

COMPREHENSIVE ANNUAL FINANCIAL REPORT

TOWN OF WHITE CASTLE, LOUISIANA

For the fiscal year ended September 30, 2015



Prepared by

Town of White Castle
Town Clerk's Office



TOWN OF WHITE CASTLE, LOUISIANA

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September 2, 2016

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

Dear Citizens, Mayor, and Council:

Pursuant to Louisiana State Statutes, I hereby issue the Comprehensive Annual Financial Report (CAFR) for the Town of White Castle (the Town) for the year ended September 30, 2015. The Town Clerk's office prepared this report in accordance with Generally Accepted Accounting Principles (GAAP). We believe the data, as presented, is accurate in all material respects; that it is presented in a manner designed to set forth fairly the financial position and results of operations of the Town as measured by the financial activities of its various funds and the government-wide presentation; and that disclosures necessary to enable readers to gain an understanding of Town financial affairs have been included. Responsibility for the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with management of the Town.

The Town financial statements have been audited by Postlethwaite & Netterville, LLC, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and the disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit that there was a reasonable basis for rendering an unmodified opinion that the Town of White Castle's financial statements for the fiscal year ended September 30, 2015, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first document of the financial section of this report.

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

Profile of the Government

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

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

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

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

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

Budgetary Control

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

Budget-to-actual comparisons are provided in this report for the General Fund in Exhibits B and C, Section 8 Fund in Exhibit B-1, 2008 Capital Project Fund, 2008 Reserve Fund and 2008 Sinking Fund on Exhibits C-1 through C-3.

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

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

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

FACTORS AFFECTING FINANCIAL CONDITION

Economic Condition and Outlook

White Castle is located in the Baton Rouge metropolitan area. The City of Baton Rouge is the state capital and the closest large Metropolitan Statistical Area (MSA) to New Orleans. Because of the proximity to New Orleans, the Baton Rouge MSA initially absorbed nearly a quarter million south Louisiana residents in the aftermath of Hurricane Katrina in 2005. Since then, traffic counts, sales tax collections, school enrollment and other factors indicate that the region's population is growing.

White Castle is located on the Mississippi River in the southeast region of the state and in Iberville Parish. The Town participates in a parish-wide sales tax which is collected throughout the parish and shared with each Iberville Parish community on a pro-rata basis based on population. The largest taxpayers in Iberville Parish that contribute to the collection of sales taxes are primarily companies involved in the petrochemical and energy sectors. Products range from refined chemicals, household products and plastic materials. The local industry provides the majority of the jobs within the Town. The taxes paid by local industry are significant to the overall Parish tax base and local economy. Because of an increase in capital acquisition and proposed construction in the petrochemical industry, the Town expects to maintain a stable level of sales tax collections through 2016. Furthermore, the agricultural industry has a significant impact to the Town since this industry is supported by the Town's labor force.

General sales and use tax revenues in 2015 for operations of the Town were approximately \$27,000 more than the 2014 revenues, representing a 1% increase. The general sales and use tax plays a significant role in financing the operations of the General Fund, representing more than 54% of available resources.

During 2015, the Town had employed labor of approximately 800 with an unemployment rate of 7.47% and a current median household income of \$38,100 and age of 33.

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

Major Initiatives in 2016

The Town is in the process of constructing sidewalks throughout the Town with budgeted projects costs of approximately \$350,000, funded through grants. Additionally, recreational upgrades are incorporated in the capital projects budget with estimated project costs of \$228,500. The Town anticipates these initiatives to be concluded over the fiscal year 2016.

LONG-TERM FINANCIAL PLANNING

As mentioned above, the Town has planned to complete the construction of sidewalks by fiscal year 2016. This project, referred to as Safe Routes to School, will be utilized by both students and residents alike. The Town believes the implementation of these sidewalks not only provides citizens of the Town an additional means of transportation, but a great community resource as well.

AWARDS AND ACKNOWLEDGMENTS

The Government Finance Officers Association (GFOA) of the United States and Canada awarded a Certificate of Achievement for Excellence in Reporting to the Town of White Castle for its Comprehensive Annual Financial Report each year for the three years through 2014. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government accounting principles and applicable legal requirements.

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

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

Respectfully submitted,

Monica Hamilton



Government Finance Officers Association

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

Presented to

**Town of White Castle
Louisiana**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2014



Executive Director/CEO

**TOWN OF WHITE CASTLE
PRINCIPAL OFFICIALS
SEPTEMBER 30, 2015**

MAYOR

Gerald “Jermarr” Williams

COUNCIL MEMBERS

Barbara O’Bear

Kipp V. Knight

Elliot Martin

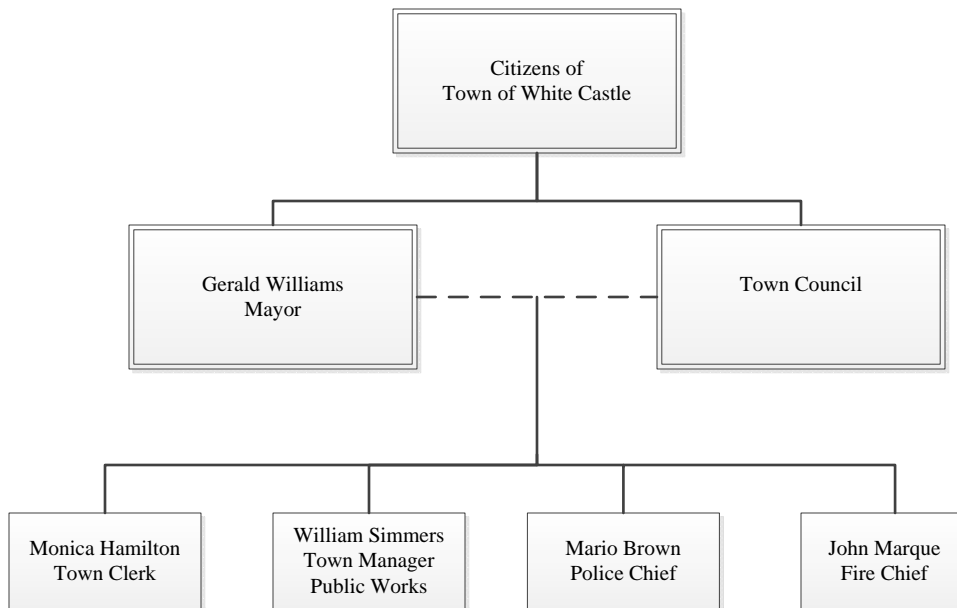
Shalanda Lewis Allen

Broderick Christoff Landry

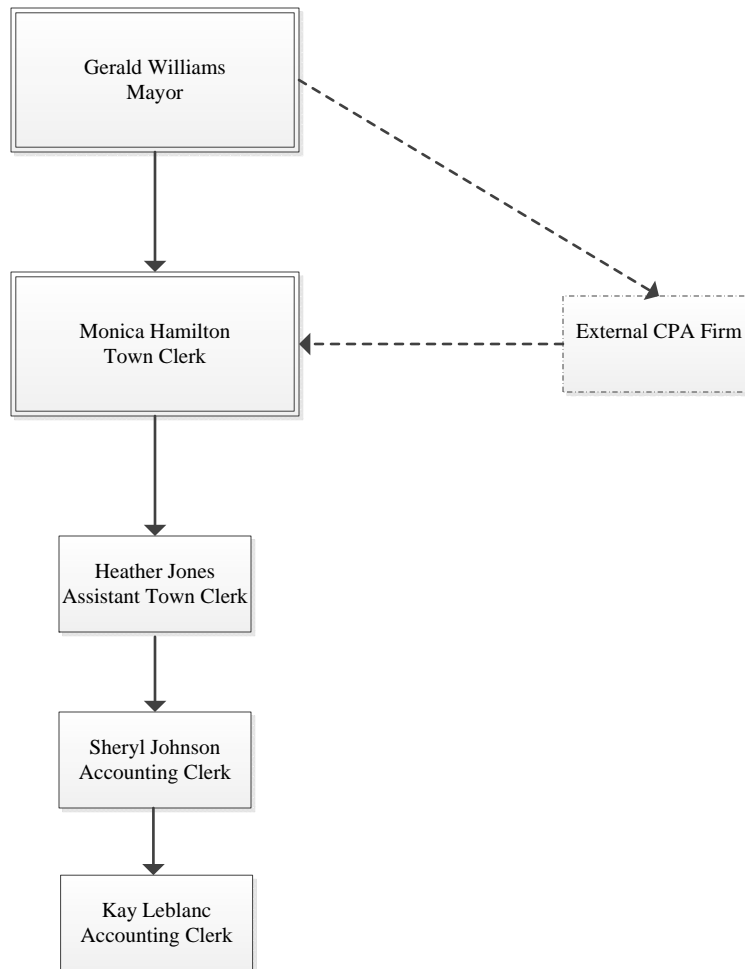
CHIEF OF POLICE

Mario Brown

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



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



INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of White Castle (the Town), as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the 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, 2015, and the respective changes in financial position, and, where applicable, cash flows, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison information, the schedule of proportionate share of the net pension liability, the schedule of pension contributions, and accompanying notes on pages 3 through 14 and 54 through 59 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by Governmental Accounting Standards Board, who considered 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 inquires 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 information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The introductory section, the individual fund statements, the schedule of compensation, benefits and other payments to the agency head, the schedule of utility customers, the schedule of insurance in-force and the schedules within the statistical section, presented as referenced in the table of contents, respectively, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The individual fund statements and the schedule of compensation, benefits and other payments to the agency head are the responsibility of management and were derived from and related directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statement themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole. The introductory and statistical sections as well as the schedules of utility customers and insurance in-force have 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 September 22, 2016, 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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

