payroll	508,000	59,448
Contributions as a % of Covered Payroll	13.25%	33.25%
	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

See Independent Auditors' Report

TOWN OF WHITE CASTLE, LOUISIANA

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

For the year ended September 30, 2018

NOTE 1 – NET PENSION LIABILITY

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)

The investment rate of return and inflation rate decreased from 7.400% to 7.275% and 2.775% to 2.6%, respectively. In addition, the expected remaining services lives decreased from 4 to 3 years.

Municipal Police Employees' Retirement System

The investment rate of return and inflation rate decreased from 7.325% to 7.20% and 2.70% to 2.60%, respectively.

INDIVIDUAL FUND STATEMENTS

2018





TOWN OF WHITE CASTLE, LOUISIANA

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS**

September 30, 2018

	<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	\$ 10,262	\$ 238,434	\$ 285,695	\$ 534,391
DEFERRED INFLOWS OF RESOURCES				
Other	\$ 10,262	\$ -	\$ -	\$ 10,262
FUND BALANCE				
Restricted for:				
Debt service	-	238,434	-	238,434
Capital projects	-	-	285,695	285,695
Total fund balance	-	238,434	285,695	524,129
Total deferred inflows of resources and fund balance	<u>\$ 10,262</u>	<u>\$ 238,434</u>	<u>\$ 285,695</u>	<u>\$ 534,391</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, 2018

	<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	\$ 63,438	\$ -	\$ -	\$ 63,438
Interest	<u>6</u>	<u>115</u>	<u>180</u>	<u>301</u>
Total revenues	<u>63,444</u>	<u>115</u>	<u>180</u>	<u>63,739</u>
EXPENDITURES				
Current function				
Public health	<u>63,444</u>	<u>-</u>	<u>-</u>	<u>63,444</u>
Net change in fund balance	<u>-</u>	<u>115</u>	<u>180</u>	<u>295</u>
FUND BALANCE				
Beginning of year	<u>-</u>	<u>238,319</u>	<u>285,515</u>	<u>523,834</u>
End of year	<u>\$ -</u>	<u>\$ 238,434</u>	<u>\$ 285,695</u>	<u>\$ 524,129</u>

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

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

For the year ended September 30, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
GENERAL GOVERNMENT				
Salaries	\$ 140,220	\$ 149,220	\$ 156,392	\$ (7,172)
Payroll taxes	20,000	20,000	19,538	462
Municipal retirement	12,300	17,300	19,395	(2,095)
Employees' insurance	62,000	62,000	51,606	10,394
Insurance	90,000	90,000	113,000	(23,000)
Legal fees	66,500	79,500	99,237	(19,737)
Emergency preparedness - animal control	28,000	43,000	43,198	(198)
Travel	58,000	51,500	35,266	16,234
Professional services	30,000	39,500	43,372	(3,872)
Utilities and telephone	16,500	17,000	23,154	(6,154)
Publishing	9,200	12,200	12,573	(373)
Maintenance contracts	21,000	21,000	19,219	1,781
Maintenance - building	10,000	8,000	14,024	(6,024)
Postage	6,000	6,000	6,293	(293)
Computer services	7,000	10,000	13,999	(3,999)
Bank fees	3,500	5,300	12,014	(6,714)
Dues and subscriptions	7,800	7,800	3,714	4,086
Maintenance - equipment and vehicle	-	-	6,177	(6,177)
Other	58,600	72,500	76,363	(3,863)
Coroner	4,000	2,500	2,265	235
Office supplies	-	-	(707)	707
Commissioners	1,500	1,500	1,500	-
Printing	10,000	9,000	13,351	(4,351)
Drug testing	400	400	601	(201)
Total general government	<u>662,520</u>	<u>725,220</u>	<u>785,544</u>	<u>(60,324)</u>

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

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

For the year ended September 30, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
PUBLIC SAFETY				
Police				
Salaries	\$ 442,534	\$ 422,534	\$ 420,649	\$ 1,885
Payroll taxes	36,500	36,500	35,656	844
Municipal retirement	40,000	28,000	20,426	7,574
Employees' insurance	95,000	95,000	76,774	18,226
Maintenance - vehicle	8,000	4,000	2,535	1,465
Vehicle fuel	8,500	7,500	5,529	1,971
Travel	10,500	15,500	13,776	1,724
Telephone	6,000	7,000	7,817	(817)
Computer services	4,500	10,000	8,461	1,539
Maintenance contracts	6,000	5,000	3,215	1,785
Maintenance - building	1,500	3,000	5,462	(2,462)
Court fees	5,500	5,500	5,409	91
Field supplies	1,000	1,000	1,479	(479)
Dues and subscriptions	3,000	1,000	140	860
Drug testing	800	800	867	(67)
Printing	2,100	2,100	1,321	779
Clothing	3,000	3,000	1,588	1,412
Total police	<u>674,434</u>	<u>647,434</u>	<u>611,104</u>	<u>36,330</u>
Volunteer fire				
Salary supplement	26,000	19,200	14,515	4,685
Maintenance - vehicle	4,000	4,500	11,385	(6,885)
Maintenance - building	-	-	2,357	(2,357)
Maintenance - equipment	-	200	-	200
Vehicle insurance	2,200	2,600	2,187	413
Telephone	600	1,200	1,202	(2)
Vehicle fuel	600	600	662	(62)
Equipment testing	16,000	16,000	2,658	13,342
Maintenance contracts	-	-	2,186	(2,186)
Total volunteer fire	<u>49,400</u>	<u>44,300</u>	<u>34,966</u>	<u>9,334</u>
Total public safety	<u>723,834</u>	<u>691,734</u>	<u>646,070</u>	<u>45,664</u>

