

TOWN OF WHITE CASTLE, LOUISIANA

Financial Statements

For the fiscal year ended September 30, 2021



Prepared by

Town of White Castle
Town Clerk's Office

TOWN OF WHITE CASTLE, LOUISIANA

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INDEPENDENT AUDITORS' REPORT

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John Morris III, Mayor
And the Members of the Town Council
Town of White Castle

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of White Castle (the Town), as of and for the year ended September 30, 2021, 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.

Auditor's 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 auditor considers 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.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town, as of September 30, 2021, and the respective changes in financial position and, where applicable, cashflows 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 on pages 4 through 15 and other required supplementary information on pages 58 through 64 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 other supplementary information on pages 65 through 70 is presented for purposes of additional analysis and is not a required part of the basic financial statements.

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

The schedule of insurance in force and schedule of utility customers has not been subjected 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 31, 2022, on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters.

The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Abbeville, Louisiana
March 31, 2022

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, 2021. Please read it in conjunction with the Town's financial statements, which begin on page 16. 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 2022 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, 2021, are detailed throughout this analysis. Significant highlights are as follows:

- Assets and deferred outflows of resources of the Town exceeded its liabilities and deferred inflows of resources by approximately \$5.2 million at the close of the year. The Town reported a deficit of \$541,000 for unrestricted net position for the year ended September 30, 2021.
- As of September 30, 2021, the Town's governmental funds reported combined fund balances of approximately \$1.2 million. Additionally, approximately \$398,000 of this fund balance is unassigned.
- At year end the Town's proprietary funds reported net position of approximately \$2.0 million, of which included a deficit of \$427,000 in unrestricted net position.

Significant aspects of the Town's financial well-being, as of and for the year ended September 30, 2021, are detailed throughout this analysis

USING THIS ANNUAL REPORT

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

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

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

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

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

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

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

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

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

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

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

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

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

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Town's budgetary comparison schedules for its major governmental funds and information regarding the Town's proportionate share in public pension plans. The required supplementary information can be found on Exhibits B through B-3 of this report.

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

Information regarding the mayor's compensation is presented on Exhibit C-2. Additionally, Act 87 justice system funding information, utility systems customer information, along with information regarding the Town's insurance in force, can be found on Exhibits C-3, C-4 and C-5, respectively.

Government-Wide Financial Analysis

As mentioned earlier, changes in net position may serve over time as a useful indicator of a government's financial position. In the case of the Town, assets and deferred outflows exceeded liabilities and deferred inflows by approximately \$5.2 million at the close of the fiscal year, a decrease of approximately \$592,000 from the prior year.

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

Net Position						
September 30, 2021 and 2020						
(in thousands)						
	Governmental		Business-type		Total	
	Activities		Activities			
	2021	2020	2021	2020	2021	2020
Current and other assets	\$ 1,297	\$ 1,213	\$ (82)	\$ 351	\$ 1,215	\$ 1,564
Capital assets	<u>4,896</u>	<u>5,012</u>	<u>2,598</u>	<u>2,793</u>	<u>7,494</u>	<u>7,805</u>
Total assets	<u>6,193</u>	<u>6,225</u>	<u>2,516</u>	<u>3,144</u>	<u>8,709</u>	<u>9,369</u>
Deferred outflows of resources	<u>340</u>	<u>348</u>	<u>15</u>	<u>48</u>	<u>355</u>	<u>396</u>
Total assets and deferred outflows of resources	<u>\$ 6,533</u>	<u>\$ 6,573</u>	<u>\$ 2,531</u>	<u>\$ 3,192</u>	<u>\$ 9,064</u>	<u>\$ 9,765</u>
Current and other liabilities	\$ 134	\$ 86	\$ 145	\$ 239	\$ 279	\$ 325
Noncurrent liabilities	<u>2,968</u>	<u>2,987</u>	<u>331</u>	<u>623</u>	<u>3,299</u>	<u>3,610</u>
Total liabilities	<u>3,102</u>	<u>3,073</u>	<u>476</u>	<u>862</u>	<u>3,578</u>	<u>3,935</u>
Deferred inflows of resources	<u>232</u>	<u>43</u>	<u>64</u>	<u>5</u>	<u>296</u>	<u>48</u>
Net position:						
Net investment in capital assets	2,554	2,877	2,418	2,376	4,972	5,253
Restricted	759	513	-	243	759	756
Unrestricted	<u>(114)</u>	<u>67</u>	<u>(427)</u>	<u>(294)</u>	<u>(541)</u>	<u>(227)</u>
Total net position	<u>3,199</u>	<u>3,457</u>	<u>1,991</u>	<u>2,325</u>	<u>5,190</u>	<u>5,782</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 6,533</u>	<u>\$ 6,573</u>	<u>\$ 2,531</u>	<u>\$ 3,192</u>	<u>\$ 9,064</u>	<u>\$ 9,765</u>

At the end of the current fiscal year the Town had deficit balances in unrestricted net position for governmental and business type activities. Additionally, 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, 2021 (80%) reflects those net position invested in capital assets (e.g., land, buildings, improvements, streets, equipment, vehicles, utility systems and furniture and fixtures), less any related outstanding debt used to acquire those assets. This same classification of net position was also the largest portion of the Town's net position as of September 30, 2020 (83%).

The deficit of \$541,000 in unrestricted net position of the Town at the end of fiscal 2021 represents the accumulated results of operations.

Unrestricted net position for governmental activities decreased during the year by approximately \$181,000, this decrease resulted in the Town ending the 2021 fiscal year with a deficit in unrestricted net position of \$541,000. The decrease in unrestricted net position is attributable to increase in gross capital assets, as the Town placed new assets into service and continued making payments on debt that was issued in prior years. Furthermore, unrestricted net position for business-type activities decreased by approximately \$133,000 or 45%. The decrease in unrestricted business-type activities is primarily attributable to a decrease in transfers in from governmental activities of \$120,000 when compared to the prior year. Additionally, operations of all utility funds resulted in a loss for September 30, 2021.

(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, 2021 and 2020
(in thousands)

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Revenues:						
Program revenues:						
Charges for services	\$ 131	\$ 171	\$ 805	\$ 718	\$ 936	\$ 889
Operating grants and contributions	374	63	-	-	374	63
General revenues:						
Ad valorem	31	30	-	-	31	30
Sales taxes	2,311	2,430	-	-	2,311	2,430
Other taxes	39	43	-	-	39	43
Other general revenues	85	111	12	6	97	117
Total revenues	<u>2,971</u>	<u>2,848</u>	<u>817</u>	<u>724</u>	<u>3,788</u>	<u>3,572</u>
Functions/Program Expenses:						
General government	898	792	-	-	898	792
Public safety	771	845	-	-	771	845
Streets and sanitation	923	678	-	-	923	678
Public health	60	62	-	-	60	62
Recreation	296	276	-	-	296	276
Gas	-	-	304	319	304	319
Waterworks	-	-	570	610	570	610
Sewerage	-	-	482	464	482	464
Interest	76	84	-	-	76	84
Total expenses	<u>3,024</u>	<u>2,737</u>	<u>1,356</u>	<u>1,393</u>	<u>4,380</u>	<u>4,130</u>
Increase (decrease) in net position before transfers	(53)	111	(539)	(669)	(592)	(558)
Transfers	<u>(205)</u>	<u>(325)</u>	<u>205</u>	<u>325</u>	<u>-</u>	<u>-</u>
Change in net position	<u>(258)</u>	<u>(214)</u>	<u>(334)</u>	<u>(344)</u>	<u>(592)</u>	<u>(558)</u>
Beginning net position	<u>3,457</u>	<u>3,671</u>	<u>2,325</u>	<u>2,669</u>	<u>5,782</u>	<u>6,340</u>
Ending net position	<u>\$ 3,199</u>	<u>\$ 3,457</u>	<u>\$ 1,991</u>	<u>\$ 2,325</u>	<u>\$ 5,190</u>	<u>\$ 5,782</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 18. 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 2021 by fund type:

	(in thousands)					
	2021				2020	
	General Fund	Special Revenue Fund	Debt Service Funds	Capital Project Fund	Totals	Totals
Revenues and other						
financing sources	\$ 2,956	\$ 60	\$ 2,420	\$ -	\$ 5,436	\$ 2,833
Expenditures and other						
financing uses	2,734	60	2,408	-	5,202	2,516
Transfers, net	(432)	-	227	-	(205)	(325)
Change in fund balance	<u>\$ (210)</u>	<u>\$ -</u>	<u>\$ 239</u>	<u>\$ -</u>	<u>\$ 29</u>	<u>\$ (8)</u>

Before transfers to other governmental and enterprise funds, the Town's General fund experienced a surplus of revenues over expenditures of \$222,000. This surplus is primarily related to an increase in intergovernmental grants by \$284,000 when compared to 2020. Additionally, capital outlay expenditures increased by approximately \$131,000 when compared to 2020. The increase was primarily related to recreation additions and the improvements of the Town's fitness center.

Overall, revenues and other financing sources of the Town’s governmental fund types for 2021 increased by approximately \$2.6 million, expenditures and other financing uses increased by approximately \$2.7 million, and net transfers decreased by approximately \$120,000 resulting in an increase in fund balance of approximately \$29,000. This increase in fund balance represents a \$37,000 gain when compared to the prior year’s decrease in fund balance of \$8,000, largely due to the increases in intergovernmental grants as mentioned above. The large increases in revenue and other financing sources and expenditures and other financing uses are driven by the Town issuing 2021 sales tax bonds to refund the Town’s prior 2016 sales tax bonds.