Postlethwaite + McNeill

Gonzales, Louisiana
September 22, 2016

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, 2015. Please read it in conjunction with the Town's financial statements, which begin on page 15. 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 2016 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, 2015 are detailed throughout this analysis. Significant highlights are as follows:

- Assets and deferred outflows of the Town exceeded its liabilities and deferred inflows by approximately \$7.9 million at the close of the year. Of this amount, \$1.7 million (unrestricted net position) may be used to meet the Town's ongoing obligations to citizens and creditors.
- As of September 30, 2015, the Town's governmental funds reported combined fund balances of approximately \$2.4 million. Additionally, approximately \$1.8 million of this fund balance is unassigned.
- At year end the Town's proprietary funds reported net position of approximately \$1.96 million, of which \$160,000 was unrestricted.

USING THIS ANNUAL REPORT

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

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

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

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

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

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

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

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

The Town maintains five individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statements of revenues, expenditures and changes in fund balances for the General Fund, the 2008 Capital Project Fund, the Section 8 Fund, and the 2008 Sinking and 2008 Reserve Funds, all of which are considered to be major funds.

The Town adopts an annual budget for its general fund and special revenue fund as required by law. Budgetary comparison statements have been provided for the General Fund and Section 8 Special Revenue Fund to demonstrate compliance with the budget and is shown on Exhibits B through B-1.

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-5 of this report.

Additionally, a detailed budgetary comparison for the General Fund is provided and can be found on Exhibit C, whereas budgetary comparisons for the 2008 Reserve and Sinking Funds, and the 2008 Capital Project Fund can be found at Exhibits C-1 through C-3.

Information regarding the mayor's compensation is presented on Exhibit C-4.

Government-Wide Financial Analysis

As mentioned earlier, changes in net position may serve over time as a useful indicator of a government's financial position. In the case of the Town, assets and deferred outflows exceeded liabilities and deferred inflows by approximately \$7.9 million at the close of the fiscal year, an increase of approximately \$1.6 million from the prior year.

(Continued)

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

Net Position						
September 30, 2015 and 2014						
(in thousands)						
	Governmental		Business-type		Total	
	Activities		Activities			
	2015	2014(1)	2015	2014(1)	2015	2014(1)
Current and other assets	\$ 2,447	\$ 2,383	\$ 766	\$ 602	\$ 3,213	\$ 2,985
Capital assets	<u>5,152</u>	<u>3,659</u>	<u>3,424</u>	<u>3,629</u>	<u>8,576</u>	<u>7,288</u>
Total assets	<u>7,599</u>	<u>6,042</u>	<u>4,190</u>	<u>4,231</u>	<u>11,789</u>	<u>10,273</u>
Deferred outflows of resources	<u>76</u>	<u>23</u>	<u>51</u>	<u>16</u>	<u>127</u>	<u>39</u>
Total assets and deferred outflows of resources	<u>\$ 7,675</u>	<u>\$ 6,065</u>	<u>\$ 4,241</u>	<u>\$ 4,247</u>	<u>\$ 11,916</u>	<u>\$ 10,312</u>
Current and other liabilities	124	125	329	237	453	362
Noncurrent liabilities	<u>1,593</u>	<u>1,568</u>	<u>1,913</u>	<u>1,997</u>	<u>3,506</u>	<u>3,565</u>
Total liabilities	<u>1,717</u>	<u>1,693</u>	<u>2,242</u>	<u>2,234</u>	<u>3,959</u>	<u>3,927</u>
Deferred inflows of resources	<u>52</u>	<u>48</u>	<u>30</u>	<u>25</u>	<u>82</u>	<u>73</u>
Net position:						
Net investment in						
capital assets	3,799	2,275	1,598	1,691	5,397	3,966
Restricted	581	550	211	174	792	724
Unrestricted	<u>1,526</u>	<u>1,499</u>	<u>160</u>	<u>123</u>	<u>1,686</u>	<u>1,622</u>
Total net position, restated	<u>5,906</u>	<u>4,324</u>	<u>1,969</u>	<u>1,988</u>	<u>7,875</u>	<u>6,312</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 7,675</u>	<u>\$ 6,065</u>	<u>\$ 4,241</u>	<u>\$ 4,247</u>	<u>\$ 11,916</u>	<u>\$ 10,312</u>

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

At the end of the prior and current fiscal years the Town had positive balances in all three categories of net position, both for the government as a whole as well as for its separate governmental and business-type activities.

The largest classification of the Town's net position as of September 30, 2015 (69%) 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, 2014 (63%).

The \$1.70 million in unrestricted net position of the Town at the end of fiscal 2015 represents the accumulated results of operations.

Unrestricted net position of governmental activities increased during the year by approximately 1%, or \$12,000. Furthermore, unrestricted net position for business-type activities increased by approximately 20%, or \$26,000. Collectively, the business-type activities experienced a net decrease in net position of approximately \$19,000 for the year ended September 30, 2015.

(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, 2015 and 2014						
(in thousands)						
	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Revenues:						
Program revenues:						
Charges for services	\$ 104	\$ 93	\$ 834	\$ 904	\$ 938	\$ 997
Operating grants and contributions	67	59	-	-	67	59
Capital grants and contributions	1,580	900	-	-	1,580	900
General revenues:						
Ad valorem	31	30	-	-	31	30
Sales taxes	2,027	1,998	-	-	2,027	1,998
Other taxes	53	55	5	7	58	62
Other general revenues	81	28	7	-	88	28
Total revenues	<u>3,943</u>	<u>3,163</u>	<u>846</u>	<u>911</u>	<u>4,789</u>	<u>4,074</u>
Functions/Program Expenses:						
General government	720	569	-	-	720	569
Public safety	621	632	-	-	621	632
Streets and sanitation	517	582	-	-	517	582
Public health	68	59	-	-	68	59
Recreation	101	64	-	-	101	64
Gas	-	-	301	341	301	341
Waterworks	-	-	494	529	494	529
Sewerage	-	-	328	322	328	322
Interest	77	79	-	-	77	79
Total expenses	<u>2,104</u>	<u>1,985</u>	<u>1,123</u>	<u>1,192</u>	<u>3,227</u>	<u>3,177</u>
Increase (decrease) in net position before transfers	1,839	1,178	(277)	(281)	1,562	897
Transfers	<u>(258)</u>	<u>(152)</u>	<u>258</u>	<u>152</u>	<u>-</u>	<u>-</u>
Change in net position	1,581	1,026	(19)	(129)	1,562	897
Beginning net position, restated (1)	<u>4,324</u>	<u>3,298</u>	<u>1,988</u>	<u>2,117</u>	<u>6,312</u>	<u>5,415</u>
Ending net position	<u>\$ 5,905</u>	<u>\$ 4,324</u>	<u>\$ 1,969</u>	<u>\$ 1,988</u>	<u>\$ 7,874</u>	<u>\$ 6,312</u>

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

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 17. 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 2015 by fund type.

(in thousands)						
	2015				2014	
	General Fund	Special Revenue Fund	Debt Service Funds	Capital Project Fund	Totals	Totals
Revenues	\$ 3,866	\$ 67	\$ -	\$ -	\$ 3,933	\$ 3,162
Expenditures	3,420	67	120	-	3,607	2,531
Transfers	(378)	-	120	-	(258)	(330)
Surplus	68	-	-	-	68	301
Beginning fund balance	1,770	-	264	286	2,320	2,019
Ending fund balance	<u>\$ 1,838</u>	<u>\$ -</u>	<u>\$ 264</u>	<u>\$ 286</u>	<u>\$ 2,388</u>	<u>\$ 2,320</u>

Revenues in of the Town's governmental fund types for 2015 increased by approximately \$771,000 and expenditures increased by approximately \$1,076,000, and net transfers decreased by approximately \$72,000 resulting in an increase in fund balance of \$68,000. This increase in fund balance was less than the prior year's increase in fund balance of \$301,000, largely due to increased capital outlay expenditures during 2015.