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

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

For the year ended September 30, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
STREETS AND SANITATION				
Salaries	\$ 171,733	\$ 179,733	\$ 174,071	\$ 5,662
Payroll taxes	16,800	16,800	16,412	388
Municipal retirement	16,500	25,000	17,778	7,222
Employees' insurance	57,000	57,000	47,794	9,206
Utilities	70,000	70,000	62,233	7,767
Maintenance - street	30,000	220,494	249,723	(29,229)
Maintenance - vehicle	3,000	10,000	13,277	(3,277)
Vehicle fuel	9,000	9,000	12,965	(3,965)
Maintenance - equipment	-	15,000	-	15,000
Education & training	400	-	-	-
Equipment rental	2,500	34,500	14,507	19,993
Drug testing	200	200	102	98
Other	1,200	4,700	4,743	(43)
Total streets and sanitation	<u>378,333</u>	<u>642,427</u>	<u>613,605</u>	<u>28,822</u>
RECREATION				
Salaries	20,800	24,800	26,679	(1,879)
Payroll Taxes	1,700	1,700	1,660	40
Utilities	25,000	33,000	31,658	1,342
Maintenance	2,000	9,000	24,021	(15,021)
Total recreation	<u>49,500</u>	<u>68,500</u>	<u>84,018</u>	<u>(15,518)</u>
DEBT SERVICE	59,250	72,950	89,861	(16,911)
CAPITAL OUTLAY	<u>797,066</u>	<u>595,572</u>	<u>521,578</u>	<u>73,994</u>
Total expenditures	<u>\$ 2,670,503</u>	<u>\$ 2,796,403</u>	<u>\$ 2,740,676</u>	<u>\$ 55,727</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, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Other				
Interest	\$ 650	\$ 650	\$ 3,966	\$ 3,316
EXPENDITURES				
Debt service	176,000	176,000	175,800	200
Deficiency of revenues over expenditures	(175,350)	(175,350)	(171,834)	3,516
OTHER FINANCING SOURCES				
Transfers in	176,000	176,000	176,000	-
Net change in fund balance	\$ 650	\$ 650	4,166	\$ 3,516
FUND BALANCE				
Beginning of year			31,339	
End of year			\$ 35,505	

**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, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Interest	\$ 1,000	\$ -	\$ 115	\$ 115
OTHER FINANCING USES				
Transfers out	1,000	-	-	-
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	115	<u>\$ 115</u>
FUND BALANCE				
Beginning of year			<u>238,319</u>	
End of year			<u>\$ 238,434</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, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Intergovernmental				
HUD receipts	\$ 65,000	\$ 71,500	\$ 63,438	\$ (8,062)
Interest	-	-	6	6
	65,000	71,500	63,444	(8,056)
EXPENDITURES				
Public health				
Rent and utility assistance	58,000	63,000	57,574	5,426
Section 8 - URP	-	1,500	-	1,500
Administrative	7,000	7,000	5,870	1,130
	65,000	71,500	63,444	8,056
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, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Interest	\$ -	\$ -	\$ 180	\$ 180
Change in fund balance	\$ -	\$ -	180	\$ 180
FUND BALANCE				
Beginning of year			285,515	
End of year			\$ 285,695	

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

For the year ended September 30, 2018

Agency Head: Gerald Williams, Mayor

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 50,835
Vehicle provided by government	16,176
Benefits - retirement	4,829
Travel	3,571
Benefits - insurance	3,352
Registration fees	1,915
Phone	1,235
Per diem	935
Reimbursements	306
	<u>\$ 83,154</u>

TOWN OF WHITE CASTLE, LOUISIANA

**SCHEDULE OF UTILITY
CUSTOMERS**

September 30, 2018
(Without Audit)

Records maintained by the Town indicated the number of residential and commercial users for both water and sewer systems at September 30, 2018 were as follows:

	<u>Water</u>	<u>Sewer</u>	<u>Gas</u>
Residential	1,432	694	428
Commercial	55	42	23

At September 30, 2018, 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, 2018, the aging of accounts receivable for the enterprise funds was as follows:

Current	\$ 100,324
31-60 days	24,826
61-90 days	12,569
Over 90 days	19,419
Allowance for doubtful accounts	<u>(14,719)</u>
	<u>\$ 142,419</u>

TOWN OF WHITE CASTLE, LOUISIANA

SCHEDULE OF INSURANCE IN FORCE

September 30, 2018

(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	24 Automobiles	500,000	May 1, 2019
	Commercial general liability	Premises operations, general	500,000	May 1, 2019
		Products and completed operations	500,000	May 1, 2019
		Medical payments	10,000/per accident	May 1, 2019
		Fire legal liability	50,000/per occurrence	May 1, 2019
	Law enforcement liability	Enforcement officers	500,000	May 1, 2019
	Public officials' errors and omissions liability	Public officials' errors and omissions	500,000	May 1, 2019
	Workers compensation	Eligible employees	statutory	January 1, 2019
	Scottsdale Insurance Company	Commercial property	Sewage plant, 31540 Hwy. 405	560,000
Fire and extended coverage		Water tower, 33060 Bowie St.	232,000	April 12, 2019
		Water treatment building	150,000	
		Garage	56,000	
		Storage building	50,000	April 12, 2019
		Chlorine Injector	15,000	
Fire and extended coverage		Police and Fire Station, 32535 Bowie St.	300,000	April 12, 2019
		Storage shed, 32535 Bowie St.	11,000	April 12, 2019
Fire and extended coverage		Jail house, 32535 Rear Bowie	120,000	April 12, 2019
Fire and extended coverage		Fire station, 32055 Hwy. 405	81,000	April 12, 2019
Fire and extended coverage		Council on Aging building, 55050 Latino St	145,000	April 12, 2019
Fire and extended coverage		Town Hall, 32515 Bowie St.	800,000	April 12, 2019
Fire and extended coverage		Sewage station, 54940 Cambre St.	96,000	April 12, 2019
Fire and extended coverage	Fitness Park, 32540 Bowie St.	150,000	April 12, 2019	
	Gazebo	55,000		
Fire and extended coverage	Rec Center, 32711 Bowie St.	1,200,000	April 12, 2019	
	Cummins Generator	70,000		
Rod Prejean & Associates, Inc.	Automobile	Ford Explorer w/ equipment	25,974	February 5, 2019
		Ford Explorer w/ equipment	25,974	
		Ford Explorer w/ equipment	25,974	

STATISTICAL SECTION

2018





TOWN OF WHITE CASTLE, LOUISIANA

STATISTICAL SECTION (UNAUDITED)

September 30, 2018

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	80
Changes in Net Position, Last Ten Fiscal Years	D-2	82
Governmental Activities Tax Revenues by Source, Last Ten Fiscal Years	D-3	84
Fund Balance of Governmental Funds, Last Ten Fiscal Years	D-4	85
Changes in Fund Balances of Governmental Funds, Last Ten Fiscal Years	D-5	86
Tax Revenues By Source, Governmental Funds, Last Ten Fiscal Years	D-6	88
<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	89
Sales Tax Revenues, Last Ten Years	D-8	90
Taxable Sales by Category- General Sales and Use Tax, Last Ten Years	D-9	91
<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	92
Computation of Direct and Overlapping Governmental Activities Debt	D-11	93
Legal Debt Margin Calculation, Last Ten Fiscal Years	D-12	94
Pledged Revenue Coverage, Last Ten Fiscal Years	D-13	95
<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	96
Principal Employers, Current Year and Ten Years Ago	D-15	97
<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	98
Operating Indicators by Function/Program, Last Ten Fiscal Years	D-17	99
Capital Asset Statistics by Function/Program, Last Ten Fiscal Years	D-18	100

TOWN OF WHITE CASTLE, LOUISIANA

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

(accrual basis of accounting)