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

Source of Revenue	(in thousands)			
	2021		2020	
	Revenue	Percent	Revenue	Percent
Taxes	\$ 2,382	82	\$ 2,503	89
Intergovernmental	414	14	128	5
Licenses and permits	69	2	73	2
Fines	31	1	92	3
Miscellaneous	39	1	19	1
	<u>\$ 2,935</u>	<u>100</u>	<u>\$ 2,815</u>	<u>100</u>

The Town’s governmental activities are largely supported by tax revenues, which are recorded in the General fund, representing 82% of the total governmental revenues in 2021, which decreased by approximately \$121,000 (or 7%) during the current year due primarily to decreases in sales tax revenues.

Total governmental expenditures experienced an increase of approximately \$551,000 in comparison to the prior year. Capital outlay expenditures increased by \$131,000, as a result of recreation capital projects being completed in 2021. Additionally, streets and sanitation expenditures increased by \$243,000 from the prior year. The increase of \$243,000 in streets and sanitation expenditures was attributable to major repairs needed to the Town’s drainage systems. Expenditures for all governmental funds by each major function are summarized below.

Function	(in thousands)			
	2021		2020	
	Expenditure	Percent	Expenditure	Percent
General government	\$ 822	27	\$ 700	28
Public safety	712	23	732	29
Streets and sanitation	817	27	574	23
Public health	60	2	62	2
Recreation	114	4	73	3
Debt Service	281	9	245	10
Capital outlay	261	8	130	5
	<u>\$ 3,067</u>	<u>100</u>	<u>\$ 2,516</u>	<u>100</u>

Proprietary Funds - The Town's proprietary funds provide the same information reported in the government-wide financial statements as business-type activities but in a different format. Unrestricted net position of Waterworks and Gas decreased for the year ended September 30, 2021. Additionally, Gas, Water and Sewer experienced operating losses as summarized in the table below.

	(in thousands)			
	2021		2020	
<u>Operating revenues:</u>	<u>Total</u>	<u>Percent</u>	<u>Total</u>	<u>Percent</u>
Gas	\$ 253	31	\$ 222	31
Waterworks	248	31	222	31
Sewerage	310	38	276	38
Total revenues	<u>811</u>	<u>100</u>	<u>720</u>	<u>100</u>
<u>Operating expenses:</u>				
Gas	304	23	319	23
Waterworks	557	42	602	44
Sewerage	478	35	461	33
Total expenses	<u>1,339</u>	<u>100</u>	<u>1,382</u>	<u>100</u>
Net operating loss	\$ <u>(528)</u>	<u>(65)</u>	\$ <u>(662)</u>	<u>(92)</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 sales tax revenues and grant revenues by \$210,000 and \$184,000, respectively. Actual total revenues were approximately \$44,000 greater than the final budget, primarily due to differences between actual sales tax received and grant revenues collected in 2021 when compared to their respective amended budgets.

Regarding expenditures, the original budget of the Town was amended to decrease the appropriation for capital outlay expenditures by \$359,000 and to increase the appropriations for streets and sanitation by \$257,000 for major drainage system repairs and maintenance expenditures incurred during the year. The decrease in capital outlay expenditures from the original budget was the result of expected postponement of capital outlay projects due to availability of grant funding.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2021 the Town had approximately \$7.5 million invested in a broad range of capital assets including streets, heavy equipment for street and drainage maintenance, vehicles, computer equipment, office furniture, land, buildings, park facilities, gas and water distribution systems, and sewer treatment systems. This amount represents a net decrease of \$481,000, or 6% over the prior fiscal year. The 2021 additions in the governmental and business type activities were approximately \$261,000 and \$20,000, respectively. Additions included the purchase of public safety equipment, improvements to the streets and roads, meter system improvements, and various improvements to the Town's buildings. During 2021, depreciation expense for the governmental and business type activities were approximately \$377,000 and \$215,000, respectively.

	in thousands (net of depreciation)					
	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Land	\$ 321	\$ 321	\$ 41	\$ 41	\$ 362	\$ 362
Construction in progress	100	100	-	-	100	100
Buildings and systems	1,069	954	2,256	2,426	3,325	3,380
Equipment and vehicles	199	280	301	326	500	606
Improvements other than buildings	270	268	-	-	270	268
Infrastructure	<u>2,937</u>	<u>3,089</u>	<u>-</u>	<u>-</u>	<u>2,937</u>	<u>3,089</u>
Total assets, net of depreciation	<u>\$ 4,896</u>	<u>\$ 5,012</u>	<u>\$ 2,598</u>	<u>\$ 2,793</u>	<u>\$ 7,494</u>	<u>\$ 7,805</u>

The Town's fiscal year 2021 capital budget included purchases for drainage improvements, building improvements, and improvements to streets. More detailed information about the Town's capital assets is presented in Note 5 to the financial statements.

Long-Term Liabilities

On September 30, 2021, the Town had \$3.3 million in outstanding long-term liabilities, compared to \$3.7 million on September 30, 2021, an decrease of 11%, as shown in the following table.

	in thousands					
	Governmental Activities		Business- Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Public improvement bonds	\$ 2,375	\$ 2,280	\$ -	\$ -	\$ 2,375	\$ 2,280
Premium on bond issuance	45	20	-	-	45	20
Installment purchase agreement	59	-	-	-	59	-
Net pension liability	458	661	138	253	596	914
Revenue bonds	-	-	-	196	-	196
Capital lease obligation	-	-	180	221	180	221
Accrued sick leave	31	26	14	27	45	53
Total long-term liabilities	<u>\$ 2,968</u>	<u>\$ 2,987</u>	<u>\$ 332</u>	<u>\$ 697</u>	<u>\$ 3,300</u>	<u>\$ 3,684</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 2022 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 2022. Amounts available for appropriation in the General Fund are \$5.9 million (revenues and other financing sources). Property taxes, licensing fees, sales taxes, franchise taxes, and utility taxes are expected to remain relatively consistent with the final 2022 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 \$5.4 million (expenditures and other financing uses) million, with the largest expenditures allocated to public safety and capital outlay related to streets and facility improvements that will be financed through capital grants. If these estimates are realized, the General Fund’s fund balance is expected to increase by approximately \$458,000.

OTHER INFORMATION

Contacting The Town's Financial Management

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

Town Council

Melissa Allen

Erick Batiste

Candice Depron

Kipp Knight

Mervin Allen

TOWN OF WHITE CASTLE, LOUISIANA

STATEMENT OF NET POSITION

September 30, 2021

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 109,204	\$ 22,895	\$ 132,099
Investments - certificate of deposit	242,613	70,983	313,596
Accounts receivable, net	21,260	121,834	143,094
Due from other governments	414,145	-	414,145
Prepaid insurance	5,457	5,458	10,915
Internal balances	387,071	(387,071)	-
Inventories	-	8,988	8,988
Restricted cash	117,297	74,859	192,156
Capital assets:			
Non depreciable	421,799	40,588	462,387
Depreciable, net	<u>4,474,370</u>	<u>2,557,653</u>	<u>7,032,023</u>
Total assets	<u>6,193,216</u>	<u>2,516,187</u>	<u>8,709,403</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pension liability	203,845	15,372	219,217
Deferred outflows related to debt refunding	<u>135,986</u>	<u>-</u>	<u>135,986</u>
Total deferred outflows of resources	<u>339,831</u>	<u>15,372</u>	<u>355,203</u>
Total assets and deferred outflows of resources	<u>\$ 6,533,047</u>	<u>\$ 2,531,559</u>	<u>\$ 9,064,606</u>
LIABILITIES			
Accounts payable	\$ 97,774	\$ 65,055	\$ 162,829
Payroll and other accrued liabilities	19,546	4,420	23,966
Unearned revenue	17,488	-	17,488
Customer deposits	-	75,160	75,160
Long-term liabilities:			
Due within one year	209,297	53,963	263,260
Due in more than one year	2,300,281	139,444	2,439,725
Pension liability due in more than one year	<u>458,048</u>	<u>138,438</u>	<u>596,486</u>
Total liabilities	<u>3,102,434</u>	<u>476,480</u>	<u>3,578,914</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows related to pension liability	<u>231,815</u>	<u>64,230</u>	<u>296,045</u>
NET POSITION			
Net investment in capital assets	2,553,849	2,418,515	4,972,364
Restricted for:			
Debt service	472,916	-	472,916
Capital projects	285,695	-	285,695
Unrestricted	<u>(113,662)</u>	<u>(427,666)</u>	<u>(541,328)</u>
Total net position	<u>3,198,798</u>	<u>1,990,849</u>	<u>5,189,647</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 6,533,047</u>	<u>\$ 2,531,559</u>	<u>\$ 9,064,606</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, 2021