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

<u>Source of Revenue</u>	(in thousands)			
	2015		2014	
	Revenue	Percent	Revenue	Percent
Taxes	\$ 2,099	53	\$ 2,072	66
Licenses and permits	70	2	73	2
Intergovernmental	1,712	44	970	31
Miscellaneous	53	1	43	1
Total	<u>\$ 3,934</u>	<u>100%</u>	<u>\$ 3,158</u>	<u>100%</u>

The Town's governmental activities are largely supported by tax and intergovernmental grant revenues, representing 53% and 44% of total governmental revenues in 2015, which increased by approximately \$27,000 (or 1%) and \$742,000 (or 43%), respectively during the current year.

Expenditures of the governmental funds increased by approximately \$1.1 million in 2015. The increase in expenditures is correlated with capital outlay projects. Expenditures for all governmental funds by each major function are summarized below.

<u>Function</u>	(in thousands)			
	2015		2014	
	Expenditure	Percent	Expenditure	Percent
General government	\$ 601	17	\$ 484	19
Public safety	517	14	520	20
Streets and sanitation	344	10	393	16
Public health	67	2	59	2
Recreation	33	1	17	1
Debt service	120	3	119	5
Capital outlay	1,925	53	939	37
Total	<u>\$ 3,607</u>	<u>100%</u>	<u>\$ 2,531</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, 2015. Additionally, Water and Sewer experienced operating losses as summarized in the table below.

	(in thousands)			
	2015		2014	
	Total	Percent	Total	Percent
<u>Operating revenues:</u>				
Gas	\$ 304	36	\$ 373	41
Waterworks	244	29	246	27
Sewerage	291	35	292	32
Total revenues	<u>839</u>	<u>100</u>	<u>911</u>	<u>100</u>
<u>Operating expenses:</u>				
Gas	301	35	341	37
Waterworks	410	48	442	49
Sewerage	<u>310</u>	<u>37</u>	<u>302</u>	<u>33</u>
Total expenses	<u>1,021</u>	<u>120</u>	<u>1,085</u>	<u>119</u>
Net operating loss	<u>\$ (182)</u>	<u>(21)</u>	<u>\$ (174)</u>	<u>(19)</u>

General Fund Budgetary Highlights

Differences between the General Fund original budget and the final budget are shown on Exhibit B. Revenue projections were amended to increase sales tax revenues by \$325,000. Actual total revenues were approximately \$1.2 million greater than the final budget, primarily due to an increase in intergovernmental grants received.

Regarding expenditures, the original budget of the Town was amended to decrease the appropriation for capital outlay expenditures and to increase the appropriations for general government, public safety, and streets and sanitation. The decrease in capital outlay expenditures of approximately \$34,500 was the result of expected postponement of capital outlay projects.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2015 the Town had approximately \$8,576,000 invested in a broad range of capital assets including streets, heavy equipment for street and drainage maintenance, vehicles, computer equipment, office furniture, land, buildings, park facilities, gas and water distribution systems, and sewer treatment systems. This amount represents a net increase of \$1,288,000, or 17% over the prior fiscal year. 2015 additions for the governmental and business type activities were to \$1,925,000 and \$27,423, respectively. Additions included the purchase of equipment and vehicles, as well as improvements to the Community Center. During 2015, depreciation expense for the governmental and business type activities were \$432,000 and 231,000, respectively.

Capital Assets at Year-end
in thousands
(net of depreciation)

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Land	\$ 310	\$ 272	\$ 41	\$ 41	\$ 351	\$ 313
Construction in progress	13	905	-	-	13	905
Buildings and systems	960	1,035	3,334	3,515	4,294	4,550
Equipment and vehicles	346	330	49	73	395	403
Improvements other than buildings	187	220	-	-	187	220
Infrastructure	<u>3,336</u>	<u>897</u>	<u>-</u>	<u>-</u>	<u>3,336</u>	<u>897</u>
Total assets, net of depreciation	<u>\$ 5,152</u>	<u>\$ 3,659</u>	<u>\$ 3,424</u>	<u>\$ 3,629</u>	<u>\$ 8,576</u>	<u>\$ 7,288</u>

The Town's fiscal year 2015 capital budget includes grant funds to be used to renovate the Community Center and to street lighting and sidewalks. More detailed information about the Town's capital assets is presented in Note 5 to the financial statements.

Debt

On September 30, 2015 the Town had \$3,688,000 in outstanding debt, compared to \$3,715,000 on September 30, 2014, a decrease of 1%, as shown in the following table.

(in thousands)						
	Governmental		Business-type		Total	
	Activities		Activities			
	2015	2014(1)	2015	2014(1)	2015	2014(1)
Public improvement bonds	\$ 1,340	\$ 1,382	\$ 1,340	\$ 1,382	\$ 2,680	\$ 2,764
Legal claims	13	-	-	-	13	-
Net pension liability	285	213	190	142	475	355
Revenue bonds	-	-	486	555	486	555
Accrued sick leave	15	18	19	23	34	41
	<u>\$ 1,653</u>	<u>\$ 1,439</u>	<u>\$ 2,035</u>	<u>\$ 2,066</u>	<u>\$ 3,688</u>	<u>\$ 3,715</u>

(1) Restated due to implementation of GASB 68

The Town issued no debt in the fiscal year ended 2015, but did experience a net decrease of approximately \$27,000 of debt. More detailed information about the Town's long-term liabilities is presented in Note 6 to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The Town's elected and appointed officials considered many factors when setting the 2016 budget and tax rates. One of those factors is the current local, state and national economies.

The following indicators were taken into account when adopting the General Fund budget for 2016. Amounts available for appropriation in the General Fund are \$2.4 million, an increase over the final 2015 budget of \$520,000, or 21%. Property taxes, licensing fees, sales taxes, franchise taxes and utility taxes are expected to remain consistent for the General Fund. Grant revenues are expected to increase by 142,000 for anticipated capital grants. The Town will use these revenues to finance programs currently offered. Budgeted expenditures are expected to be \$2.4 million, an increase of \$520,000, primarily related to capital projects related to streets that will be financed through capital grants. If these estimates are realized, the General Fund's fund balance is expected to remain the same.

OTHER INFORMATION

Contacting The Town's Financial Management

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

Town Council

Kipp V. Knight

Shalanda Lewis Allen

Elliot Martin

Broderick Christoff Landry

Barbara O'Bear

TOWN OF WHITE CASTLE, LOUISIANA

STATEMENT OF NET POSITION

September 30, 2015

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 1,499,622	\$ 188,300	\$ 1,687,922
Investments	276,645	118,971	395,616
Accounts receivable, net	7,570	132,438	140,008
Due from other governments	304,783	-	304,783
Prepaid insurance	39,436	29,767	69,203
Inventories	-	13,719	13,719
Restricted cash	319,171	282,631	601,802
Capital assets:			
Non depreciable	323,234	40,588	363,822
Depreciable, net	<u>4,828,596</u>	<u>3,383,830</u>	<u>8,212,426</u>
Total assets	7,599,057	4,190,244	11,789,301
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pension liability	<u>75,685</u>	<u>50,456</u>	<u>126,141</u>
Total assets and deferred inflow of resources	<u>\$ 7,674,742</u>	<u>\$ 4,240,700</u>	<u>\$ 11,915,442</u>
LIABILITIES			
Accounts payable	\$ 33,175	\$ 24,554	\$ 57,729
Payroll and other accrued liabilities	31,179	19,646	50,825
Unearned revenue	-	90,405	90,405
Customer deposits	-	71,802	71,802
Long-term payables:			
Due within one year	59,743	122,611	182,354
Due in more than one year	<u>1,593,338</u>	<u>1,912,756</u>	<u>3,506,094</u>
Total liabilities	<u>1,717,435</u>	<u>2,241,774</u>	<u>3,959,209</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pension liability	44,878	29,918	74,796
Other	<u>7,059</u>	<u>-</u>	<u>7,059</u>
Total deferred inflows of resources	<u>51,937</u>	<u>29,918</u>	<u>81,855</u>
NET POSITION			
Net investment in capital assets	3,811,830	1,598,159	5,409,989
Restricted for:			
Debt service	264,859	95,180	360,039
Capital projects	285,489	115,649	401,138
Unrestricted	<u>1,543,192</u>	<u>160,020</u>	<u>1,703,212</u>
Total net position	<u>5,905,370</u>	<u>1,969,008</u>	<u>7,874,378</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 7,674,742</u>	<u>\$ 4,240,700</u>	<u>\$ 11,915,442</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, 2015