(in thousands)

	FISCAL YEAR			
	2018	2017	2016	2015
Governmental activities				
Net investment in capital assets	\$ 3,822	\$ 3,533	\$ 3,363	\$ 3,811
Restricted	544	528	523	551
Unrestricted	(370)	618	933	1,543
Total governmental activities net position	<u>3,996</u>	<u>4,679</u>	<u>4,819</u>	<u>5,905</u>
Business-type activities				
Net investment in capital assets	2,642	2,687	2,709	1,598
Restricted	231	224	217	211
Unrestricted	(9)	2	58	160
Total business-type activities net position	<u>2,864</u>	<u>2,913</u>	<u>2,984</u>	<u>1,969</u>
Primary government				
Net investment in capital assets	5,184	4,923	4,757	5,409
Restricted	775	752	740	762
Unrestricted	901	1,917	2,306	1,703
Total primary government net position	<u>\$ 6,860</u>	<u>\$ 7,592</u>	<u>\$ 7,803</u>	<u>\$ 7,874</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						
2014(1)	2013	2012	2011	2010	2009	
\$ 2,275	\$ 1,729	\$ 2,062	\$ 2,428	\$ 2,464	\$ 2,560	
550	569	545	542	1,146	252	
1,514	1,420	1,046	864	640	1,618	
4,339	3,718	3,653	3,834	4,250	4,430	
1,691	1,768	1,881	2,025	1,433	1,023	
174	173	173	173	163	153	
134	160	270	402	859	1,160	
1,999	2,101	2,324	2,600	2,455	2,336	
3,966	3,497	3,943	4,453	3,897	3,583	
724	742	718	715	1,309	405	
1,648	1,580	1,316	1,266	1,499	2,778	
\$ 6,338	\$ 5,819	\$ 5,977	\$ 6,434	\$ 6,705	\$ 6,766	

TOWN OF WHITE CASTLE, LOUISIANA

CHANGES IN NET POSITION LAST TEN FISCAL YEARS (UNAUDITED)

(accrual basis of accounting)
(in thousands)

	FISCAL YEAR									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Expenses										
Governmental activities										
General government	\$ 875	\$ 715	\$ 913	\$ 720	\$ 568	\$ 554	\$ 548	\$ 729	\$ 732	\$ 489
Public safety	741	731	626	621	632	654	657	635	514	546
Streets and sanitation	702	627	509	518	583	491	494	540	526	499
Public works			-	-	-	-	-	487	192	424
Public health	63	61	80	67	59	51	60	65	49	48
Culture and recreation	275	245	202	101	64	69	63	65	52	83
Interest on long-term debt	87	102	123	77	79	80	83	84	85	97
Total governmental activities	<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>	<u>2,150</u>	<u>2,186</u>
Business-type activities										
Gas	357	346	333	301	341	312	297	365	333	345
Waterworks	500	519	556	494	529	492	510	504	462	286
Sewerage	365	380	368	328	322	338	358	385	357	281
Total business-type activities	<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>	<u>1,152</u>	<u>912</u>
Total primary government expenses	<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>	<u>3,302</u>	<u>3,098</u>
Program Revenues										
Governmental activities										
Charges for services:										
General government	94	84	93	71	73	77	88	76	77	77
Public safety	71	122	70	33	19	31	29	36	34	50
Culture and recreation	-	11	-	-	-	-	-	-	-	-
Operating grants and contributions	63	60	79	67	60	134	59	70	55	178
Capital grants and contributions	-	78	26	1,580	899	1	25	262	4	4
Total governmental activities program revenues	<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>	<u>170</u>	<u>309</u>
Business-type activities										
Charges for Services										
Gas	257	240	235	303	372	309	282	289	447	127
Waterworks	236	235	234	241	242	240	246	240	220	(87)
Sewerage	279	293	304	290	290	283	277	286	308	(14)
Capital grants and contributions	-	-	-	-	-	-	-	501	215	-
Total business-type activities program revenues	<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>	<u>1,190</u>	<u>26</u>
Total primary government total revenues	<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>	<u>1,360</u>	<u>335</u>

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

(accrual basis of accounting)
(in thousands)

	FISCAL YEAR									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Net revenue (expense):										
Governmental activities	\$ (2,515)	\$ (2,126)	\$ (2,184)	\$ (353)	\$ (934)	\$ (1,655)	\$ (1,704)	\$ (2,161)	\$ (1,980)	\$ (1,877)
Business-type activities	(450)	(477)	(484)	(289)	(288)	(309)	(360)	62	38	(886)
Total primary government net revenue (expense)	<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>	<u>(1,942)</u>	<u>(2,763)</u>
General Revenues and Other Changes										
in Net Position										
Governmental activities										
Taxes:										
Ad Valorem	32	32	32	31	30	33	34	33	20	43
Sales	2,041	2,250	2,442	2,027	1,998	1,837	1,494	1,680	1,775	1,566
Video Poker	8	13	7	12	11	9	12	15	8	10
Franchise	37	37	38	39	41	39	35	39	39	35
Other	3	2	2	3	3	3	3	6	2	8
Unrestricted grants and contributions	34	15	33	28	21	23	15	34	28	35
Investment earnings	29	17	10	1	3	5	1	11	3	22
Proceeds from insurance	-	-	-	-	5	-	3	3	-	-
Loss on disposal of assets	-	-	-	-	-	-	-	-	-	(14)
Miscellaneous	28	-	21	52	-	-	-	-	-	-
Transfers to other funds	(380)	(380)	(1,487)	(258)	(330)	(152)	(75)	(75)	(75)	(75)
Total governmental activities general revenues	<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>	<u>1,800</u>	<u>1,630</u>
Business-type activities										
Unrestricted grants and contributions	21	26	7	12	-	9	-	-	-	-
Investment earnings	-	-	-	-	-	-	2	8	6	9
Special Item-loss	-	-	5	-	7	-	7	-	-	-
Transfers from other funds	380	380	1,487	258	330	152	75	75	75	75
Total business-type activities general revenues	<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>	<u>81</u>	<u>84</u>
Total primary government general revenues	<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>	<u>1,881</u>	<u>1,714</u>
Change in Net Position										
Governmental activities	<u>(683)</u>	<u>(140)</u>	<u>(1,086)</u>	<u>1,582</u>	<u>848</u>	<u>142</u>	<u>(182)</u>	<u>(415)</u>	<u>(180)</u>	<u>(247)</u>
Business-type activities	<u>(49)</u>	<u>(71)</u>	<u>1,015</u>	<u>(19)</u>	<u>49</u>	<u>(148)</u>	<u>(276)</u>	<u>145</u>	<u>119</u>	<u>(802)</u>
Total change in net position	<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>	<u>\$ (61)</u>	<u>\$ (1,049)</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
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	12	1,921
2012	34	1,494	35	15	1,578
2011	33	1,680	39	21	1,773
2010	20	1,775	39	10	1,844
2009	43	1,566	35	18	1,662