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position		Total
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	
Primary government:						
Governmental activities:						
General government	\$ 897,720	\$ 99,448	\$ -	\$ (798,272)	\$ -	\$ (798,272)
Public safety	771,268	31,328	-	(739,940)	-	(739,940)
Streets and sanitation	922,794	-	312,710	(610,084)	-	(610,084)
Public health	59,826	-	59,809	(17)	-	(17)
Recreation	295,948	-	1,500	(294,448)	-	(294,448)
Interest on long-term debt	75,965	-	-	(75,965)	-	(75,965)
Total governmental activities	<u>3,023,521</u>	<u>130,776</u>	<u>374,019</u>	<u>(2,518,726)</u>	<u>-</u>	<u>(2,518,726)</u>
Business-type activities:						
Gas	304,404	251,923	-	-	(52,481)	(52,481)
Waterworks	570,649	247,145	-	-	(323,504)	(323,504)
Sewerage	481,386	305,981	-	-	(175,405)	(175,405)
Total business-type activities	<u>1,356,439</u>	<u>805,049</u>	<u>-</u>	<u>-</u>	<u>(551,390)</u>	<u>(551,390)</u>
Total primary government	<u>\$ 4,379,960</u>	<u>\$ 935,825</u>	<u>\$ 374,019</u>	<u>(2,518,726)</u>	<u>(551,390)</u>	<u>(3,070,116)</u>
General revenues:						
Taxes:						
Ad valorem				31,471	-	31,471
Sales and use				2,311,207	-	2,311,207
Franchise				37,644	-	37,644
Other				1,816	-	1,816
Grants and contribution not restricted to specific programs				44,727	12,490	57,217
Investment earnings				2,767	305	3,072
Payments in-lieu of taxes				35,573	-	35,573
Transfers				(205,000)	205,000	-
Total general revenues and transfers				<u>2,260,205</u>	<u>217,795</u>	<u>2,478,000</u>
Change in net position				(258,521)	(333,595)	(592,116)
NET POSITION						
Beginning of year				<u>3,457,319</u>	<u>2,324,444</u>	<u>5,781,763</u>
Ending of year				<u>\$ 3,198,798</u>	<u>\$ 1,990,849</u>	<u>\$ 5,189,647</u>

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

TOWN OF WHITE CASTLE, LOUISIANA

BALANCE SHEETS
GOVERNMENTAL FUNDS

September 30, 2021

	General	Sinking Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 54,575	\$ 9,469	\$ 45,160	\$ 109,204
Investments - certificates of deposit	242,613	-	-	242,613
Account receivable, net	21,260	-	-	21,260
Due from other governments	414,145	-	-	414,145
Due from other funds	198,262	222,000	497,772	918,034
Prepaid insurance	5,457	-	-	5,457
Restricted cash	-	117,297	-	117,297
Total assets	<u>\$ 936,312</u>	<u>\$ 348,766</u>	<u>\$ 542,932</u>	<u>\$ 1,828,010</u>
LIABILITIES				
Accounts payable	\$ 97,774	\$ -	\$ -	\$ 97,774
Payroll and other accrued liabilities	12,719	-	-	12,719
Due to other funds	422,191	108,772	-	530,963
Total liabilities	<u>532,684</u>	<u>108,772</u>	<u>-</u>	<u>641,456</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	-	-	17,488	17,488
FUND BALANCE				
Nonspendable	5,457	-	-	5,457
Restricted for:				
Debt service	-	239,994	239,749	479,743
Capital projects	-	-	285,695	285,695
Unassigned	398,171	-	-	398,171
Total fund balance	<u>403,628</u>	<u>239,994</u>	<u>525,444</u>	<u>1,169,066</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 936,312</u>	<u>\$ 348,766</u>	<u>\$ 542,932</u>	<u>\$ 1,828,010</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, 2021

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

Total fund balances - governmental funds (Exhibit A-2)		\$	1,169,066
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds, net of accumulated depreciation			4,896,169
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			135,986
Deferred inflows and outflows of resources for pension plans and debt refundings are not due and payable in the current period, and therefore, are not reported in the governmental funds.			
Deferred outflows related to pension liability	203,845		
Deferred inflows related to pension liability	<u>(231,815)</u>		(27,970)
Long-term liabilities (e.g. bonds, leases), are not due and payable in the current period and, therefore, are not reported in the governmental funds.			
Accrued interest payable	(6,827)		
Net pension liability	(458,048)		
Premium on bond issuance	(44,897)		
Bonds payable, installment purchase agreements, and claims and judgements	(2,433,409)		
Compensated absences payable	<u>(31,272)</u>		<u>(2,974,453)</u>
Net position of governmental activities (Exhibit A)		\$	<u>3,198,798</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, 2021

	General Fund	Sinking Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES				
Taxes	\$ 2,382,138	\$ -	\$ -	\$ 2,382,138
Intergovernmental	349,783	-	59,809	409,592
License and permits	69,479	-	-	69,479
Fines	31,328	-	-	31,328
Other	38,712	14	17	38,743
	<u>2,871,440</u>	<u>14</u>	<u>59,826</u>	<u>2,931,280</u>
Total revenues				
EXPENDITURES				
Current function				
General government	822,364	-	-	822,364
Public safety	711,522	-	-	711,522
Streets and sanitation	817,001	-	-	817,001
Public health	-	-	59,826	59,826
Recreation	114,131	-	-	114,131
Debt service:				
Principal	6,858	145,000	-	151,858
Interest	867	81,925	-	82,792
Bond issuance costs	-	46,516	-	46,516
Capital outlay	261,298	-	-	261,298
	<u>2,734,041</u>	<u>273,441</u>	<u>59,826</u>	<u>3,067,308</u>
Total expenditures				
Excess (deficiency) of revenues over expenditures	<u>137,399</u>	<u>(273,427)</u>	<u>-</u>	<u>(136,028)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	227,000	-	227,000
Proceeds from insurance	19,264	-	-	19,264
Proceeds from bond issuance	-	2,375,000	-	2,375,000
Premium on debt issuance	-	45,148	-	45,148
Principal Payment to refunded bond agent	-	(2,135,002)	-	(2,135,002)
Proceeds from installment purchase agreement	65,267	-	-	65,267
Transfers out	(432,000)	-	-	(432,000)
	<u>(347,469)</u>	<u>512,146</u>	<u>-</u>	<u>164,677</u>
Total other financing sources (uses)				
Net change in fund balance	(210,070)	238,719	-	28,649
FUND BALANCE				
Beginning of year	<u>613,698</u>	<u>1,275</u>	<u>525,444</u>	<u>1,140,417</u>
End of year	<u>\$ 403,628</u>	<u>\$ 239,994</u>	<u>\$ 525,444</u>	<u>\$ 1,169,066</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, 2021

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)	\$	28,649
<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	(376,937)	
Capital outlay	261,298	(115,639)
<p>The liability and expense for compensated absences are not reported in governmental funds. Payments for compensated absences are reported as salaries when they occur. The payment consumes current financial resources, and it would take a catastrophic event for this liability to become a current liability.</p>		
		(5,715)
<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	151,858	
Principal payments to escrow agent on refunded debt	2,135,002	
Proceeds from the issuance of long-term debt	(2,440,267)	
Amortization of deferred loss on refunding bonds	(12,014)	
Premiums paid on debt issuance	(45,148)	
Amortization of bond premium	2,816	(207,753)
<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		6,827
Change in net pension obligations are reported only in the Statement of Activities		35,110
Change in net position of governmental activities (Exhibit A-1)	\$	(258,521)

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, 2021

	Gas Utility Fund	Waterworks Utility Fund	Sewerage Utility Fund	Total
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 8,765	\$ 8,282	\$ 5,848	\$ 22,895
Investments - certificates of deposit	19,530	27,235	24,218	70,983
Accounts receivable, net	50,253	10,909	60,672	121,834
Prepaid insurance	1,819	1,819	1,820	5,458
Due from other funds	150,000	167,191	478,000	795,191
Inventories	3,282	5,706	-	8,988
Restricted cash	41,299	33,560	-	74,859
Total current assets	<u>274,948</u>	<u>254,702</u>	<u>570,558</u>	<u>1,100,208</u>
Long-term assets:				
Capital assets:				
Non-depreciable	-	9,000	31,588	40,588
Depreciable, net	12,898	1,730,709	814,046	2,557,653
Total long-term assets	<u>12,898</u>	<u>1,739,709</u>	<u>845,634</u>	<u>2,598,241</u>
Total assets	<u>287,846</u>	<u>1,994,411</u>	<u>1,416,192</u>	<u>3,698,449</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows related to pension liability	7,686	7,686	-	15,372
Total assets and deferred outflows of resources	<u>\$ 295,532</u>	<u>\$ 2,002,097</u>	<u>\$ 1,416,192</u>	<u>\$ 3,713,821</u>
LIABILITIES				
Current liabilities:				
Accounts payable	\$ 18,579	\$ 29,880	\$ 16,596	\$ 65,055
Payroll and other accrued liabilities	577	3,691	152	4,420
Customer deposits	41,499	33,661	-	75,160
Due to other funds	208,313	849,000	124,949	1,182,262
Total current liabilities	<u>268,968</u>	<u>916,232</u>	<u>141,697</u>	<u>1,326,897</u>
Long-term liabilities:				
Due within one year	4,000	49,963	-	53,963
Due in more than one year:				
Accrued sick leave	1,040	1,641	-	2,681
Capital lease obligation	-	136,763	-	136,763
Net pension liability	69,219	69,219	-	138,438
Total long-term liabilities	<u>74,259</u>	<u>257,586</u>	<u>-</u>	<u>331,845</u>
Total liabilities	<u>343,227</u>	<u>1,173,818</u>	<u>141,697</u>	<u>1,658,742</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to pension liability	32,115	32,115	-	64,230
NET POSITION				
Net investment in capital assets	12,898	1,559,983	845,634	2,418,515
Unrestricted	(92,708)	(763,819)	428,861	(427,666)
Total net position	<u>(79,810)</u>	<u>796,164</u>	<u>1,274,495</u>	<u>1,990,849</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 295,532</u>	<u>\$ 2,002,097</u>	<u>\$ 1,416,192</u>	<u>\$ 3,713,821</u>