	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Functions/Programs							
Primary government:							
Governmental activities:							
General government	\$ 719,745	\$ 70,464		\$ -	\$ (649,281)	\$ -	\$ (649,281)
Public safety	621,154	33,114	-	-	(588,040)	-	(588,040)
Streets and sanitation	517,518	-	-	-	(517,518)	-	(517,518)
Public health	67,492	-	67,479	-	(13)	-	(13)
Recreation	101,443	-	-	1,580,321	1,478,878	-	1,478,878
Interest on long-term debt	77,019	-	-	-	(77,019)	-	(77,019)
Total governmental activities	2,104,371	103,578	67,479	1,580,321	(352,993)	-	(352,993)
Business-type activities:							
Gas	300,738	303,248	-	-	-	2,510	2,510
Waterworks	494,691	240,753	-	-	-	(253,938)	(253,938)
Sewerage	327,968	290,254	-	-	-	(37,714)	(37,714)
Total business-type activities	1,123,397	834,255	-	-	-	(289,142)	(289,142)
Total primary government	\$3,227,768	\$ 937,833	\$ 67,479	\$ 1,580,321	(352,993)	(289,142)	(642,135)
General revenues:							
Taxes:							
Ad valorem					30,694	-	30,694
Sales and use					2,026,841	-	2,026,841
Franchise					39,240	-	39,240
Video poker					12,088	-	12,088
Other					2,447	5,323	7,770
Grants and contribution not restricted to specific programs					27,968	6,734	34,702
Investment earnings					1,515	32	1,547
Payments in-lieu of taxes					51,712	-	51,712
Transfers					(258,000)	258,000	-
Total general revenues and transfers					1,934,505	270,089	2,204,594
Change in net position					1,581,512	(19,053)	1,562,459
NET POSITION							
Beginning of year, as restated					4,323,858	1,988,061	6,311,919
Ending of year					\$ 5,905,370	\$ 1,969,008	\$7,874,378

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

TOWN OF WHITE CASTLE, LOUISIANA

BALANCE SHEET
GOVERNMENTAL FUNDS

September 30, 2015

		Special Revenue	Debt Service		Capital Project	Total
	General	Section 8	2008 Reserve Fund	2008 Sinking Fund	2008 Capital Project Fund	Governmental Funds
ASSETS						
Cash and cash equivalents	\$ 1,260,886	\$ 7,559	\$ 238,289	\$ 26,570	\$ 285,489	\$ 1,818,793
Investments	276,645	-	-	-	-	276,645
Due from other governments	304,783	-	-	-	-	304,783
Due from other funds	500	-	-	-	-	500
Other receivables	7,570	-	-	-	-	7,570
Prepaid insurance	39,436	-	-	-	-	39,436
Total assets	<u>\$ 1,889,820</u>	<u>\$ 7,559</u>	<u>\$ 238,289</u>	<u>\$ 26,570</u>	<u>\$ 285,489</u>	<u>\$ 2,447,727</u>
LIABILITIES						
Accounts payable	\$ 33,175	\$ -	\$ -	\$ -	\$ -	\$ 33,175
Payroll and other accrued liabilities	18,608	-	-	-	-	18,608
Due to other funds	-	500	-	-	-	500
Total liabilities	<u>51,783</u>	<u>500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>52,283</u>
DEFERRED INFLOWS OF RESOURCES						
Other	-	7,059	-	-	-	7,059
FUND BALANCE						
Nonspendable	39,436	-	-	-	-	39,436
Restricted for:						
Debt service	-	-	238,289	26,570	-	264,859
Capital projects	-	-	-	-	285,489	285,489
Unassigned	<u>1,798,601</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,798,601</u>
Total fund balance	<u>1,838,037</u>	<u>-</u>	<u>238,289</u>	<u>26,570</u>	<u>285,489</u>	<u>2,388,385</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 1,889,820</u>	<u>\$ 7,559</u>	<u>\$ 238,289</u>	<u>\$ 26,570</u>	<u>\$ 285,489</u>	<u>\$ 2,447,727</u>

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

TOWN OF WHITE CASTLE, LOUISIANA

RECONCILIATION OF THE GOVERNMENTAL FUNDS

BALANCE SHEET TO THE STATEMENT OF NET POSITION

September 30, 2015

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

Total fund balances - governmental funds (Exhibit A-2)	\$	2,388,385
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Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds, net of accumulated depreciation

Cost of capital assets at September 30, 2015	14,308,961		
Less: accumulated depreciation as of September 30, 2015	<u>(9,157,131)</u>		5,151,830

Long-term liabilities (e.g. bonds, leases), are not due and payable in the current period and, therefore, are not reported in the governmental funds.

Deferred outflows related to pension liability	75,685		
Accrued interest payable	(12,571)		
Net pension liability	(285,638)		
Deferred inflows related to pension liability	(44,878)		
Bonds payable	(1,340,000)		
Claims & judgements	(12,700)		
Compensated absences payable	<u>(14,743)</u>		<u>(1,634,845)</u>

Net position of governmental activities (Exhibit A)	\$	<u>5,905,370</u>
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TOWN OF WHITE CASTLE, LOUISIANA

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

For the year ended September 30, 2015

	Special Revenue		Debt Service		Capital Project	Total
	General	Section 8	2008 Reserve Fund	2008 Sinking Fund	2008 Capital Project Fund	Governmental Funds
REVENUES						
Taxes	\$ 2,099,222	\$ -	\$ -	\$ -	\$ -	\$ 2,099,222
Intergovernmental	1,644,121	67,479	-	-	-	1,711,600
License and permits	70,464	-	-	-	-	70,464
Fines	33,114	-	-	-	-	33,114
Other	19,370	13	-	-	-	19,383
Total revenues	3,866,291	67,492	-	-	-	3,933,783
EXPENDITURES						
Current function						
General government	600,522	-	-	-	-	600,522
Public safety	517,412	-	-	-	-	517,412
Streets and sanitation	343,788	-	-	-	-	343,788
Public health	-	67,492	-	-	-	67,492
Recreation	33,299	-	-	-	-	33,299
Debt service	-	-	-	119,837	-	119,837
Capital outlay	1,925,062	-	-	-	-	1,925,062
Total expenditures	3,420,083	67,492	-	119,837	-	3,607,412
Excess (deficiency) of revenues over expenditures	446,208	-	-	(119,837)	-	326,371
OTHER FINANCING SOURCES (USES)						
Transfers in	1,100,000	-	-	120,000	-	1,220,000
Transfers out	(1,478,000)	-	-	-	-	(1,478,000)
Total other financing sources (uses)	(378,000)	-	-	120,000	-	(258,000)
Net change in fund balance	68,208	-	-	163	-	68,371
FUND BALANCE						
Beginning of year	1,769,829	-	238,289	26,407	285,489	2,320,014
End of year	\$ 1,838,037	\$ -	\$ 238,289	\$ 26,570	\$ 285,489	\$ 2,388,385

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

TOWN OF WHITE CASTLE, LOUISIANA

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

For the year ended September 30, 2015

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)	\$	68,371
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 capital outlays exceeded depreciation.		
Capital outlay	1,925,062	
Depreciation expense	<u>(432,478)</u>	1,492,584
The liability and expense for compensated absences are not reported in governmental funds. Instead, payments for compensated absences are reported as salaries when they occur. Only the payment consumes current financial resources and it would take a catastrophic event for this liability to become a current liability.		
		2,857
Pension benefit due to change in pension liability		(12,418)
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.		
Principal payments on debt		42,500
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.		
Legal claims payable		(12,700)
Change in accrued interest payable		<u>318</u>
Change in net position of governmental activities (Exhibit A-1)	\$	<u>1,581,512</u>

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

TOWN OF WHITE CASTLE, LOUISIANA

STATEMENT OF NET POSITION
PROPRIETARY FUNDS

September 30, 2015

	Gas Utility Fund	Waterworks Utility Fund	Sewerage Utility Fund	Total
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 65,043	\$ 89,059	\$ 34,198	\$ 188,300
Investments	39,253	66,011	13,707	118,971
Accounts receivable, net	42,077	44,375	45,986	132,438
Prepaid insurance	10,418	10,418	8,931	29,767
Due from other funds	150,000	-	375,000	525,000
Inventories	3,827	9,892	-	13,719
Total current assets	310,618	219,755	477,822	1,008,195
Noncurrent assets:				
Restricted cash	39,556	69,558	173,517	282,631
Capital assets:				
Non-depreciable	-	9,000	31,588	40,588
Depreciable, net	4,616	1,877,516	1,501,698	3,383,830
Total noncurrent assets	44,172	1,956,074	1,706,803	3,707,049
Total assets	354,790	2,175,829	2,184,625	4,715,244
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows related to pension liability	25,228	25,228	-	50,456
Total assets and deferred outflows of resources	\$ 380,018	\$ 2,201,057	\$ 2,184,625	\$ 4,765,700
LIABILITIES				
Current liabilities:				
Accounts payable	\$ 4,398	\$ 11,997	\$ 8,159	\$ 24,554
Payroll and other accrued liabilities	6,521	16,919	1,756	25,196
Customer deposits	39,556	32,246	-	71,802
Bonds payable	-	50,531	66,530	117,061
Unearned revenues	90,405	-	-	90,405
Due to other funds	-	525,000	-	525,000
Total current liabilities	140,880	636,693	76,445	854,018
Noncurrent liabilities:				
Accrued sick leave	8,231	4,903	-	13,134
Bonds payable	-	1,448,388	260,810	1,709,198
Net pension liability	95,212	95,212	-	190,424
Total noncurrent liabilities	103,443	1,548,503	260,810	1,912,756
Total liabilities	244,323	2,185,196	337,255	2,766,774
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to pension liability	14,959	14,959	-	29,918
NET POSITION				
Net investment in capital assets	4,616	387,597	1,205,946	1,598,159
Restricted for:				
Debt service	-	11,396	83,784	95,180
Capital projects	-	25,916	89,733	115,649
Unrestricted	116,120	(424,007)	467,907	160,020
Total net position	120,736	902	1,847,370	1,969,008
Total liabilities, deferred inflows of resources, and net position	\$ 380,018	\$ 2,201,057	\$ 2,184,625	\$ 4,765,700