Source: Town of White Castle

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

(modified accrual basis of accounting)
(in thousands)

Fiscal Year	GENERAL FUND			ALL OTHER GOVERNMENTAL FUNDS			Total all other Governmental Funds
	Nonspendable	Unassigned	Total	Committed	Restricted		
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				Total 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	
2011	30	787	817	-	-	-	542	542
2010	17	-	17	1,021	1,283	-	-	2,304
2009	2	-	2	1,213	1,505	-	-	2,718

*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			
	2018	2017	2016	2015
REVENUES				
Taxes	\$ 2,121	\$ 2,321	\$ 2,515	\$ 2,099
Intergovernmental	92	151	134	1,712
Licenses and permits	85	77	93	70
Fines	71	122	70	33
Miscellaneous revenues	57	35	31	20
Total revenues	<u>2,426</u>	<u>2,706</u>	<u>2,843</u>	<u>3,934</u>
EXPENDITURES				
Current				
General government	786	633	690	601
Public safety	646	619	594	517
Streets and sanitation	614	451	336	344
Public works	-	-	-	-
Public health	63	60	79	68
Culture and recreation	84	81	39	33
Debt service				
Principal	167	145	60	43
Interest	99	104	106	77
Bond issuance costs	-	-	117	-
Capital outlay	521	550	311	1,925
Total expenditures	<u>2,980</u>	<u>2,643</u>	<u>2,332</u>	<u>3,608</u>
Excess (deficiency) of revenues over expenditures	<u>(554)</u>	<u>63</u>	<u>511</u>	<u>326</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	176	178	218	-
Proceeds from insurance	-	-	-	-
Proceeds from installment purchase agreements	-	53	205	-
Proceeds from issuance of debt	-	-	-	-
Proceeds from issuance of refunded debt	-	-	2,640	-
Premium on issuance	-	-	32	-
Payment to refunded bond agent	-	-	(1,413)	-
Transfers out	(556)	(558)	(1,705)	(258)
Total other financing sources and uses	<u>(380)</u>	<u>(327)</u>	<u>(23)</u>	<u>(258)</u>
Net change in fund balances	<u>\$ (934)</u>	<u>\$ (264)</u>	<u>\$ 488</u>	<u>\$ 68</u>
Debt service as a percentage of noncapital expenditures	10.8%	11.9%	8.2%	7.1%

FISCAL YEAR						
2014	2013	2012	2011	2010	2009	
\$ 2,072	\$ 1,912	\$ 1,566	\$ 1,758	\$ 1,849	\$ 1,635	
970	151	96	356	107	163	
73	77	88	76	77	77	
19	31	29	36	34	50	
24	21	17	36	27	48	
<u>3,158</u>	<u>2,192</u>	<u>1,796</u>	<u>2,262</u>	<u>2,094</u>	<u>1,973</u>	
484	470	452	666	446	478	
520	539	542	519	496	534	
393	302	283	326	384	303	
-	-	-	487	192	438	
59	50	60	66	49	48	
17	27	19	19	20	90	
40	40	35	35	34	30	
79	81	87	84	92	90	
-	-	-	-	-	-	
939	61	55	951	705	-	
<u>2,531</u>	<u>1,570</u>	<u>1,533</u>	<u>3,153</u>	<u>2,418</u>	<u>2,011</u>	
<u>627</u>	<u>622</u>	<u>263</u>	<u>(891)</u>	<u>(324)</u>	<u>(38)</u>	
120	125	175	183	1,925	1,001	
4	-	2	3	-	28	
-	-	-	-	-	-	
-	-	-	-	-	-	
-	-	-	-	-	-	
-	-	-	-	-	-	
(450)	(277)	(250)	(258)	(2,000)	(1,076)	
<u>(326)</u>	<u>(152)</u>	<u>(73)</u>	<u>(72)</u>	<u>(75)</u>	<u>(47)</u>	
<u>\$ 301</u>	<u>\$ 470</u>	<u>\$ 190</u>	<u>\$ (963)</u>	<u>\$ (399)</u>	<u>\$ (85)</u>	
7.5%	8.0%	8.3%	5.4%	7.4%	6.0%	

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
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
2010	32	1,775	39	2	1,848
2009	31	1,566	35	8	1,640

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	
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
2010	5.65	5.65	22.00	56.66	19.84	2.06	3.67	109.88
2009	5.65	5.65	22.00	56.66	19.84	2.06	3.67	109.88

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
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
2010	1,302,880	472,393	1,775,273
2009	1,138,092	428,113	1,566,205

The following is a summary of sales and use taxes being collected within the Town of White Castle as of September 30, 2018:

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

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

Source: Iberville Parish Sales Tax Department

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

Primary Taxpayers by Industry	FISCAL YEAR									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Manufacturer of chemicals	\$ 446,989,871	\$ 376,030,176	\$ 533,317,289	\$ 303,071,627	\$ 538,882,468	\$ 398,210,177	\$ 407,494,930	\$ 555,260,810	\$ 451,722,558	\$ 63,896,513
Industrial equipment sales	133,400,997	61,344,412	101,849,278	44,995,868	69,003,478	77,657,168	51,834,793	57,494,719	44,812,120	38,473,171
Grocery stores	39,953,199	20,642,349	41,348,422	20,631,183	38,401,257	37,586,350	37,089,615	37,314,861	36,151,634	33,179,640
Department stores & dry goods	46,419,442	21,677,465	38,817,913	18,893,416	36,620,897	37,594,616	37,965,471	37,657,428	39,397,302	35,155,751
Lumber, building materials stores	25,129,827	26,319,060	26,928,165	16,151,901	17,776,697	15,943,033	21,085,725	21,878,034	28,460,909	23,271,228
Miscellaneous - others	<u>421,656,472</u>	<u>239,067,217</u>	<u>342,596,431</u>	<u>182,206,513</u>	<u>331,731,806</u>	<u>298,440,711</u>	<u>238,549,832</u>	<u>137,580,139</u>	<u>148,775,859</u>	<u>149,200,394</u>
	<u>\$ 1,113,549,808</u>	<u>\$ 745,080,679</u>	<u>\$ 1,084,857,498</u>	<u>\$ 585,950,508</u>	<u>\$ 1,032,416,603</u>	<u>\$ 865,432,055</u>	<u>\$ 794,020,366</u>	<u>\$ 847,185,991</u>	<u>\$ 749,320,382</u>	<u>\$ 343,176,697</u>