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, 2021

	<u>Gas Utility Fund</u>	<u>Waterworks Utility Fund</u>	<u>Sewerage Utility Fund</u>	<u>Total</u>
OPERATING REVENUES				
Charges for services	\$ 251,923	\$ 247,145	\$ 305,981	\$ 805,049
Other	1,349	1,006	4,163	6,518
Total operating revenues	<u>253,272</u>	<u>248,151</u>	<u>310,144</u>	<u>811,567</u>
OPERATING EXPENSES				
Administration	139,566	191,792	129,689	461,047
Field	97,751	277,619	226,886	602,256
Depreciation	5,736	87,322	121,415	214,473
Gas purchases	61,351	-	-	61,351
Total operating expenses	<u>304,404</u>	<u>556,733</u>	<u>477,990</u>	<u>1,339,127</u>
Operating loss	<u>(51,132)</u>	<u>(308,582)</u>	<u>(167,846)</u>	<u>(527,560)</u>
NON-OPERATING				
Interest income	84	117	104	305
Other contributions	2,986	2,986	-	5,972
Interest expense	-	(13,916)	(3,396)	(17,312)
Total non-operating, net	<u>3,070</u>	<u>(10,813)</u>	<u>(3,292)</u>	<u>(11,035)</u>
Loss before transfers	<u>(48,062)</u>	<u>(319,395)</u>	<u>(171,138)</u>	<u>(538,595)</u>
Transfers in	<u>25,000</u>	<u>180,000</u>	<u>-</u>	<u>205,000</u>
Change in net position	<u>(23,062)</u>	<u>(139,395)</u>	<u>(171,138)</u>	<u>(333,595)</u>
NET POSITION				
Beginning of year	<u>(56,748)</u>	<u>935,559</u>	<u>1,445,633</u>	<u>2,324,444</u>
Ending of year	<u>\$ (79,810)</u>	<u>\$ 796,164</u>	<u>\$ 1,274,495</u>	<u>\$ 1,990,849</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, 2021

	Gas Utility Fund	Waterworks Utility Fund	Sewerage Utility Fund	Totals
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers and users	\$ 246,483	\$ 287,843	\$ 301,466	\$ 835,792
Payments to suppliers for goods and services	(234,802)	(223,076)	(343,557)	(801,435)
Payments to employees for services and benefits	(83,294)	(256,364)	(42,304)	(381,962)
Other operating revenues	1,349	1,006	4,163	6,518
Net cash used by operating activities	<u>(70,264)</u>	<u>(190,591)</u>	<u>(80,232)</u>	<u>(341,087)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Due to other funds	-	-	100,000	100,000
Due from other funds	30,000	140,000	(170,000)	-
Transfers in	25,000	180,000	-	205,000
Net cash provided (used for) by noncapital financing activities	<u>55,000</u>	<u>320,000</u>	<u>(70,000)</u>	<u>305,000</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition and construction of capital assets	-	(19,740)	-	(19,740)
Interest expense	-	(13,916)	(3,396)	(17,312)
Principal payments to escrow agent on refunding debt	-	(120,186)	(64,810)	(184,996)
Principal payments on debt	-	(49,973)	(2,355)	(52,328)
Net cash used for capital activities	<u>-</u>	<u>(203,815)</u>	<u>(70,561)</u>	<u>(274,376)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Redemption of certificates of deposit	18,555	25,876	23,011	67,442
Interest income	84	117	104	305
Net cash provided by investing activities	<u>18,639</u>	<u>25,993</u>	<u>23,115</u>	<u>67,747</u>
Increase (decrease) in cash	3,375	(48,413)	(197,678)	(242,716)
CASH AND CASH EQUIVALENTS, including restricted cash				
Beginning of period	46,689	90,255	203,526	340,470
End of period	<u>\$ 50,064</u>	<u>\$ 41,842</u>	<u>\$ 5,848</u>	<u>\$ 97,754</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, 2021

	Gas Utility Fund	Waterworks Utility Fund	Sewerage Utility Fund	Totals
RECONCILIATION OF CASH				
Cash and cash equivalents	\$ 8,765	\$ 8,282	\$ 5,848	\$ 22,895
Restricted cash	41,299	33,560	-	74,859
Total cash	<u>\$ 50,064</u>	<u>\$ 41,842</u>	<u>\$ 5,848</u>	<u>\$ 97,754</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES:				
Operating loss	\$ (51,132)	\$ (308,582)	\$ (167,846)	\$ (527,560)
Adjustments of operating income (loss):				
Depreciation	5,736	87,322	121,415	214,473
Non-employer pension contributions	2,986	2,986	-	5,972
Change in operating assets and liabilities:				
Accounts receivable	(8,503)	37,169	(4,515)	24,151
Prepaid assets	(1,500)	(1,500)	(1,499)	(4,499)
Customer deposits	1,453	543	-	1,996
Inventory	781	2,197	-	2,978
Accounts payable and accrued expenses	(9,906)	397	(27,787)	(37,296)
Unearned revenue	(1,376)	-	-	(1,376)
Net pension liability and related deferred inflows and outflows	<u>(11,123)</u>	<u>(11,123)</u>	<u>-</u>	<u>(22,246)</u>
Net cash used by operating activities	<u>\$ (70,264)</u>	<u>\$ (190,591)</u>	<u>\$ (80,232)</u>	<u>\$ (341,087)</u>

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

TOWN OF WHITE CASTLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

September 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Statement Presentation

The financial statements of the Town of White Castle, Louisiana (the Town) have been prepared in conformity with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations).

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

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

Reporting Entity

These financial statements present the Town as the primary government. For financial reporting purposes, the Town is controlled by or dependent on the Town's executive or legislative branches (the Mayor or the Town Council, respectively). Other organizations that are controlled by or dependent upon the Town would be included in this financial statement as component units. Control by or dependence on the Town is determined on the basis of budget adoption, taxing authority, outstanding debts secured by revenues or general obligations of the Town, obligations of the Town to finance any deficits that may occur, or receipt of significant subsidies from the Town. There are no component units included in this financial statement.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Reporting Entity (Continued)

White Castle Housing Authority

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

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

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

White Castle Housing Authority's operating and capital expenditures, including debt service, are financed from federal grants and tenant rentals. The Town has no involvement in the determination of the Authority's budget, rental rates, or any obligation for the Authority's outstanding debt and does not have the authority to remove board members or designate management. Financial transactions between the Town and the Authority, reported in the accompanying financial statements, reflect contractual agreements between the parties for the provision of specific services by the Town for the Authority. A financial statement for the Authority can be obtained from Mr. Don O'Bear, Executive Director, P.O. Box 58, White Castle, Louisiana 70788.

Basis of Presentation

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

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (Continued)

Government-wide Financial Statements

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

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

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

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

Fund Financial Statements

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

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

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (Continued)

Fund Financial Statements (Continued)

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

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

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

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

Governmental Fund Types

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

General Fund - The General Fund is the general operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in another fund. The General Fund is always a major fund.

Special Revenue Funds - Special revenue funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes. The Section 8 Fund is considered a nonmajor special revenue fund and accounts for resources granted by the Department of Housing and Urban Development (HUD) to provide housing assistance to low income families.

Debt Service Funds - Debt service funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs. The Sinking Fund is considered a major debt service fund whereas the Reserve Fund is considered a nonmajor debt service fund for reporting purposes.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (Continued)

Governmental Fund Types (Continued)

Capital Projects Funds – Capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities other than those financed by proprietary funds. The 2008 Capital Project Fund is considered a nonmajor capital project fund for reporting purposes.

Proprietary Fund Types

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

Enterprise Funds – Enterprise funds are used to account for operations (1) that are financed and operated in a manner similar to private business enterprises, that is, where the intent of the governing body is that the costs and expenses, including depreciation, of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (2) where the governing body has decided that periodic determination of revenues earned, expenses incurred, or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. All of the Town's enterprise funds have been considered major funds.

Basis of Accounting and Measurement Focus

Government-wide financial statements

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

Fund financial statements

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

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting and Measurement Focus (Continued)

Fund financial statements (Continued)

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

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

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

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

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

Cash and Cash Equivalents

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

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

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments

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

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

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

Accounts Receivable, Customer Credits 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 General, Gas, Waterworks, and Sewerage Funds was collectively \$45,348 as of September 30, 2021. Additionally, the Waterworks Fund had customer credits for overcharges totaling \$44,075 as of September 30, 2021.

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.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Restricted Cash

Restricted cash on the Statement of Net Position represents (1) amounts which have been designated to meet unexpected contingencies for property repairs and replacements, (2) funds held for customer deposits, and (3) funds held for retirement of sales tax revenue bonds and/or public improvement bonds. Restricted cash consists of \$74,859 in Customer deposits; with \$33,560 allocated to Waterworks Utility Fund and \$41,299 to the Gas Utility Fund. Cash restricted for debt service was \$117,297 for governmental activities at September 30, 2021.

Inventory

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

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

Prepaid Expenses

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

Capital Assets

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

Government-wide Statements

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

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets (Continued)

Government-wide Statements (Continued)

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

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

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

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

Fund Financial Statements

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

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

Distribution systems	5 – 50 years
Machinery, meters, equipment and vehicles	5 years

Long-term Debt

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

Government-wide Statements and Proprietary Fund Net Position

In the government-wide statement of net position and in the proprietary fund types' financial statements, long-term debt is reported as a liability. The long-term debt consists primarily of public improvement sales tax revenue bonds and capital leases.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Long-term Debt (Continued)

Fund Financial Statements

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

Compensated Absences

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

Government-wide and Proprietary Fund Net Position

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

- Net investment in capital assets—consist of the historical cost of capital assets less accumulated depreciation and less any debt that remains outstanding that was used to finance those assets.
- Restricted net position—consist of net position that are restricted by the Town's creditors (for example, through debt covenants), by the state enabling legislation (through restrictions on shared revenues), by grantors (both federal and state), and by other contributors.
- Unrestricted—all other net position is reported in this category.