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

TOWN OF WHITE CASTLE, LOUISIANA

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

For the year ended September 30, 2015

	Gas Utility Fund	Waterworks Utility Fund	Sewerage Utility Fund	Total
OPERATING REVENUES				
Charges for services	\$ 303,248	\$ 240,753	\$ 290,254	\$ 834,255
Other	<u>1,545</u>	<u>2,896</u>	<u>882</u>	<u>5,323</u>
Total operating revenues	<u>304,793</u>	<u>243,649</u>	<u>291,136</u>	<u>839,578</u>
OPERATING EXPENSES				
Administration	110,184	140,002	111,745	361,931
Field	111,173	180,723	59,540	351,436
Depreciation	3,418	89,250	139,005	231,673
Gas	<u>75,963</u>	<u>-</u>	<u>-</u>	<u>75,963</u>
Total operating expenses	<u>300,738</u>	<u>409,975</u>	<u>310,290</u>	<u>1,021,003</u>
Operating income (loss)	<u>4,055</u>	<u>(166,326)</u>	<u>(19,154)</u>	<u>(181,425)</u>
NON-OPERATING				
Interest income	-	32	-	32
Other contributions	3,367	3,367	-	6,734
Interest expense	<u>-</u>	<u>(84,716)</u>	<u>(17,678)</u>	<u>(102,394)</u>
Total non-operating, net	<u>3,367</u>	<u>(81,317)</u>	<u>(17,678)</u>	<u>(95,628)</u>
Income (loss) before transfers	7,422	(247,643)	(36,832)	(277,053)
Transfers in	-	302,000	-	302,000
Transfers out	<u>(35,000)</u>	<u>-</u>	<u>(9,000)</u>	<u>(44,000)</u>
Net income (loss)	(27,578)	54,357	(45,832)	(19,053)
NET POSITION				
Beginning of year, restated	<u>148,314</u>	<u>(53,455)</u>	<u>1,893,202</u>	<u>1,988,061</u>
Ending of year	<u>\$ 120,736</u>	<u>\$ 902</u>	<u>\$ 1,847,370</u>	<u>\$ 1,969,008</u>

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

TOWN OF WHITE CASTLE, LOUISIANA

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS

For the year ended September 30, 2015

	Gas Utility Fund	Waterworks Utility Fund	Sewerage Utility Fund	Totals
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers and users	\$ 390,330	\$ 239,582	\$ 292,327	\$ 922,239
Payments to suppliers for goods and services	(205,715)	(175,736)	(121,648)	(503,099)
Payments to employees for services and benefits	(92,238)	(151,611)	(47,879)	(291,728)
Other operating revenues	<u>1,545</u>	<u>2,896</u>	<u>882</u>	<u>5,323</u>
Net cash provided (used) by operating activities	<u>93,922</u>	<u>(84,869)</u>	<u>123,682</u>	<u>132,735</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Due to other funds	-	(200,000)	-	(200,000)
Transfers in	-	302,000	-	302,000
Transfers out	<u>(35,000)</u>	<u>-</u>	<u>(9,000)</u>	<u>(44,000)</u>
Net cash provided (used) by noncapital activities	<u>(35,000)</u>	<u>102,000</u>	<u>(9,000)</u>	<u>58,000</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition and construction of capital assets	-	(15,321)	(12,102)	(27,423)
Interest expense	-	(84,716)	(17,678)	(102,394)
Repayment of revenue bonds	<u>-</u>	<u>(47,775)</u>	<u>(63,302)</u>	<u>(111,077)</u>
Net cash used by capital activities	<u>-</u>	<u>(147,812)</u>	<u>(93,082)</u>	<u>(240,894)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Change in investment	(2,927)	(15,279)	(1,303)	(19,509)
Interest income	<u>-</u>	<u>32</u>	<u>-</u>	<u>32</u>
Net cash used by investing activities	<u>(2,927)</u>	<u>(15,247)</u>	<u>(1,303)</u>	<u>(19,477)</u>
Increase (decrease) in cash	55,995	(145,928)	20,297	(69,636)
CASH AND CASH EQUIVALENTS, including restricted cash				
Beginning of period	<u>48,604</u>	<u>304,545</u>	<u>187,418</u>	<u>540,567</u>
End of period	<u>\$ 104,599</u>	<u>\$ 158,617</u>	<u>\$ 207,715</u>	<u>\$ 470,931</u>

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

TOWN OF WHITE CASTLE, LOUISIANA

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS**

For the year ended September 30, 2015

	Gas Utility Fund	Waterworks Utility Fund	Sewerage Utility Fund	Totals
RECONCILIATION OF CASH				
Cash and cash equivalents	\$ 65,043	\$ 89,059	\$ 34,198	\$ 188,300
Restricted cash	<u>39,556</u>	<u>69,558</u>	<u>173,517</u>	<u>282,631</u>
Total cash	<u>\$ 104,599</u>	<u>\$ 158,617</u>	<u>\$ 207,715</u>	<u>\$ 470,931</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:				
Operating income (loss)	\$ 4,055	\$ (166,326)	\$ (19,154)	\$ (181,425)
Adjustments of operating income (loss):				
Depreciation	3,418	89,250	139,005	231,673
Other grants and contributions	3,367	3,367	-	6,734
Change in operating assets and liabilities:				
Accounts receivable	(5,221)	(4,583)	2,073	(7,731)
Prepaid assets	(926)	(926)	(755)	(2,607)
Customer deposits	(1,469)	45	-	(1,424)
Inventory	(1,710)	(1,513)	-	(3,223)
Accrued sick leave	5,415	(5,737)	2,513	2,191
Accounts payable and accrued expenses	(7,551)	(2,585)	-	(10,136)
Unearned revenue	90,405	-	-	90,405
Net pension liability and related deferred inflows and outflows	<u>4,139</u>	<u>4,139</u>	<u>-</u>	<u>8,278</u>
Net cash provided (used) by operating activities	<u>\$ 93,922</u>	<u>\$ (84,869)</u>	<u>\$ 123,682</u>	<u>\$ 132,735</u>

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

TOWN OF WHITE CASTLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

September 30, 2015

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.

In 2015, the Town adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* – an amendment of GASB Statement No. 27, and Statement No. 71 – *Pension Transition for Contributions Made Subsequent to the Measurement Date* – an amendment to GASB Statement No. 68. The net effect to the entity-wide Statement of Net Position for the prior year that resulted from the adoption of GASB 68 and 71 is as follows:

	Governmental Activities	Business Type Activities	Total
Total net position, June 30, 2014			
as previously reported	\$ 4,566,271	\$ 2,149,669	\$ 6,715,940
Net pension liability at June 30, 2014	(213,397)	(142,264)	(355,661)
Deferred inflows of resources at June 30, 2014	(36,794)	(24,530)	(61,324)
Deferred outflows of resources at June 30, 2014	7,778	5,186	12,964
Total net position, June 30, 2014, restated	<u>\$ 4,323,858</u>	<u>\$ 1,988,061</u>	<u>\$ 6,311,919</u>

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Reporting Entity

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

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

White Castle Housing Authority

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

Basis of Presentation

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

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

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

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

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

Fund Financial Statements

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (continued)

Fund Financial Statements (continued)

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

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

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

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

Governmental Fund Types

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

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

Special Revenue Funds - Special revenue funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes. The Section 8 Fund is considered a major 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 debt services funds that are considered major funds are the 2008 Reserve Fund and the 2008 Sinking Fund.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (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 capital projects service fund that is considered a major fund is the 2008 Capital Project Fund.

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.

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.

Internal Service Funds - Internal service funds are used to account for the financing of goods and services provided by one department or agency to other departments or agencies of the government and to other government units on a cost reimbursement basis. The Town does not currently have any internal service 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 and current liabilities are generally included in the balance sheet. Operating statements of these funds present increases (revenues and other sources) and decreases (expenditures and other uses) in net current assets. Governmental funds are maintained on the modified accrual basis of accounting.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting and Measurement Focus (continued)

Fund financial statements (continued)

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

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

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

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

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

Cash and Cash Equivalents

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments

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

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

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

Accounts Receivable and Bad Debts

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Uncollectible amounts due for receivables are recognized as bad debts directly charged off at the time information becomes available which indicates that the particular receivable is not collectible. In governmental fund types, the uncollectible amount is charged directly to the revenue reported. On the other hand, in proprietary fund types, uncollectible amounts due from utility billings are recognized as bad debts through the use of an allowance account or are directly charged off at the time information becomes available which indicates that the particular receivable is not collectible. The allowance for doubtful accounts for the Gas, Water and Sewer Funds was collectively \$10,644 as of September 30, 2015.