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 2018

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			
2018	\$ 2,586	\$ 108	\$ -	\$ 259	\$ 2,953	221.45%	1,644
2017	2,674	190	50	338	3,252	251.44%	1,809
2016	2,759	200	98	414	3,471	276.70%	1,929
2015	1,340	-	1,340	486	3,166	260.21%	1,731
2014	1,382	-	1,382	554	3,318	273.19%	1,802
2013	1,423	-	1,423	620	3,466	299.59%	1,852
2012	1,463	-	1,463	682	3,608	325.57%	1,939
2011	1,500	-	1,500	741	3,741	351.37%	1,996
2010	1,535	-	1,535	798	3,868	350.89%	2,054
2009	1,570	-	1,570	851	3,991	385.48%	2,207

(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, 2018
(in thousands)

<u>Jurisdiction</u>	<u>Debt Outstanding</u>	<u>(2) Estimated Percentage Applicable</u>	<u>Estimated Share of Direct and Overlapping Debt</u>
Town direct debt	\$ <u>2,864</u>	100%	\$ <u>2,864</u>
<u>Overlapping -other government agencies (1):</u>			
Iberville Parish School Board (3)	\$ 36,740	1%	\$ 367
Iberville Parish Government (4)	<u>18,022</u>	1%	<u>180</u>
Total other government agencies	\$ <u>54,762</u>		\$ <u>548</u>
Total direct and overlapping			\$ <u>3,412</u>
2018 population estimate			<u>1,798</u>
Per capita			\$ <u>1.898</u>

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

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

(3) Source: 2017 Basic Financial Statements

(4) Source: 2017 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
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%
2010	4,525,100	452,510	1,583,785	-	1,583,785	0.00%
2009	5,422,320	542,232	1,897,812	-	1,897,812	0.00%

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

PLEGDED 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	
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	-	448,900	35,000	84,017	119,017	3.77
2010	472,393	-	472,393	35,000	85,505	120,505	3.92

SCHEDULE B - REVENUE BONDS - WATER REVENUES - WATER FUND

Year	(2)		Available for Debt Service	Debt Service Requirements			Coverage
	Gross Revenue	(3) Expenses		Principal	Interest	Total	
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
2010	345,546	320,202	25,344	39,161	94,316	133,477	0.19
2009	324,755	239,867	84,888	33,969	99,399	133,368	0.64

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	
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
2010	307,688	224,932	82,756	49,360	31,621	80,981	1.02
2009	261,943	145,012	116,931	46,984	33,997	80,981	1.44

(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
2018	33,027	1,796	\$ 1,333,476	\$ 40,375	5.8
2017	33,327	1,798	1,293,353	38,808	6.2
2016	32,290	1,799	1,254,438	38,849	6.9
2015	33,229	1,829	1,216,693	36,615	6.9
2014	33,367	1,841	1,214,526	36,399	7.8
2013	33,228	1,871	1,156,905	34,817	8.4
2012	33,230	1,861	1,108,196	33,349	9.5
2011	33,362	1,874	1,064,675	31,913	10.4
2010	33,505	1,883	1,102,353	32,901	10.0
2009	32,545	1,808	1,035,320	31,812	9.5

Source:

- (1) U.S. Department of Commerce, Bureau of the Census and U. S Beacon.com.
 - (2) Iberville Parish Council Financial Report.
- 2017 and 2018 Amounts are estimated based on historical trends are are subject to change.

TOWN OF WHITE CASTLE, LOUISIANA

PRINCIPAL EMPLOYERS
CURRENT YEAR AND TEN YEARS AGO
(UNAUDITED)

2018(1)		
Employer	Number of Employees	Percent of total
Dow Chemical Company	2,200	38%
La Dept. of Safety and Corrections	1,200	21%
Syngenta Crop Protection, Inc.	700	12%
Axiall, LLC	300	5%
Maintenance Enterprise II, Inc	300	5%
Crown Enterprises	250	5%
Diamond Plastic Corp	250	4%
Walmart Super Center	220	4%
Louisiana State University System	205	4%
Olin Chlor Alkali Products	160	3%
	<u>5,785</u>	<u>100%</u>

2009(2)		
Employer	Number of Employees	Percent of total
Dow Chemical Company	1,500	35%
Iberville Parish School Board	675	15%
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: 2017 Iberville Parish Council CAFR.

(2) Source: 2009 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

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
General Government	10	10	8	11	11	8	8	10	10	10
Police Department	14	13	12	12	15	12	14	17	17	17
Street Maintenance	6	6	6	6	6	6	6	6	6	6
Gas Utility	2	2	3	3	3	2	2	3	3	3
Water Utility	3	3	2	2	2	1	1	3	3	3
Sewer Utility	1	1	1	1	1	1	1	1	1	1
Total employees	36	35	32	35	38	30	32	40	40	40

Source: Town of White Castle

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

	FISCAL YEAR									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Function:										
Public Safety:										
Police:										
Traffic violations (1)	1,700	1,339	1,040	151	300	316	371	364	338	498
Administration:										
Occupational licenses	282	316	332	301	308	322	332	302	337	341
Building permits - single family	-	-	-	-	-	4	9	-	1	-
Transportation:										
Town street maintenance program:										
Number of miles maintained	7	7	7	7	7	7	7	7	7	7
Miles of concrete roads	3	3	3	3	3	3	3	3	3	3
Miles of asphalt roads	4	4	4	4	4	4	4	4	4	4
Utility service:										
Natural Gas:										
Number of users	451	456	461	455	487	452	488	486	474	500
Water:										
Number of users	751	751	762	755	769	769	763	767	750	773
Wastewater:										
Number of users	736	747	744	742	756	757	749	752	738	760
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	4	4	4	4	4	4	4	3

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									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
General Government:										
Number of general government buildings	2	2	2	2	2	2	2	2	2	2
Number of vehicles	1	1	1	1	1	1	1	1	1	1
Public Safety:										
Police:										
Number of vehicles	5	5	5	5	5	5	5	4	4	4
Number of stations	1	1	1	1	1	1	1	1	1	1
Fire:										
Number of stations	2	2	2	2	2	2	2	2	2	2
Number of vehicles	3	3	3	3	3	3	3	3	3	2
Streets and Sanitation:										
Number of vehicles	5	5	5	5	5	5	5	5	5	4
Miles of streets	7	7	7	7	7	7	7	7	7	7
Utilities:										
Number of natural gas distribution systems	1	1	1	1	1	1	1	1	1	1
Number of water distribution systems	1	1	1	1	1	1	1	1	1	1
Number of sanitary sewer systems	1	1	1	1	1	1	1	1	1	1
Culture and Recreation										
Number of parks	5	5	4	4	4	4	4	4	4	3
Number of community centers	2	2	2	2	1	1	1	1	1	1

Source: Town of White Castle

SPECIAL INDEPENDENT AUDITORS' REPORTS

2018







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, and 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, 2018, and the related notes to the financial statements, which collectively comprise the Town of White Castle, Louisiana's basic financial statements and have issued our report thereon dated March 4, 2019.