Use of Restricted Resources

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Governmental Fund Balances

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

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

Use of Restricted Fund Balance

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

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

Deferred Outflows and Inflows of Resources

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budget Policy and Budgetary Accounting

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

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

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

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

Estimates

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

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 31, 2022, 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, 2021, the Town was not exposed to any custodial credit risk.

Deposit balances (bank balances) at September 30, 2021, were secured as follows:

	<u>Bank Balances</u>
Federal deposit insurance	\$ 680,894
Pledged securities in the Town's name	82,595
Funds not subject to categorization:	
Louisiana Asset Management Pool (LAMP)	12,817
Bank Balances	\$ 776,306

LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pools of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LA – R.S. 33:2955. The value of the portfolio is carried at amortized cost. As of September 30, 2021, the Town had a balance of \$12,817 invested in LAMP.

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

- Credit risk: LAMP is rated AAAM by Standard & Poor’s.
- Custodial risk: LAMP participants’ investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist physical or book-entry form. The public entity’s investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.
- Concentration of credit risk: Pooled investments are excluded from the 5 percent disclosure requirement.

(Continued)

NOTE 2 - CASH AND INVESTMENTS (CONTINUED)

- Interest rate risk: LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP prepares its own interest rate risk disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days or 762 days for U.S. Government floating/variable rate investments. The WAM for LAMP's total investments is (NUMBER – days) from LAMP's monthly Portfolio Holdings as of September 30, 2021.
- 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, 2021, consisted of sales tax receivable from the Parish of Iberville, Louisiana for \$414,145.

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, 2021, taxes of 6.98 mills for the general fund were levied on property with assessed valuations totaling \$4,252,590. Total taxes assessed of \$29,683 were levied on November 10, 2020, and were due and payable prior to December 31, 2020.

NOTE 5 - CAPITAL ASSETS

A summary of changes in capital assets for the primary government for the year ended September 30, 2021 is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 321,833	\$ -	\$ -	\$ 321,833
Construction in progress	<u>99,966</u>	<u>-</u>	<u>-</u>	<u>99,966</u>
Total capital assets not being depreciated	<u>421,799</u>	<u>-</u>	<u>-</u>	<u>421,799</u>
 Capital assets being depreciated:				
Building and improvements	2,541,487	161,878	-	2,703,365
Equipment and vehicles	2,487,944	43,156	-	2,531,100
Improvements other than buildings	911,390	39,630	-	951,020
Infrastructure	<u>9,571,983</u>	<u>16,634</u>	<u>-</u>	<u>9,588,617</u>
Total capital assets being depreciated	<u>15,512,804</u>	<u>261,298</u>	<u>-</u>	<u>15,774,102</u>
 Less accumulated depreciation for:				
Building and improvements	1,587,261	47,083	-	1,634,344
Equipment and vehicles	2,208,577	123,522	-	2,332,099
Improvements other than buildings	643,649	36,961	-	680,610
Infrastructure	<u>6,483,308</u>	<u>169,372</u>	<u>-</u>	<u>6,652,680</u>
Total accumulated depreciation	<u>10,922,795</u>	<u>376,937</u>	<u>-</u>	<u>11,299,732</u>
 Total capital assets being depreciated net of accumulated depreciation	 <u>4,590,009</u>	 <u>(115,639)</u>	 <u>-</u>	 <u>4,474,370</u>
 Governmental activities capital assets, net	 <u>\$ 5,111,774</u>	 <u>\$ (115,639)</u>	 <u>\$ -</u>	 <u>\$ 4,896,169</u>

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

Governmental activities:	<u>Amount</u>
Streets and sanitation	\$ 104,302
Public safety	48,161
General government	42,658
Recreation	<u>181,817</u>
 Total depreciation expense - governmental activities	 <u>\$ 376,937</u>

(Continued)

NOTE 5 - CAPITAL ASSETS (CONTINUED)

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 40,588	\$ -	\$ -	\$ 40,588
Capital assets being depreciated:				
Distribution systems	7,460,830	-	-	7,460,830
Machinery, equipment, and vehicles	900,324	19,740	-	920,064
Total capital assets being depreciated	8,238,278	19,740	-	8,380,894
Less accumulated depreciation for:				
Distribution systems	5,034,529	170,271	-	5,204,800
Machinery, equipment and vehicles	574,329	44,202	-	618,531
Total accumulated depreciation	5,608,858	214,473	-	5,823,331
Total capital assets being depreciated net of accumulated depreciation	2,629,420	(194,733)	-	2,557,563
Business-type activities capital assets, net	\$ 2,670,008	\$ (194,733)	\$ -	\$ 2,598,151

Lease Obligations

Governmental Activities

As of September 30, 2021, Town has equipment acquired through a capital lease with a cost of \$65,267. and corresponding accumulated depreciation of \$1,088. Depreciation expense for these assets was \$1,088, in 2021.

Business Activities

As of September 30, 2021, the Town's Waterworks Utility Fund has capitalized equipment acquired through a capital lease with a cost of \$221,439 and corresponding accumulated depreciation of \$12,917. Depreciation expense for these assets was \$11,072 in 2021.

NOTE 6 - LONG-TERM LIABILITIES

Debt Outstanding

The following is a summary of long-term debt and liability transactions of the Town for the year ended September 30, 2021.

	September 30, 2020	Additions	Reductions	September 30, 2021	Due Within One Year
Governmental activities:					
Public improvement bonds	\$ 2,280,000	\$ 2,375,000	\$ 2,280,000	\$ 2,375,000	\$ 160,000
Premium on bond issuance	20,304	45,148	20,555	44,897	-
Installment purchase agreement	-	65,267	6,858	58,409	21,297
Net pension liability	660,968	-	202,920	458,048	-
Accrued sick leave	<u>25,559</u>	<u>17,292</u>	<u>11,579</u>	<u>31,272</u>	<u>28,000</u>
Total	<u>\$ 2,986,831</u>	<u>\$ 2,502,707</u>	<u>\$ 2,521,912</u>	<u>\$ 2,967,626</u>	<u>\$ 209,297</u>
	September 30, 2020	Additions	Reductions	September 30, 2021	Due Within One Year
Business-type activities:					
Net pension liability	\$ 252,650	\$ -	\$ 114,212	\$ 138,438	\$ -
Revenue bonds	186,246	-	186,246	-	-
Capital lease obligation	221,439	-	41,713	179,726	42,963
Accrued sick leave	<u>27,360</u>	<u>6,289</u>	<u>19,968</u>	<u>13,681</u>	<u>11,000</u>
Total	<u>\$ 687,695</u>	<u>\$ 6,289</u>	<u>\$ 362,139</u>	<u>\$ 331,845</u>	<u>\$ 53,963</u>

(Continued)

NOTE 6 - LONG-TERM LIABILITIES (CONTINUED)

Debt Outstanding (Continued)

Public Improvement Bonds

The General fund has been used in prior years to liquidate the Town's net pension liabilities. Long-term liabilities for the primary government for governmental activities at September 30, 2021, is comprised of the following:

\$2,375,000 Public Improvement sales tax refunding bond dated August 2021, due in annual installments of \$160,000 to \$225,000 through 2033; interest at 2.0 to 3.0%.	\$2,375,000
<i>Net pension liability</i>	458,048
<i>Bond Premium, net of accumulated amortization</i>	44,897
<i>Capital Lease Obligation</i>	58,409
<i>Accrued sick leave</i>	<u>31,272</u>
Total long-term debt from governmental activities	<u>\$ 2,967,626</u>

Long-term debt obligations for the primary government for business-type activities at September 30, 2021, is comprised of the following:

<i>Net pension liability</i>	\$ 138,438
<i>Accrued sick leave</i>	13,701
<i>Capital Lease Obligation</i>	<u>179,726</u>
Total long-term debt from business-type activities	<u>\$ 331,845</u>

(Continued)

NOTE 6 - LONG-TERM LIABILITIES (CONTINUED)

Debt Service Requirements to Maturity

The annual requirements to amortize debt outstanding for governmental activities at September 30, 2021, are as follows:

Public Improvement Bonds		
Year	Principal	Interest
2022	\$ 160,000	\$ 49,942
2023	180,000	50,150
2024	185,000	46,550
2025	185,000	42,850
2026	190,000	39,150
2027-2031	1,030,000	113,250
2032-2033	445,000	13,400
	\$ 2,375,000	\$ 355,292

The annual requirements to amortize debt outstanding for business-type activities at September 30, 2021, are as follows:

Capital Lease Obligation		
Year	Principal	Interest
2022	42,963	5,383
2023	44,249	4,096
2024	45,575	2,771
2025	46,939	1,406
	\$ 179,726	\$ 13,656

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

There are no outstanding bonds secured by ad valorem taxes of the Town as of September 30, 2021.

(Continued)

NOTE 6 - LONG-TERM LIABILITIES (CONTINUED)

Debt Service Requirements to Maturity (Continued)

Bond Restrictions

Town of White Castle Sales Tax Revenue Refunding Bonds

Under the terms of the indenture authorizing the issuance of Sales Tax Revenue Refunding Bonds – Series 2021, 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 2021 – 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 2021 – to be used solely for the purpose of paying principal and interest on the bond from the Bond Sinking Fund in case of default. The sum of \$115,800 has been deposited into this fund to satisfy this requirement.