Interfund Receivables/Payables

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 9 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.”

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Restricted Cash

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

	Governmental Activities	Gas	Water	Sewer	Total
Customer deposits	\$ -	\$ 39,556	\$ 32,246	\$ -	\$ 71,802
Restricted for debt service	319,171	-	11,396	83,784	414,351
Restricted for capital projects	-	-	25,916	89,733	115,649
Total restricted cash	<u>\$ 319,171</u>	<u>\$ 39,556</u>	<u>\$ 69,558</u>	<u>\$ 173,517</u>	<u>\$ 601,802</u>

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, fixed assets 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 which are recorded at their estimated fair value at the date of donation. Major outlays for capital assets and improvements are capitalized at completion of the construction projects. The Town's capitalization policy stipulates a capitalization threshold of \$1,000.

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets (continued)

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 assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

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

Fund Financial Statements

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

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

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

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.

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

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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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. 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 assets followed by unrestricted net assets.

Governmental Fund Balances

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

Interfund Transfers

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.

Deferred Outflows and Inflows of Resources

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

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

Budget Policy and Budgetary Accounting

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budget Policy and Budgetary Accounting (Continued)

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, and deferred inflows of resources.

Subsequent Events

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

NOTE 2 - CASH AND INVESTMENTS

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

Custodial credit risk is the risk that in the event of a financial institution failure, the Town's deposits may not be returned to them. To mitigate this risk, state law requires deposits to be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent financial institution. As of September 30, 2015, the Town had no unsecured deposits.

(Continued)

NOTE 2 - CASH AND INVESTMENTS (CONTINUED)

Deposit balances (bank balances) at September 30, 2015, were secured as follows:

	<u>Bank Balances</u>
Federal deposit insurance	\$ 645,615
Pledged securities in the Town's name	347,894
Funds not subject to categorization:	
Invested in U.S. Securities	488,594
Louisiana Asset Management Pool (LAMP)	<u>1,324,991</u>
Bank Balances	<u>\$ 2,807,094</u>

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

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

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

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

NOTE 3 - DUE FROM OTHER GOVERNMENTS

Due from other governments at September 30, 2015, consists of the following:

Parish of Iberville, Louisiana – Sales Tax	\$ 303,566
Other	<u>1,217</u>
Total	<u>\$ 304,783</u>

NOTE 4 - AD VALOREM TAXES

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

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

For the year ended September 30, 2015, taxes of 7.00 mills for the general fund were levied on property with assessed valuations totaling \$4,300,630. Total taxes assessed of \$30,104 were levied on November 10, 2014, and were due and payable prior to December 31, 2014.

(Continued)

NOTE 5 - CAPITAL ASSETS

A summary of changes in capital assets for the primary government for the year ended September 30, 2015 is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 272,333	\$ 37,500	\$ -	\$ 309,833
Construction in progress	905,661	1,714,478	2,606,738	13,401
Total capital assets not being depreciated	<u>1,177,994</u>	<u>1,751,978</u>	<u>2,606,738</u>	<u>323,234</u>
Capital assets being depreciated:				
Building and improvements	2,279,610	-	-	2,279,610
Equipment and vehicles	2,115,000	173,084	-	2,288,084
Improvements other than buildings	628,618	-	-	628,618
Infrastructure	6,182,678	2,606,738	-	8,789,416
Total capital assets being depreciated	<u>11,205,906</u>	<u>2,779,822</u>	<u>-</u>	<u>13,985,728</u>
Less accumulated depreciation for:				
Building and improvements	1,244,004	75,522	-	1,319,526
Equipment and vehicles	1,784,891	156,985	-	1,941,876
Improvements other than buildings	408,903	32,574	-	441,477
Infrastructure	5,286,856	167,397	-	5,454,253
Total accumulated depreciation	<u>8,724,654</u>	<u>432,478</u>	<u>-</u>	<u>9,157,132</u>
Total capital assets being depreciated net of accumulated depreciation	<u>2,481,252</u>	<u>2,347,344</u>	<u>-</u>	<u>4,828,596</u>
Governmental activities capital assets, net	<u>\$ 3,659,246</u>	<u>\$ 4,099,322</u>	<u>\$ 2,606,738</u>	<u>\$ 5,151,830</u>

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

Governmental activities:	
Streets and sanitation	\$ 175,895
Public safety	104,209
General government	84,230
Recreation	<u>68,144</u>
Total depreciation expense - governmental activities	<u>\$ 432,478</u>

NOTE 5 - CAPITAL ASSETS(CONTINUED)

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 40,588	\$ -	\$ -	\$ 40,588
Capital assets being depreciated:				
Distribution systems	7,473,602	9,207	-	7,482,809
Machinery, equipment, and vehicles	553,608	18,216	-	571,824
Meters	99,331	-	-	99,331
Total capital assets being depreciated	8,126,541	27,423	-	8,153,964
Less accumulated depreciation for:				
Distribution systems	3,958,520	189,702	-	4,148,222
Machinery, equipment and vehicles	480,610	41,971	-	522,581
Meters	99,331	-	-	99,331
Total accumulated depreciation	4,538,461	231,673	-	4,770,134
Total capital assets being depreciated, net of accumulated depreciation	3,588,080	(204,250)	-	3,383,830
Business-type activities capital assets, net	\$ 3,628,668	\$ (204,250)	\$ -	\$ 3,424,418

(Continued)

NOTE 6 - LONG-TERM DEBT

Debt Outstanding

The following is a summary of long-term debt transactions of the Town for the year ended September 30, 2015:

	(Restated) September 30, 2014	Additions	Reductions	September 30, 2015	Due Within One Year
Governmental activities:					
Public improvement bond	\$ 1,382,500	\$ -	\$ 42,500	\$ 1,340,000	\$ 45,000
Net pension liability	213,397	72,241	-	285,638	-
Legal claims & judgements	-	12,700	-	12,700	-
Accrued sick leave	17,600	15,641	18,498	14,743	14,743
Total	<u>\$ 1,613,497</u>	<u>\$ 100,582</u>	<u>\$ 60,998</u>	<u>\$ 1,653,081</u>	<u>\$ 59,743</u>
Business-type activities:					
Public improvement bond	\$ 1,382,500	\$ -	\$ 42,500	\$ 1,340,000	\$ 45,000
Net pension liability	142,265	48,159	-	190,424	-
Revenue bonds	554,836	-	68,577	486,259	72,061
Accrued sick leave	23,270	7,083	11,669	18,684	5,550
Total	<u>\$ 2,102,871</u>	<u>\$ 55,242</u>	<u>\$ 122,746</u>	<u>\$ 2,035,367</u>	<u>\$ 122,611</u>

Long-term debt obligations for the primary government for governmental activities at September 30, 2015, is comprised of the following:

Public Improvement Bond

\$3,200,000 Public Improvement sales tax refunding bond dated August 2008, due in annual installments of \$60,000 to \$225,000 through 2033; interest at 4.25% to 5.75%. \$1,600,000 is dedicated for roads and improvements and \$1,600,000 is dedicated for waterworks improvements.

\$ 1,340,000

Net pension liability

285,638

Legal claims & judgements

12,700

Accrued sick leave

14,743

Total long-term debt from governmental activities

\$ 1,653,081

NOTE 6 - LONG-TERM DEBT (CONTINUED)

Long-term debt for the primary government for business-type activities at September 30, 2015, is comprised of the following:

Public Improvement Bond

\$3,200,000 Public Improvement sales tax refunding bond.

See previous page.

\$ 1,340,000

Revenue Bonds

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

249,863

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

77,477

\$225,800 advanced on \$230,000 authorized Water Revenue bonds secured by a pledge and dedication of water revenues, due in monthly installments through March 20, 2038; interest at 4.75%.

158,919

Net pension liability

190,424

Accrued sick leave

18,684

Total long-term debt from business-type activities

\$ 2,035,367

Debt Service Requirements to Maturity

The annual requirements to amortize debt outstanding at September 30, 2015, are as follows:

Year	Governmental Activities		Business-Type Activities					
	Public		Sewer		Water		Total	
	Improvement		Revenue		Revenue and Public		Business-type	
	Bond		Bonds		Improvement Bonds		Long-term Debt	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2016	45,000	75,424	66,531	14,449	50,530	82,865	117,061	97,314
2017	47,500	72,949	69,925	11,055	53,299	80,122	123,224	91,177
2018	50,000	70,336	73,492	7,487	56,081	77,227	129,573	84,714
2019	52,500	67,586	47,975	3,292	58,876	74,182	106,851	77,474
2020	55,000	64,568	2,252	14,354	61,686	70,854	63,938	85,208
2021-2025	330,000	270,944	12,909	13,787	368,625	297,179	381,534	310,966
2026-2030	437,500	166,775	16,159	10,536	486,456	182,679	502,615	193,215
2031-2035	322,500	37,008	20,227	6,467	363,366	41,545	383,593	48,012
2036-2039	-	-	17,870	2,050	-	-	17,870	2,050
	<u>\$ 1,340,000</u>	<u>\$ 825,589</u>	<u>\$ 327,340</u>	<u>\$ 83,477</u>	<u>\$ 1,498,919</u>	<u>\$ 906,652</u>	<u>\$ 1,826,259</u>	<u>\$ 990,129</u>

NOTE 6 - LONG-TERM DEBT (CONTINUED)

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

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

Bond Restrictions

Town of White Castle Sales Tax Revenue Bond

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

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

Sales Tax Revenue Bond – Series 2008 – Reserve Fund to be used solely for the purpose of paying principal and interest on the bond payable from the Bond Sinking Fund in case of default. The sum of \$182,892 has been deposited into this fund to satisfy this requirement.