Internal Control over Financial Reporting

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

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented; or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and responses to be material weaknesses [2018-01, 2018-04].

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A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of findings and responses to be significant deficiencies [2018-07, 2018-08].

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of White Castle, Louisiana's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and responses as items [2018-02, 2018-03, 2018-05, 2018-06].

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

March 4, 2019



TOWN OF WHITE CASTLE, LOUISIANA

Schedule of Findings and Responses For the Year Ended September 30, 2018

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 were four (4) control deficiencies disclosed during the audit of the financial statements and reported in the *Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards*. Two (2) of these deficiencies is reported as a material weakness.
3. There were four (4) 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. No management letter was issued in connection with the audit for the year ended September 30, 2018.

TOWN OF WHITE CASTLE, LOUISIANA

Schedule of Findings and Responses For the Year Ended September 30, 2018

II. Findings – Financial Statement Audit

INTERNAL CONTROL AND COMPLIANCE FINDINGS

2018-01 Credit Card Transactions

Fiscal Year Finding Originated: 2018

Condition:

Sample of 47 transactions were selected from all of the Town's credit card transactions. The Town was unable to provide documentation relating to the business purpose for 20 out of 47 transactions sampled. It was not clear what the business purpose and use of the credit card charges were. 18 transactions charged to credit cards were to 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.

Cause:

The importance of documentation and adherence to restrictions and requirements on the use of the Town's credit cards was not properly emphasized.

Effect:

Expenditures may be made without a clear business purpose relating to the Town.

Recommendation:

Town should establish 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.

Response:

See Management's Response Letter.

2018-02 Cash Management

Fiscal Year Finding Originated: Unknown.

TOWN OF WHITE CASTLE, LOUISIANA

Schedule of Findings and Responses For the Year Ended September 30, 2018

Condition:

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

Criteria:

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

Cause:

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

Effect:

The Town did not comply with Louisiana Cash Management Laws.

Recommendation:

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

Response:

See Management's response letter.

2018-03 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, 2018. During the year, the utility accounts for some elected officials were up to 3 months past due.

Criteria:

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

TOWN OF WHITE CASTLE, LOUISIANA

Schedule of Findings and Responses For the Year Ended September 30, 2018

Cause:

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

Effect:

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

Recommendation:

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

Response:

See Management's response letter.

2018-04 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 489 hours of overtime payments during the fiscal period totaling \$12,108.73 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.

Cause:

Lack of controls regarding proper authorization and approval of overtime payments can potentially result in improper use of public funds.

TOWN OF WHITE CASTLE, LOUISIANA

Schedule of Findings and Responses For the Year Ended September 30, 2018

Effect:

Employee could incur \$12,108.73 in overtime wages, in addition to their regular wages without any written authorization or documentation indicating the reason or purpose for the overtime.

Recommendation:

Town of White Castle should adhere to Louisiana Law, Lawrason Act and Labor Laws relative to use of overtime for hourly and salary employees. The Mayor is responsible for pre-authorizing overtime for administrative staff and/or approving overtime.

2018-05 Quarterly Audits of Traffic Citations

Fiscal Year Finding Originated: Unknown.

Condition:

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

Criteria:

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

Cause:

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

Effect:

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

Recommendation:

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

TOWN OF WHITE CASTLE, LOUISIANA

Schedule of Findings and Responses
For the Year Ended September 30, 2018

Response:

See Management's response letter.

2018-06 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.

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.

Cause:

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

Effect:

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

Recommendation:

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

Response:

See Management's response letter.

TOWN OF WHITE CASTLE, LOUISIANA

Schedule of Findings and Responses
For the Year Ended September 30, 2018

2018-07 Travel Related Expense

Fiscal Year Finding Originated: Unknown

Condition:

During a sample testing of 2 of 34 travel and reimbursement disbursements totaling \$98.00, the following was noted: No receipts were provided for review.

Criteria:

Town should use federal guidelines for reimbursement for travel expense, then update and comply with the travel policy. Otherwise, disciplinary action needs to be taken if in violation.

Cause:

The importance of documenting adherence to the travel policy and applicable documentation for reimbursements was not emphasized and followed by elected officials and employees.

Effect:

Compliance with the Town's travel and per diem policy was not presented on-site during the audit review nor was any documentation presented for the expenses.

Recommendation:

The Town of White Castle should maintain adequate documentation for travel related expenditures for evidence of compliance with the Town's travel policy. Further, the travel policy should be updated to foster the consistency of reporting and approval of expense reports. Persons traveling on official business will provide themselves with sufficient funds for all routine travel expenses not covered by the Town.

Response:

See Management's response letter.

2018-08 Purchase not made from State Contract list

Fiscal Year Finding Originated: 2018

Condition:

The Town purchased a vehicle outside of the Office of State Procurement "state contract list."

TOWN OF WHITE CASTLE, LOUISIANA

Schedule of Findings and Responses
For the Year Ended September 30, 2018

Criteria:

The State of Louisiana require municipalities to purchase certain materials and supplies either through a competitive bid process or from a state contract list.

Cause:

Use of state contract list allows a municipality to save time and money that would otherwise be spent to on performing the required competitive procedures.

Effect:

Failure to use competitive bid process or state contract list could result in the Town spending an excessive amount for materials or supplies.

Recommendation:

The Town should ensure compliance with state guidelines required for the procurement of goods, materials and services.

TOWN OF WHITE CASTLE, LOUISIANA

Summary of Prior Year Findings
For the Year Ended September 30, 2018

INTERNAL CONTROL AND COMPLIANCE FINDINGS

2017-01 Travel and Per Diem

Fiscal Year Finding Originated: Unknown.

Condition:

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

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

Corrective Action Plan:

The Town has improved issues in this area during the 2018. The six items identified related to local travel and do not represent normal travel activities for the Town. However, the Town has implemented procedures recently to address local travel to be consistent with the Town's current policy and practices.

Current Status:

Resolved.

2017-02 Cash Management

Fiscal Year Finding Originated: Unknown.

Condition:

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

Corrective Action Plan:

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

Current Status:

Unresolved. See 2018-02.

TOWN OF WHITE CASTLE, LOUISIANA

Summary of Prior Year Findings For the Year Ended September 30, 2018

2017-03 Past Due Utility Accounts

Fiscal Year Finding Originated: Unknown.

Condition:

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

Corrective Action Plan:

This matter relates to one elected official. The mayor will review this matter with this individual. Furthermore, the Town is actively reviewing utility receivables to avoid late payments by elected officials and employees. During 2018, the Town vigorously reviewed this matter with the lone exception being reported in this finding.