NOTE 7 - DEFEASED DEBT

During 2021, the Town issued refunding bonds of \$2,375,000 to defease its 2016 Sales Tax Revenue Bonds. The proceeds were deposited in an escrow account to provide future debt service on the 2016 revenue bonds and were called on August 24, 2021. As a result, the 2016 revenue bonds are considered defeased, and the Town has removed the related liability from its accounts.

The advanced refunding decreased total future debt service payments by approximately \$234,000, which resulted in an economic loss (difference between the present value of the debt service payments on the old and new debt) of approximately \$292,000.

NOTE 8 - DEDICATED REVENUES

Proceeds of the Iberville Parish sales and use tax were dedicated to the following purposes as of September 30, 2021:

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 Sales Tax Revenue Refunding – Series 2021. See Note 6.

NOTE 9 - PENSION PLAN

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

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

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

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

The Town implemented Government Accounting Standards Board (GASB) Statement 68 on

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

Municipal Employees' Retirement System of Louisiana (MERS)

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

Municipal Police Employees' Retirement System (MPERS)

The Municipal Police Employees' Retirement System (MPERS) is the administrator of a cost-sharing multiple-employer plan. Membership in the System is mandatory for any full-time police officer employed by a municipality of the State of Louisiana and engaged in law enforcement, empowered to make arrests, providing he or she does not have to pay social security and providing he or she meets the statutory criteria. The System provides retirement benefits for municipal police officers.

NOTE 9 - PENSION PLAN (CONTINUED)

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).

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, 2021, for the Town and covered employees were as follows:

Plan	Town	Employees
MERS (Plan B)	15.50%	5.00%
MPERS	29.75%	8.00%

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

Plan	2021	2020	2019
MERS (Plan B)	\$ 71,224	\$ 70,743	\$ 62,798
MPERS	41,492	36,089	20,902
Total	\$ 112,716	\$ 106,832	\$ 83,700

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, 2021 measurement date. The Town uses this measurement to record its Net Pension Liability and associated amounts as of September 30, 2021 in accordance with GASB Statement 68. The schedule also includes the proportionate share allocation rate used at June 30, 2021 along with the change compared to the June 30, 2020 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.

NOTE 9 - PENSION PLAN (CONTINUED)

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

	Net Pension Liability at June 30, 2021	Current Measurement Rate	Previous Measurement Rate	Increase (Decrease)
MERS	\$ 346,094	0.5974%	0.6970%	-0.100%
MPERS	<u>250,392</u>	0.0470%	0.0305%	0.016%
Total	<u>\$ 596,486</u>			

The following schedule lists each pension plan's recognized pension expense (benefit) for the Town for the year ended September 30, 2021:

	Total
Municipal Employees' Retirement Fund	\$ 51,562
Municipal Police Employees' Retirement Fund	<u>14,726</u>
Total	<u>\$ 66,288</u>

At September 30, 2021, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Deferred Outflows of Resources:	<u>MERS</u>	<u>MPERS</u>	<u>Total</u>
Changes of assumptions	14,006	27,730	41,736
Changes in proportion and differences between employer contributions and proportionate share of contributions	5,898	144,273	150,171
Employer contributions subsequent to the measurement date	<u>18,526</u>	<u>8,784</u>	<u>27,310</u>
Total	<u>\$ 38,430</u>	<u>\$ 180,787</u>	<u>\$ 219,217</u>
Deferred Inflows of Resources:	<u>MERS</u>	<u>MPERS</u>	<u>Total</u>
Differences between expected and actual experience	\$ 14,282	\$ 7,711	\$ 21,993
Changes of assumptions	-	7,143	7,143
Net difference between projected and actual earnings on pension plan investments	93,528	116,913	210,441
Changes in proportion and differences between Employer contributions and proportionate share of contributions	<u>52,766</u>	<u>3,702</u>	<u>56,468</u>
Total	<u>\$ 160,576</u>	<u>\$ 135,469</u>	<u>\$ 296,045</u>

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	\$ 38,430	\$ 160,576
Municipal Police Employees' Retirement Fund	180,787	135,469
	\$ 219,217	\$ 296,045

The Town reported a total of \$27,310 as deferred outflows of resources related to pension contributions made subsequent to the measurement period of June 30, 2021 which will be recognized as a reduction in net pension liability in the plan year ended June 30, 2022. The following schedule lists the pension contributions made subsequent to the measurement period for each pension plan:

	Subsequent Contributions
Municipal Employees' Retirement Fund	\$ 18,526
Municipal Police Employees' Retirement Fund	8,784
	\$ 27,310

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

Year	MERS	MPERS	Total
2022	\$ (36,960)	\$ 31,952	\$ (5,008)
2023	(46,589)	32,170	(14,419)
2024	(24,258)	12,692	(11,566)
2025	(32,864)	(40,281)	(73,145)
	\$ (140,671)	\$ 36,533	\$ (104,138)

NOTE 9 - PENSION PLAN (CONTINUED)

Actuarial Methods and Assumptions

MERS

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an experienced study, for the period July 2013 through June 30, 2018.

MPERS

The actuarial assumptions used in the June 30, 2021 valuation were based on the assumptions used in the June 30, 2021 actuarial finding valuation and were based on the results of an actuarial experience study for the period of July 1, 2014 through June 30, 2019. In cases where benefit structures were changed after the study period, assumptions were based on estimates of future experiences.

A summary of the actuarial methods and assumptions used in determining the total pension liability for each pension plan as of June 30, 2021 are as follows:

	Measurement/ Valuation Date	Expected Remaining Service Lives	Investment Rate of Return
MERS	June 30, 2021	3 years	6.85%; net of pension plan investment expense, including inflation
MPERS	June 30, 2021	4 years	6.75%; net of investment expense

Mortality:

MERS

PubG-2010(B) Employee Table set equal to 120% for males and females, each adjusted using their respective male and female MP2018 scales.

PubNS-2010(B) Disabled Retiree Table set equal to 120% for males and females with the full generational MP2018 scale.

MPERS

For employees, the Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Employees multiplied by 115% for males and 125% for females, each with full generational projection using the MP2019 scale was used.

Mortality Table for Safety Disable Retirees multiplied by 105% for males and 115% for females, each with full generational projection using the MP2019 scale was used.

NOTE 9 - PENSION PLAN (CONTINUED)

Actuarial Methods and Assumptions (Continued)

Salary Increases:

MERS (Plan B)

Years of Service	Salary Growth Rate
1-4	7.40%
Over 4	4.90%

MPERS

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

Cost of Living Adjustments:

MERS

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

MPERS

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

Discount Rate:

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

(Continued)

NOTE 9 - PENSION PLAN (CONTINUED)

Discount Rate (Continued):

MERS

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.6% and an adjustment for the effect of rebalancing /diversification. The resulting expected long-term rate of return is 6.95% for the plan year ended June 30, 2021.

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 2.22% inflation of and an adjustment for the effect of rebalancing/diversification. The resulting forecasted long-term rate of return is 7.30% for the plan year ended June 30, 2021.

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, 2021:

Asset Class	Target Allocation		Long - Term Expected Real Rate of Return	
	MERS	MPERS	MERS	MPERS
Public Equity	53.00%	-	2.31%	-
Equity	-	55.50%	-	3.47%
Public Fixed Income	38.00%	-	1.65%	-
Fixed Income	-	30.50%	-	0.59%
Alternatives	9.00%	14.00%	0.39%	1.01%
Total	<u>100.00%</u>	<u>100.00%</u>	3.96%	4.06%
Inflation			<u>2.60%</u>	<u>2.22%</u>
Expected Arithmetic Nominal Return			<u>6.95%</u>	<u>7.30%</u>

(Continued)

NOTE 9 - PENSION PLAN (CONTINUED)

Discount Rate (Continued):

The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, each of the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate used to measure the total pension liability for MERS and MPERS were both 6.85% and 6.75% for the year ended June 30, 2021.

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:

	<u>1.0% Decrease</u>	<u>Current Discount Rate</u>	<u>1.0% Increase</u>
MERS			
Discount Rates	5.85%	6.85%	7.85%
Shares of Net Pension Liability	\$ 120,176	\$ 346,094	\$ 42,938
MPERS			
Discount Rates	5.75%	6.75%	7.75%
Shares of Net Pension Liability	\$ 1,175,799	\$ 250,392	\$ 256,350

NOTE 10 - INTERFUND RECEIVABLE AND PAYABLE BALANCES

Interfund balances at September 30, 2021, were as follows:

	Receivable	Payable
Governmental Activities:		
General Fund:		
Sinking Fund	\$ 25,000	\$ -
Capital Project Fund	-	255,000
Gas Utility Fund	148,313	-
Water Utility Fund	-	167,191
Sewerage Utility Fund	24,949	-
Total General Fund	198,262	422,191
Sinking Fund:		
General Fund	-	25,000
Capital Projects	-	25,000
Reserve Fund	-	58,772
Water Utility Fund	122,000	-
Sewerage Utility Fund	100,000	-
Total Sinking Fund	222,000	108,772
Reserve Fund:		
Sinking Fund	58,772	-
Water Utility Fund	159,000	-
Total Reserve Fund	217,772	-
Capital Project Fund:		
General Fund	255,000	-
Sinking Fund	25,000	-
Total Capital Project	280,000	-
Total Governmental Activities	918,034	530,963

(Continued)

NOTE 10 - INTERFUND RECEIVABLE AND PAYABLE BALANCES (CONTINUED)

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.