Sewer Revenue Bonds

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

1. The Sewer System Revenue Fund requires all revenue derived from its operations to be deposited in a bank that is a member of the Federal Deposit Insurance Corporation as long as any of the bonds are outstanding. Required transfers are made on a monthly basis to designated trust accounts. In addition, the Series 1999 bonds require the use of a separate construction account.
2. The Sewer Revenue Bond Fund requires monthly fund transfers from the Sewer System Revenue Fund to provide payment of the next maturing interest and principal of the revenue bonds.

(Continued)

NOTE 6 - LONG-TERM DEBT (CONTINUED)

Sewer Revenue Bonds (continued)

3. The Sewer Revenue Bond Reserve Fund requires monthly transfers of \$338 until \$80,980 has been accumulated. This fund is restricted to payment of principal and interest in case of default. The current balance of the fund is \$83,784.
4. The Sewer Depreciation and Contingency Fund requires monthly transfers of \$346. The Fund is restricted to payments for unusual or extraordinary maintenance, repairs, replacement, extensions, and improvements that will either enhance its revenue-producing capacity or provide improved service. It will also be used to pay principal and interest if there are not sufficient funds in either the Sewer Revenue Bond Fund or Sewer Revenue Bond Reserve Fund. The current balance of the fund is \$89,733.

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

Water Revenue Bonds

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

1. The Water Revenue Fund requires all revenue derived from the operation of the system be deposited into the Water Revenue Fund. Required transfers are made on a monthly basis to designated trust accounts.
2. The Water Revenue Bond and Interest Sinking Fund requires monthly transfers from the Water Revenue Fund to provide payment of the next maturing interest and principal of the revenue bonds.
3. The Water Revenue Bond Reserve Fund requires monthly transfers of \$55 until \$12,972 has been accumulated. This fund is restricted to payment of principal and interest in case of default. The current balance of the fund is \$11,396.
4. The Water Depreciation and Contingency Fund requires monthly transfers of \$124. The fund is established to care for extensions, additions, improvements, renewals and replacements necessary to properly operate the system. Such payments into the fund are to continue over the life of the bonds. The current balance of the fund is \$25,916.

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

NOTE 7 - DEDICATED REVENUES

Proceeds of the Iberville Parish sales and use tax were dedicated to the following purposes as of September 30, 2015:

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 the Public Improvement Bond – Series 2008. See Note 6.

NOTE 8 - PENSION PLAN

The Town of White Castle (the Town) is a participating employer in a cost sharing defined benefit pension plan. This plan is administered by the Municipal Employee's Retirement System of Louisiana (MERS). 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.

The Municipal Employee's Retirement System of Louisiana issues an annual publicly available financial report that includes financial statements and require supplementary information for the system. This report may be obtained by writing, calling, or downloading the reports from the Municipal Employees' Retirement System, 7937 Office Park Boulevard, Baton Rouge, Louisiana 70809, or by calling (225) 925-4810.

Municipal Employees' Retirement System of Louisiana (MERS)

The Municipal Employees' Retirement System of Louisiana (MERS) is the administrator of a cost sharing multiple-employer defined benefit pension plan. The System was originally established by Act 356 of the 1954 regular session of the Legislature of the State of Louisiana. The System provides retirement benefits to employees of all incorporated villages, towns and cities within the State which do not have their own retirement system and which elect to become members of the System. For the year ended September 30, 2015, there were 82 contributing municipalities in Plan A and 69 in Plan B. The Town of White Castle is a participant in Plan B only.

The following is a description of the plan and its benefits and is provided for general information purposes only.

Membership is mandatory as a condition of employment beginning on the date employed if the employee is on a permanent basis working at least thirty-five hours per week. Those individuals paid jointly by a participating employer and the parish are not eligible for membership in the System with exceptions as outlined in the statutes.

NOTE 8 - PENSION PLAN (CONTINUED)

Municipal Employees' Retirement System of Louisiana (MERS) (Continued)

Any member of Plan A who was hired before January 1, 2013 can retire providing the member meets one of the following criteria:

1. Any age with twenty-five (25) or more years of creditable service.
2. Age 60 with a minimum of ten (10) years of creditable service.
3. Any age with five (5) years of creditable service eligible for disability benefits.
4. Survivor's benefits require five (5) years creditable service at death of member.
5. Any age with 20 years of creditable service, exclusive of military service with an actuarially reduced early benefit.

Any member of Plan B who was hired before January 1, 2013 can retire providing the member meets one of the following criteria:

1. Any age with thirty (30) years of creditable service.
2. Age 60 with a minimum of ten (10) or more years of creditable service.
3. Any age with ten (10) years of creditable service eligible for disability benefits.
4. Survivor's benefits require five (5) years creditable service at death of member.

Eligibility for requirement for Plan A and Plan B members hired on or after January 1, 2013 is as follows:

1. Age 67 with seven (7) or more years of creditable service.
2. Age 62 with ten (10) or more years of creditable service.
3. Age 55 with thirty (30) or more years of creditable service
4. Any age with twenty five (25) years of creditable service, exclusive of military service and unused side leave. However, any member retiring under this subsection shall have their benefit actuarially reduced from the earliest age of which the member would be entitled to a vested deferred benefit under any provision of this section, if the member had continued in services to that age.

Generally, the monthly amount of the retirement allowance for any member of Plan A shall consist of an amount equal to three percent of the member's monthly average final compensation multiplied by his years of creditable service. However, under certain conditions as outlined in the statutes, the benefits are limited to specified amounts.

Upon death of any member of Plan A with five (5) or more years of creditable service, not eligible for retirement, the plan provides for benefits for the surviving spouse and/or minor children as outlined in the statutes. Any member of Plan A who is eligible for normal retirement at time of death and who leaves a surviving spouse will be deemed to have retired and selected Option 2 benefits on behalf of the surviving spouse on the date of death. Such benefits will begin only upon proper application and are paid in lieu of any other survivor benefits. Upon death of any member of Plan B with five (5) or more years of creditable service, not eligible for normal retirement, the plan provides for benefits for the surviving spouse as outlined in the statutes.

NOTE 8 - PENSION PLAN (CONTINUED)

Municipal Employees' Retirement System of Louisiana (MERS) (Continued)

Any member of Plan B who is eligible for normal retirement at time of death and who leaves a surviving spouse will be deemed to have retired and selected Option 2 benefits on behalf of the surviving spouse on the date of death. Such benefits will begin only upon proper application and are paid in lieu of any other survivor benefits.

In lieu of terminating employment and accepting a service retirement allowance, any member of Plan A or B who is eligible to retire may elect to participate in the deferred retirement option plan (DROP) for up to three years and defer the receipt of benefits. During participation in the plan, employer contributions are payable but employee contributions cease. The monthly retirement benefits that would be payable, had the person elected to cease employment and receive a service retirement allowance, are paid into the DROP Fund. Interest is earned when the member has completed DROP participation. Interest earnings are based upon the actual rate of return on the investments identified as DROP funds for the period. In addition, no cost-of-living increases are payable to participants until employment which made them eligible to become members of the System has been terminated for at least one full year. Upon termination of employment prior to or at the end of the specified period of participation, a participant in the DROP may receive, at his option, a lump sum from the account equal to the payments into the account, a true annuity based upon his account balance in that fund, or any other method of payment if approved by the board of trustees. If a participant dies during participation in the DROP, a lump sum equal to the balance in his account shall be paid to his named beneficiary or, if none, to his estate. If employment is not terminated at the end of the three years, payments into the DROP fund cease and the person resumes active contributing membership in the System.

For Plan A, a member shall be eligible to retire and receive a disability benefit if he has at least five years of creditable service, is not eligible for normal retirement and has been officially certified as disabled by the State Medical Disability Board. Upon retirement caused by disability, a member of Plan A shall be paid a disability benefit equal to the lesser of forty-five percent of his final average compensation or three percent of his final average compensation multiplied by his years of creditable service whichever is greater or an amount equal to three percent of the member's final average compensation multiplied by his years of creditable service projected to his earliest normal retirement age.