Current Status:

Unresolved. See 2018-03.

2017-04 Credit Cards

Fiscal Year Finding Originated: Unknown.

Condition:

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

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

Corrective Action Plan:

The Town has exerted significant energy to resolve this matter during 2018. The issue reported relates to charges occurring prior to the issuance of the 2016 report. When the items were identified by the previous auditor, the Town discontinued the iTunes charges and the Mayor reimbursed the Town for the \$20.97.

The Town is regularly reviewing credit cards at this time to ensure appropriate documentation is maintained prospectively.

The Town considers this matter resolved.

Current Status:

Unresolved. See 2018-01.

TOWN OF WHITE CASTLE, LOUISIANA

Summary of Prior Year Findings
For the Year Ended September 30, 2018

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

Fiscal Year Finding Originated: Unknown.

Condition:

The vehicle assigned to the mayor does not have a logo with the name of the Town as is required by state law.

Corrective Action Plan:

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

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

Current Status:

Resolved.

2017-06 Quarterly Audits of Traffic Citations

Fiscal Year Finding Originated: Unknown.

Condition:

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

Corrective Action Plan:

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

Current Status:

Unresolved. See 2018-05.

2017-07 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.

TOWN OF WHITE CASTLE, LOUISIANA

**Summary of Prior Year Findings
For the Year Ended September 30, 2018**

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.

Corrective Action Plan:

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

The Town considers this matter resolved.

Current Status:

Unresolved. See 2018-06.



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)

March 4, 2019

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, 2018. Below is the Town's corrective action plan related to your recommendations for our financial practices.

2018-01 Credit Card Transactions

During 2018, the Town worked diligently to improve record retention practices related to Town credit cards. The Town primarily used its credit card for travel, vehicle, and office related purchases. With respect to the recommendation, the Town will implement the following:

- Implement a procedure to reconcile credit card statements to ensure that all purchase invoices are matched completely to the monthly statements.
- Begin documenting the business purpose with each charge.
- Administration will consider an appropriate number of charge cards moving forward.

The new administration will work diligently to resolve this matter as soon as possible.

2018-02 Cash Management

The Town will implement procedures to ensure daily deposit of traffic fine collections. In particular, the Town will consider moving receipt functions from the Police Department to the utility office where daily cash collections are deposited timely.

However, the Town will emphasize daily deposit requirements to current staff at the Police Department since they are responsible for collection at this time.

2018-03 Past Due Utility Accounts

The Town is vigorously pursuing collection of these five past due balances, to include cut-off of service. Additionally, the Town will implement procedures to closely monitor employee and elected official accounts to ensure payment is timely.

2018-04 No Authorization for Overtime Payments to Town Employees

The new administration will implement procedures to document authorization of overtime for all office employees earning overtime wages. Each timesheet will include review and approval of overtime by the Mayor for office staff.

2018-05 Quarterly Audits of Traffic Citations

The Town will review this matter with the Chief of Police during 2019. However, a process is being developed for quarterly review of traffic fine activity by the Clerk to satisfy resolution of this matter. Since six months of the current fiscal year has passed, the Town will retroactively perform this process starting at October 1, 2018.

2018-06 Failure to Collect Reconnection Fees Due to the Town

During 2018, the Town began collection of reconnection fees. However, collection was made on a haphazard basis. The current administration will implement this process on a more consistent basis during 2019 for all disconnected customers.

2018-07 Travel Related Expense

The Town has dramatically improved in this area over the last few years as shown by the results reported. The two instances totaling \$98 were considered isolated in nature. On the other hand, the Town will work diligently during 2019 to completely resolve this matter so that all items are adequately documented as it relates to staff travel.

2018-08 Purchase not made from State Contract list

The Town purchased a used truck during 2018. The purchase price of the used vehicle was considered reasonable and not excessive. However, the Town will closely monitor all purchases moving forward for public bid law requirements and related compliance, including the purchase of used equipment.

Sincerely,

John Morris

John Morris,
Mayor

SPECIAL ACKNOWLEDGEMENTS

John Morris
Mayor

Heather A. Jones
Assistant Town Clerk

Sheryl Johnson
Accounting Clerk

Kay Leblanc
Accounting Clerk



J. WALKER & COMPANY^{APC}

ACCOUNTANTS AND ADVISORS

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

The Honorable John Morris
Town of White Castle
and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below, which were agreed to by Town of White Castle and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period October 1, 2017 through September 30, 2018. The Town's management is responsible for those C/C areas identified in the SAUPs. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

Written Policies and Procedures

1. Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories (if applicable to public funds and the entity's operations):

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

We performed the procedures above and noted no exceptions.

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

We performed the procedures above and noted no exceptions.

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

We performed the procedures above and noted no exceptions.

- d) **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

We performed the procedures above and noted no exceptions.

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- e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.

We performed the procedures above and noted no exceptions.

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

We performed the above procedures and noted the following exceptions:

The policies and procedures do not including the monitoring process.

Management Response: See management’s response letter.

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

We performed the procedures above and noted no exceptions.

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

We performed the procedures above and noted no exceptions.

- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity’s ethics policy.

We performed the procedures above and noted no exceptions.

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

We performed the procedures above and noted no exceptions.

Board or Finance Committee

- 2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board’s enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
 - a) Observe that the board/finance committee met with a quorum at least monthly or on a frequency in accordance with the board’s enabling legislation, charter, bylaws, or other equivalent document.

We performed the procedure above and noted no exceptions.

- b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the



general fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds.

We performed the procedures above and noted no exceptions.

- c) For governmental entities, obtain the prior year audit report and observe the unrestricted fund balance in the general fund. If the general fund had a negative ending unrestricted fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unrestricted fund balance in the general fund.

General fund does not reflect a negative ending year unrestricted fund balance in the prior year audit report; therefore, no procedures performed.

Bank Reconciliations

3. Obtain a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for selected each account, and observe that:

- a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);

We performed the procedure above and noted no exceptions.

- b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and

We performed the procedure above and noted no exceptions.

- c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

We performed the procedure above and noted no exceptions.

Collections

4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).



5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

a) Employees that are responsible for cash collections do not share cash drawers/registers.

We performed the above procedure and noted the following exceptions:

Employees that are responsible for cash collections do share cash drawers/registers.

Management Response: See management's response letter.

b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.

We performed the procedure above and noted no exceptions.

c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.

We performed the procedure above and noted no exceptions.

d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.

We performed the procedure above and noted no exceptions.

6. Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.

We performed the procedure above and noted no exceptions.

7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). Obtain supporting documentation for each of the 10 deposits and:

a) Observe that receipts are sequentially pre-numbered.

We performed the procedure above and noted no exceptions.

b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.