	Receivable	Payable
Business-type Activities:		
Gas Utility Fund:		
General Fund	-	148,313
Water Utility Fund	150,000	-
Sewerage Utility Fund	-	60,000
Total Gas Utility Fund	150,000	208,313
Water Utility Fund:		
General Fund	167,191	-
Sinking Fund	-	122,000
Reserve Fund	-	159,000
Sewerage Utility Fund	-	418,000
Gas Fund	-	150,000
Total Water Utility Fund	167,191	849,000
Sewerage Utility Fund:		
General Fund	-	24,949
Sinking Fund	-	100,000
Gas Utility Fund	60,000	-
Water Utility Fund	418,000	-
Total Sewerage Utility Fund	478,000	124,949
Total Business-type Activities	795,191	1,182,262
Total primary government	\$ 1,713,225	\$ 1,713,225

NOTE 11 - INTERFUND TRANSFERS

Interfund Transfers

Interfund transfers for the year ended September 30, 2021, were as follows:

	Transfers	
	In	Out
Governmental Activities:		
General Fund:		
Sinking Fund	\$ -	\$ 227,000
Water Utility Fund	-	180,000
Gas Utility Fund	-	25,000
Total General Fund	-	432,000
Sinking Fund:		
General Fund	227,000	-
Total Governmental Activities	227,000	432,000
Business-type Activities:		
Gas Utility Fund:		
General Fund	25,000	-
Water Utility Fund:		
General Fund	180,000	-
Total Business-type Activities	205,000	-
Total primary government	432,000	432,000

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:

<u>Name</u>	<u>Amount</u>
Kipp Knight	\$ 12,280
Erick Batiste	12,280
Melissa Allen	12,280
Candice Depron	12,280
Mervin Allen	<u>7,463</u>
Total	<u>\$ 56,583</u>

NOTE 13 - COMMITMENTS AND CONTINGENCIES

Litigation

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

Grants and Loans

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

Risk Management

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

**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, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Taxes:				
Sales	\$ 2,440,000	\$ 2,230,000	\$ 2,311,207	\$ 81,207
Ad valorem	32,500	38,500	31,471	(7,029)
Public utility franchise	24,000	24,000	25,669	1,669
Video poker	15,000	2,500	-	(2,500)
Cable T.V. franchise	13,262	13,262	11,975	(1,287)
Beer	3,000	3,000	1,816	(1,184)
Licenses and permits	85,000	85,000	69,479	(15,521)
Intergovernmental:				
Grants - COVID	497,000	312,710	314,210	1,500
Local housing authority	32,000	35,500	35,573	73
Fines	60,000	40,000	31,328	(8,672)
Other:				
Lease and royalty	18,000	6,000	6,007	7
Interest	20,000	2,000	2,736	736
Miscellaneous	12,000	35,000	29,969	(5,031)
Total revenues	<u>3,251,762</u>	<u>2,827,472</u>	<u>2,871,440</u>	<u>43,968</u>
EXPENDITURES				
Current function:				
General government	706,520	665,320	822,364	(157,044)
Public safety	691,637	709,137	711,522	(2,385)
Streets and sanitation	449,780	706,280	817,001	(110,721)
Recreation	74,090	86,090	114,131	(28,041)
Debt service	-	-	7,725	(7,725)
Capital outlay	634,400	275,200	261,298	13,902
Total expenditures	<u>2,556,427</u>	<u>2,442,027</u>	<u>2,734,041</u>	<u>(292,014)</u>
Excess of revenues over expenditures	695,335	385,445	137,399	(248,046)
OTHER FINANCING SOURCES (USES)				
Proceeds from insurance claims	-	19,500	19,264	(236)
Proceeds from installment purchase agreement	25,000	25,000	65,267	40,267
Transfers out	432,000	(432,000)	(432,000)	-
Total other financing sources (uses)	<u>457,000</u>	<u>(407,000)</u>	<u>(347,469)</u>	<u>40,267</u>
Net change in fund balance	<u>\$ 1,152,335</u>	<u>\$ (21,555)</u>	\$ (210,070)	<u>\$ (207,779)</u>
FUND BALANCE				
Beginning of year			613,698	
End of year			<u>\$ 403,628</u>	

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

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

As of the fiscal year ended (2021):

	2021	
	MERS (Plan B)	MPERS
Employer's Proportion of the Net Pension Liability (Asset)	0.5974%	0.0470%
Employer's Proportionate Share of the Net Pension Liability (Asset)	\$ 346,094	\$ 250,392
Employer's Covered Payroll	\$ 498,187	\$ 131,117
Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	69.47%	190.97%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	79.14%	84.09%

As of the fiscal year ended (2020):

	2020	
	MERS (Plan B)	MPERS
Employer's Proportion of the Net Pension Liability (Asset)	0.6970%	0.0305%
Employer's Proportionate Share of the Net Pension Liability (Asset)	\$ 631,625	\$ 281,993
Employer's Covered Payroll	\$ 513,600	\$ 120,976
Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	122.98%	233.10%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	66.26%	70.94%

As of the fiscal year ended (2019):

	2019	
	MERS (Plan B)	MPERS
Employer's Proportion of the Net Pension Liability (Asset)	0.6739%	0.0210%
Employer's Proportionate Share of the Net Pension Liability (Asset)	\$ 589,584	\$ 190,597
Employer's Covered Payroll	\$ 515,652	\$ 47,124
Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	114.34%	404.46%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	64.68%	71.01%

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

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

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

MERS (Plan B) = Municipal Employees' Retirement System

MPERS = Municipal Police Employees' Retirement System

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

As of the fiscal year ended (2018):

	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 (2017):

	2017	
	MERS (Plan B)	MPERS
Employer's Proportion of the Net Pension Liability (Asset)	0.6454%	0.0279%
Employer's Proportionate Share of the Net Pension Liability (Asset)	\$ 558,404	\$ 243,378
Employer's Covered Payroll	\$ 486,678	\$ 72,337
Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	114.74%	336.45%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	70.08%	63.49%

As of the fiscal year ended (2016):

	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 (2015):

	2015	
	MERS (Plan B)	MPERS
Employer's Proportion of the Net Pension Liability (Asset)	0.7000%	0.0000%
Employer's Proportionate Share of the Net Pension Liability (Asset)	\$ 476,062	\$ -
Employer's Covered Payroll	\$ 486,021	\$ -
Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	97.95%	0.00%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	68.71%	0.00%

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

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

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

MERS (Plan B) = Municipal Employees' Retirement System

MPERS = Municipal Police Employees' Retirement System

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

	2021	
	MERS (Plan B)	MPERS
Contractually Required Contribution	\$ 70,101	\$ 40,271
Contributions in Relation to Contractually Required Contribution	70,101	40,271
Contribution Deficiency (Excess)	\$ -	\$ -
Employer's Covered Payroll	452,263	119,321
Contributions as a % of Covered Payroll	15.50%	33.75%
	2020	
	MERS (Plan B)	MPERS
Contractually Required Contribution	\$ 75,174	\$ 44,140
Contributions in Relation to Contractually Required Contribution	75,174	44,140
Contribution Deficiency (Excess)	\$ -	\$ -
Employer's Covered Payroll	536,955	135,815
Contributions as a % of Covered Payroll	14.00%	32.50%
	2019	
	MERS (Plan B)	MPERS
Contractually Required Contribution	\$ 62,798	\$ 20,902
Contributions in Relation to Contractually Required Contribution	72,130	20,902
Contribution Deficiency (Excess)	\$ (9,332)	\$ -
Employer's Covered Payroll	448,559	64,313
Contributions as a % of Covered Payroll	14.00%	32.50%
	2018	
	MERS (Plan B)	MPERS
Contractually Required Contribution	\$ 67,310	\$ 19,766
Contributions in Relation to Contractually Required Contribution	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%

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

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

MERS (Plan A) = Municipal Employees' Retirement System

MPERS = Municipal Police Employees' Retirement System

See accompanying notes to required supplementary information on Exhibit B-3

TOWN OF WHITE CASTLE, LOUISIANA

SCHEDULE OF PENSION CONTRIBUTIONS

LAST TEN FISCAL YEARS (1)

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

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

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

MERS (Plan A) = Municipal Employees' Retirement System

MPERS = Municipal Police Employees' Retirement System

TOWN OF WHITE CASTLE, LOUISIANA

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

For the year ended September 30, 2021

NOTE 1 - BUDGETS

Budget Policy and Budgetary Accounting

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

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

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

Basis of Accounting

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

NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Expenditures Exceeding Appropriations

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

Governmental Activities:	Revised Budget	Actual (GAAP Basis)	Excess over Budget
General Fund:			
General government	\$ 665,320	\$ 822,364	\$ (157,044)
Public safety	709,137	711,522	(2,385)
Streets and sanitation	706,280	817,001	(110,721)
Recreation	86,090	114,131	(28,041)
Debt Service	-	7,725	(7,725)

NOTE 3 - Net Pension Liability

Changes of Benefit Terms

Municipal Employees' Retirement System (Plan B)

No changes reported for the fiscal years ending September 30, 2015, through September 30, 2021.

Municipal Police Employees' Retirement System

No changes reported for the fiscal years ending September 30, 2016, through September 30, 2021.

Changes of Assumptions

Municipal Employees' Retirement System (Plan B)

In 2021, the investment rate of return including inflation rate decreased from 6.95% to 6.85%.

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

In 2019, the investment rate of return and inflation rate decreased from 7.275% to 7.0% and 2.6% to 2.5%, respectively.

In 2018, the investment rate of return and inflation rate decreased from 7.400% to 7.275% and 2.775% to 2.6%, respectively. Additionally, the expected remaining services lives decreased from 4 to 3 years.

No changes in assumptions reported for the fiscal year ending September 30, 2017.

No changes in assumptions reported for the fiscal year ending September 30, 2016.

No changes in assumptions reported for the fiscal year ending September 30, 2015.

Municipal Police Employees' Retirement System

In 2021, the investment rate of return including inflation rate decreased from 6.95% to 6.75%.

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

In 2019, the investment rate of return and inflation rate decreased from 7.20% to 7.125% and 2.6% to 2.5%, respectively.

In 2018, the investment rate of return and inflation rate decreased from 7.325% to 7.20% and 2.7% to 2.6%, respectively.

No changes in assumptions reported for the fiscal year ending September 30, 2017.

No changes in assumptions reported for the fiscal year ending September 30, 2016

TOWN OF WHITE CASTLE, LOUISIANA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

September 30, 2021

	Special Revenue	Debt Service	Capital Project	Total Nonmajor
	Section 8	Reserve Fund	2008 Capital Project Fund	Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 17,488	\$ 21,977	\$ 5,695	\$ 45,160
Due from other funds	-	217,772	280,000	497,772
Total assets	<u>\$ 17,488</u>	<u>\$ 239,749</u>	<u>\$ 285,695</u>	<u>\$ 542,932</u>
DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE				
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	\$ 17,488	\$ -	\$ -	\$ 17,488
FUND BALANCE				
Restricted for:				
Debt service	-	239,749	-	239,749
Capital projects	-	-	285,695	285,695
Total fund balance	<u>-</u>	<u>239,749</u>	<u>285,695</u>	<u>525,444</u>
Total deferred inflows of resources and fund balance	<u>\$ 17,488</u>	<u>\$ 239,749</u>	<u>\$ 285,695</u>	<u>\$ 542,932</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, 2021

	<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	\$ 59,809	\$ -	\$ -	\$ 59,809
Interest	17	-	-	17
Total revenues	<u>59,826</u>	<u>-</u>	<u>-</u>	<u>59,826</u>
EXPENDITURES				
Current function				
Public health	<u>59,826</u>	<u>-</u>	<u>-</u>	<u>59,826</u>
Net change in fund balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE				
Beginning of year	<u>-</u>	<u>239,749</u>	<u>285,695</u>	<u>525,444</u>
End of year	<u>\$ -</u>	<u>\$ 239,749</u>	<u>\$ 285,695</u>	<u>\$ 525,444</u>

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

For the year ended September 30, 2021

Agency Head: John Morris, Mayor

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 56,160
Benefits - retirement	8,382
Travel & Registration	2,939
Benefits - insurance	12,902
Per diem	213
	<u>\$ 80,597</u>

Town of White Castle
ACT 87 SYSTEM FUNDING SCHEDULE
COLLECTING/DISBURSING ENTITY

For the year ended September 30, 2021

	First Six Month Period Ending, March 31, 2021	Second Six Month Period Ending, September 30, 2021
BEGINNING BALANCE OF AMOUNTS COLLECTED	\$ -	\$ -
COLLECTIONS:		
Criminal Fines - Other	22,290	9,037
DISBURSEMENTS TO GOVERNMENTS AND NON-PROFITS:		
CMIS, Traffic fines	-	58
Louisiana Judicial College, Traffic fines	-	548
TOTAL DISBURSEMENTS	-	606
AMOUNTS RETAINED BY COLLECTING AGENCY:		
Town of White Castle, Collections	22,290	8,431
TOTAL ENDING BALANCE OF AMOUNTS COLLECTED AND NOT DISBURSED	\$ -	\$ -

TOWN OF WHITE CASTLE, LOUISIANA

**SCHEDULE OF UTILITY
CUSTOMERS**

September 30, 2021
(Without Audit)

Records maintained by the Town indicated the number of residential and commercial users for gas, water and sewer systems at September 30, 2021 were as follows:

	<u>Water</u>	<u>Sewer</u>	<u>Gas</u>
Residential	744	731	438
Commercial	50	41	23

At September 30, 2021, the Town was charging a \$17.38 commercial and a \$14.82 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, 2021, the aging of accounts receivable for the enterprise funds was as follows:

Current	\$ 107,906
31-60 days	27,631
61-90 days	29,151
Over 90 days	44,267
Customer credit balances	(44,075)
Allowance for doubtful accounts	<u>(43,046)</u>
	<u>\$ 121,834</u>

TOWN OF WHITE CASTLE, LOUISIANA
SCHEDULE OF INSURANCE IN FORCE

September 30, 2021
(Without Audit)

Issuer	Type of Insurance	Property Covered and Location	Insurance	Expiration Date
LA Municipal Risk Management Agent	Automobile	19 Automobiles	\$ 500,000	May 1, 2022
	Commercial general liability	Premises operations, general	500,000	May 1, 2022
		Products and completed operations	500,000	May 1, 2022
		Medical payments	10,000/per accident	May 1, 2022
		Fire legal liability	50,000/per occurrence	May 1, 2022
	Law enforcement liability	Enforcement officers	500,000	May 1, 2022
	Public officials' errors and omissions liability	Public officials' errors and omissions	500,000	May 1, 2022
	Workers compensation	Eligible employees	statutory	January 1, 2022
Scottsdale Insurance (Bourg Company	Commercial property	Sewage plant, 31540 Hwy. 405	560,000	April 12, 2022
	Fire and extended coverage	Water tower, 33060 Bowie St.	232,000	April 12, 2022
		Water treatment building	150,000	
		Garage	56,000	
		Storage building	50,000	April 12, 2022
		Chlorine Injector	15,000	
	Fire and extended coverage	Police and Fire Station, 32535 Bowie St.	300,000	April 12, 2022
		Storage shed, 32535 Bowie St.	11,000	April 12, 2022
	Fire and extended coverage	Jail house, 32535 Rear Bowie	120,000	April 12, 2022
	Fire and extended coverage	Fire station, 32055 Hwy. 405	81,000	April 12, 2022
	Fire and extended coverage	Council on Aging building, 55050 Latino St	145,000	April 12, 2022
	Fire and extended coverage	Town Hall, 32515 Bowie St.	800,000	April 12, 2022
	Fire and extended coverage	Sewage station, 54940 Cambre St.	96,000	April 12, 2022
Fire and extended coverage	Fitness Park, 32540 Bowie St.	150,000	April 12, 2022	
	Gazebo	55,000		
Fire and extended coverage	Rec Center, 32711 Bowie St.	1,200,000	April 12, 2022	
	Cummins Generator	70,000		
Rod Prejean & Associates, Inc.	Automobile	Ford Explorer w/ equipment	25,974	February 5, 2022
		Ford Explorer w/ equipment	25,974	
		Ford Explorer w/ equipment	25,974	

KOLDER, SLAVEN & COMPANY, LLC

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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*

John Morris III, Mayor
And the Members of the Town Council
Town of White Castle

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, business-type activities, each major fund, and the aggregate remaining fund information of the Town of White Castle, (the Town) as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements and have issued our report thereon dated March 31, 2022.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town's internal control over financial reporting (internal control) as a basis for designing 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's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town'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 financial statements. 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 is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of current and prior year audit findings and management's corrective action plan as item 2021-001.

Town of White Castle's Response to Findings

The Town's response to the finding identified in our audit is described in the accompanying schedule of current and prior year audit findings and management's corrective action plan. The Town's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion in 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 Legislative Auditor as a public document.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Abbeville, Louisiana
March 31, 2022

TOWN OF WHITE CASTLE
White Castle, Louisiana

Schedule of Current and Prior Year Audit Findings
and Management's Corrective Action Plan
Year Ended September 30, 2021

Part I. Current Year Findings which are required to be reported in accordance with generally accepted Governmental Auditing Standards:

A. Internal Control Findings –

There are no findings to be reported under this section.

B. Compliance Findings –

2021-001 General Fund Budget Variance

Fiscal year finding initially occurred: 2021

Criteria: LSRA-RS 39:1311 et seq, Budgetary Authority and Control, provides for amending the budget when total expenditures plus projected expenditures exceed budgeted expenditures by 5% or more.

Condition: The Town's general fund expenditures incurred a negative budget variance in excess of 5%.

Cause: A significant amount of expenditures were incurred or accrued at and near the year end which did not allow for sufficient time to provide budget amendments in accordance with state law.

Effect: The Town may not prevent and/or detect compliance violations and errors or irregularities on a timely basis due to over expending of the appropriated budget.

Recommendation: The Town should periodically compare actual and anticipated activity to budgeted amounts and adopt budgetary amendments as necessary to cause compliance with state statute.

View of Responsible Officials:

The Town along with their CPAs will closely monitor the budget throughout the year and propose amendments to the Town Council as required by state law.

TOWN OF WHITE CASTLE
White Castle, Louisiana

Schedule of Current and Prior Year Audit Findings
and Management's Corrective Action Plan
Year Ended September 30, 2021

Part II. Prior Year Findings which were required to be reported in accordance with generally accepted Governmental Auditing Standards:

A. Internal Control Findings –

2020-001 Quarterly Audits of Traffic Citations

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

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

Current Status: Resolved.

B. Compliance Findings –

There were no findings reported under this section.