We performed the procedure above and noted no exceptions.



- c) Trace the deposit slip total to the actual deposit per the bank statement.

We performed the procedure above and noted no exceptions.

- d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).

We performed the above procedure and noted the following exceptions:

2 out of the 10 deposits selected were not made within one business day of receipts at the collection location.

Management Response: See management's response letter.

- e) Trace the actual deposit per the bank statement to the general ledger.

We performed the procedure above and noted no exceptions.

Non-Payroll Disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases)

8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).

9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:

- a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.

We performed the above procedure and noted the following exceptions:

No evidence that purchase orders was used for the town.

Management Response: See management's response letter.

- b) At least two employees are involved in processing and approving payments to vendors.

We performed the procedure above and noted no exceptions.

- c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.

We performed the procedure above and noted no exceptions.

- d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

We performed the procedure above and noted no exceptions.



10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:

a) Observe that the disbursement matched the related original invoice/billing statement.

We performed the procedure above and noted no exceptions.

b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

We performed the procedure above and noted no exceptions.

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

11. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:

a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing, by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]]

We performed the above procedures and noted the following exceptions:

6 out of the 12 transactions that were reviewed had no supporting documentations.

Management Response: See management's response letter.

b) Observe that finance charges and late fees were not assessed on the selected statements.

We performed the above procedure and noted following exceptions.

On one occasions the Town was assessed finance charge or late fees on statements reviewed.

Management Response: See management's response letter.



13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only).

We performed the procedure above and noted no exceptions.

Travel and Travel-Related Expense Reimbursements (excluding card transactions)

14. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:

- a) If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).

We performed the procedure above and noted no exceptions.

- b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.

We performed the procedure above and noted no exceptions.

- c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).

We performed the procedure above and noted no exceptions.

- d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

- e)

We performed the above procedure and noted following exceptions.

All 5 transactions selected did not include evidences that each reimbursement was reviewed and approved, in writing, by someone other than the person that received reimbursement.

Management Response: See management's response letter.



Contracts

15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:

- a) Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.

We performed the procedure above and noted no exceptions.

- b) Observe that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).

We performed the above procedures and noted the following exceptions:

4 out of the 5 contracts selected had no written contracts in place.

Management Response: See Management's response letter.

- c) If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment.

No contract reviewed was amended. Therefore, no procedures were performed.

- d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

4 out of the 5 contracts selected had no written contracts in place. Therefore, we were unable to agree the invoice to the contract terms. No exceptions noted for the 1 contract provided.

Payroll and Personnel

16. Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

17. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:

- a) Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and



leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)

We performed the procedure above and noted no exceptions.

- b) Observe that supervisors approved the attendance and leave of the selected employees/officials.

We performed the procedure above and noted no exceptions.

- c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.

We performed the procedure above and noted no exceptions.

- 18. Obtain a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees/officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations, agree the hours to the employee/officials' cumulative leave records, and agree the pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files.

We performed the procedure above and noted no exceptions.

- 19. Obtain management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.

We performed the procedure above and noted no exceptions.

Ethics

- 20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above obtain ethics documentation from management, and:

- a. Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.

We performed the above procedures and noted the following exceptions:

No documentation provided to demonstrate that 1 out of the 5 selected officials and 1 out of the 5 selected employees completed one hour of ethics training during the fiscal period.

Management Response: See management's response letter.

- b. Observe that the documentation demonstrates each employee/official attested through signature verification that he or she has read the entity's ethics policy during the fiscal period.

We performed the above procedures and noted the following exceptions:



No documentation demonstrates each employees and official attested through signature verification that he or she has read the town's ethics policy during the fiscal period.

Management Response: See management's response letter.

Debt Service

21. Obtain a listing of bonds/notes issued during the fiscal period and management's representation that the listing is complete. Select all bonds/notes on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each bond/note issued.

The Town did not issue new debt during the fiscal period. Therefore, these procedures are not applicable.

22. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants.

We performed the procedures above and noted no exceptions.

Other

23. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

We performed the procedure above and noted no exceptions.

24. Observe that the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

We performed the above procedure and noted following exceptions.

The Town did not post to its website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste of abuse of public fund.

Management Response: See management's response letter.

J. Walker & Company, APC

Lake Charles, Louisiana

March 4, 2019





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)

March 4, 2019

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, 2018. Below is the Town's corrective action plan related to your recommendations for our financial practices.

Written Policies and Procedures (1f)

During 2018, the Town worked diligently to implement policies and procedures relating to contracting. Policies addressing the monitoring process were inadvertently overlooked.

The new administration will work to amend and implement the changes as soon as possible.

Collections (5a)

The Town will work to implement procedures to ensure that employees responsible for cash collections do not share cash drawers moving forward.

Collections (7d)

The Town will implement procedures to ensure daily deposit of traffic fine collections. In particular, the Town will consider moving receipt functions from the Police Department to the utility office, where daily cash collections are deposited timely.

However, the Town will emphasize daily deposit requirements to current staff at the Police Department since they are responsible for collection at this time.

Non-Payroll Disbursements (9a)

The Town will consider implementation of a purchase order system, where practical. Although the Town generally agrees with the recommendation, we don't believe issuing purchase orders for all purchases is needed and practical.

Credit Cards/ Debit Cards/Fuel Cards/P-Cards (12a)

During 2018, the Town worked diligently to improve record retention practices related to Town credit cards. The Town primarily used its credit card for travel, vehicle, and office related purchases. With respect to the recommendation, the Town will implement the following:

- Implement a procedure to reconcile credit card statements to ensure that all purchase invoices are matched completely to the monthly statements.
- Begin documenting the business purpose with each charge.
- Administration will consider an appropriate number of charge cards moving forward.

The new administration will work diligently to resolve this matter as soon as possible.

Credit Cards/ Debit Cards/Fuel Cards/P-Cards (12b)

The Town will work diligently to ensure, going forward, that no finance charges or late fees are incurred with credit card administration.

Travel and Travel-Related Expense Reimbursements (excluding card transactions) (14d)

Travel reimbursements will be reviewed and approved, in writing, by the supervisor of the employee receiving reimbursement. Additionally, the Town will implement record retention procedures to enhance evidence of approval.

Contracts (15b)

The Town will obtain contracts for all significant professional services agreements, leases and construction activities.

Ethics (20a)

The Town will maintain a database of all employees and elected officials and the status of their ethics training. Reminders will be provided to officials annually. Current employees will be required to complete the training during the first six months of each calendar year. New employees will be required to complete the training during their first month of employment.

Ethics (20a)

The Town will maintain signature verifications from each employee and official that he or she has read the town ethics policy during the fiscal year.

Other (24)

The Town is working to post the fraud notice on the its website.

Sincerely,

John Morris

John Morris,
Mayor