For Plan B, a member shall be eligible to retire and receive a disability benefit if he has at least ten years of creditable service; in which he would receive a regular retirement under retirement provisions. A member shall be eligible to retire and receive a disability benefit if he has at least ten years of creditable service, is not eligible for normal retirement, and has been officially certified as disabled by the State Medical Disability Board. Upon retirement caused by disability, a member of Plan B shall be paid a disability benefit equal to the lesser of thirty percent of his final average compensation or two percent of his final average compensation multiplied by his years of creditable service, whichever is greater; or an amount equal to two percent of the member's final average compensation multiplied by his years of creditable service, projected to his earliest normal retirement age.

NOTE 8 - PENSION PLAN (CONTINUED)

Municipal Employees' Retirement System of Louisiana (MERS) (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).

As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. For the year ending June 30, 2015, the actual employer contribution rate was 9.5% for Plan B.

The Town's contributions to the System under Plan B for the years ended September 30, 2015, 2014, and 2013 was approximately \$44,809, \$46,911, and \$43,515, respectively.

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

At September 30, 2015, the Town reported a net pension liability of \$476,062 for its proportionate share of the net pension liability. The total pension liability used to calculate the net pension liability was determined by an actuarial valuations as June 30, 2015. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. Based on actuarial valuations as of June 30, 2015, the Town's proportion was 0.70046%, which was a decrease from its proportion measured as of June 30, 2014 at 0.75754%.

For the year ended September 30, 2015, the Town's proportionate share of Plan pension expense was \$84,226 and employer's net amortization of deferred amounts from change in proportion was \$28,299.

(Continued)

NOTE 8 - PENSION PLAN (CONTINUED)

At September 30, 2015, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between expected and actual experience	\$ -	\$ 13,581
Net difference between projected and actual earnings on pension plan investments	71,605	-
Changes in proportion	-	36,318
Differences between allocated and actual contributions	-	24,897
Changes of assumptions	43,399	-
Employer contributions subsequent to the measurement date	11,137	-
Total	<u>\$ 126,141</u>	<u>\$ 74,796</u>

The Town reported \$11,137 as deferred outflows of resources related to pensions resulting from Town contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended September 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in the pension expense as follows:

September 30, 2016	\$ 6,634
September 30, 2017	6,634
September 30, 2018	12,062
September 30, 2019	14,878

(Continued)

NOTE 8 - PENSION PLAN (CONTINUED)

Actuarial Assumptions

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2015 are as follows:

Valuation Date	June 30, 2015
Actuarial Cost Method	Entry Age Normal
Expected Remaining Service Lives	4 years
Investment Rate of Return	7.5% per annum
Mortality	RP-2000 Employee Table for active members RP-2000 Healthy Annuitant Table for healthy annuitants RP-2000 Disabled Lives Mortality Table for annuitants
Salary Increases	5.0% (2.875% Inflation, 2.125% Merit)
Cost of Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases the present values do not include provisions for potential future increases not yet authorized by the Board of Trustees.

The mortality rate assumption used was verified by combining data from this plan with three other statewide plans which have similar workforce composition to produce a credible experience. The aggregated data was collected over the period July 1, 2006 through June 30, 2010. The data was assigned credibility weighting and combined with a standard table to produce current levels of mortality. This mortality was projected forward to a period equivalent to the estimated duration of the System's liabilities. Annuity values calculated based on this mortality were compared to those produced by using a setback of standard tables. The result of the procedure indicated that these tables would produce liability values approximating the appropriate generational mortality tables used.

(Continued)

NOTE 8 - PENSION PLAN (CONTINUED)

Discount Rate

The discount rate used to measure the total pension liability was 7.5%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by PRSAC taking into consideration the recommendation of the System's actuary. Based on those assumptions, the System'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 the periods of projected benefits payments to determine the total pension liability.

Sensitivity to Changes in Discount Rate

The following presents the employer's proportionate share of the net pension liability using the discount rate of 7.5%, as well as the employer's proportionate share of the net pension liability if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the rate as of June 30, 2015:

Current rate (7.5%)	\$ 476,062
1.0% decrease (6.5%)	642,246
1.0% increase (8.5%)	334,513

NOTE 9 - INTERFUND RECEIVABLE AND PAYABLE BALANCES

Interfund balances at September 30, 2015, were as follows:

	Interfund	
	Receivable	Payable
Governmental Activities		
General Fund:		
Section 8 Fund	\$ 500	\$ -
Total General Fund	500	-
Section 8 Fund		
General Fund	-	500
Total governmental funds	\$ 500	\$ 500
Business-type Activities:		
Gas Utility Fund:		
Water Utility Fund	\$ 150,000	\$ -
Water Utility Fund:		
Sewer Utility Fund	-	375,000
Gas Utility Fund:	-	150,000
Sewer Utility Fund:		
Water Utility Fund	375,000	-
Total business-type activities	525,000	525,000
Total primary government	\$ 525,500	\$ 525,500

NOTE 10 - INTERFUND TRANSFERS

Interfund Transfers

Interfund transfers for the year ended September 30, 2015, were as follows:

	Transfers	
	In	Out
Governmental activities:		
General Fund:		
1% Sales Tax Fund	\$ 180,000	\$ -
Sales Tax Fund	920,000	-
Water Utility Fund	-	83,000
Sales Tax Fund:		
General Fund	-	920,000
1% Sales Tax Fund:		
Water Utility Fund	-	175,000
2008 Sales Tax Sinking Fund	-	120,000
General Fund	-	180,000
2008 Sales Tax Sinking Fund:		
1% Sales Tax Fund	120,000	-
Total governmental activities	1,220,000	1,478,000
Business-type activities:		
Gas Utility Fund:		
Water Utility Fund	-	35,000
Water Utility Fund:		
Sewer Utility Fund	9,000	-
Gas Utility Fund	35,000	-
1% Sales Tax Fund	175,000	-
General Fund	83,000	-
Sewer Utility Fund:		
Water Utility Fund	-	9,000
Total business-type activities	302,000	44,000
	<u>\$ 1,522,000</u>	<u>\$ 1,522,000</u>

NOTE 11 - COMPENSATION TO GOVERNING BODY

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

Councilmembers' terms ending December 31, 2018:	
Barbara O'Bear	\$ 10,646
Broderick Landry	8,307
Kipp Knight	7,632
Elliot Martin	7,442
Shalanda Allen	7,412
	<hr/> 41,439
Councilmembers' terms ended December 31, 2014:	
Jonathan Greene	4,650
Garnell Young	3,156
John Barlow	3,015
Dionne Lewis	2,585
	<hr/> 13,405
Total	<hr/> <hr/> \$ 54,844

NOTE 12 - 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.

During 2016 the Town was assessed a penalty of approximately \$12,700 related to its failure to comply with Louisiana's public records law. This liability has been accrued in the governmental activities of the primary government.

Grants and Loans

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

Risk Management

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

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

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

For the year ended September 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Taxes:				
Sales	\$ 1,775,000	\$ 2,100,000	\$ 2,026,841	\$ (73,159)
Ad valorem	35,000	31,000	30,694	(306)
Public utility franchise	27,000	27,000	24,167	(2,833)
Cable T.V. franchise	15,000	15,000	15,073	73
Beer	3,000	3,000	2,447	(553)
Licenses and permits	90,000	75,000	70,464	(4,536)
Intergovernmental:				
Grants	336,000	319,000	1,563,864	1,244,864
Video poker	12,000	12,000	12,088	88
FEMA reimbursements	-	-	16,457	16,457
Local housing authority	26,500	51,500	51,712	212
Fines	30,000	30,000	33,114	3,114
Other:				
Lease and royalty	6,000	10,000	10,000	-
Interest	2,300	2,300	1,502	(798)
Donation for recreation	-	-	-	-
Miscellaneous	<u>15,000</u>	<u>15,000</u>	<u>7,868</u>	<u>(7,132)</u>
Total revenues	<u>2,372,800</u>	<u>2,690,800</u>	<u>3,866,291</u>	<u>1,175,491</u>
EXPENDITURES				
Current function:				
General government	470,094	550,459	600,522	(50,063)
Public safety	516,542	543,963	517,412	26,551
Streets and sanitation	295,395	334,894	343,788	(8,894)
Recreation	16,500	16,500	33,299	(16,799)
Capital outlay	<u>501,000</u>	<u>466,500</u>	<u>1,925,062</u>	<u>(1,458,562)</u>
Total expenditures	<u>1,799,531</u>	<u>1,912,316</u>	<u>3,420,083</u>	<u>(1,507,767)</u>
Excess of revenues over expenditures	<u>573,269</u>	<u>778,484</u>	<u>446,208</u>	<u>(332,276)</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(295,000)</u>	<u>(295,000)</u>	<u>(378,000)</u>	<u>(83,000)</u>
Total other financing uses	<u>(295,000)</u>	<u>(295,000)</u>	<u>(378,000)</u>	<u>(83,000)</u>
Net change in fund balance	<u>\$ 278,269</u>	<u>\$ 483,484</u>	68,208	<u>\$ (415,276)</u>
FUND BALANCE				
Beginning of year			<u>1,769,829</u>	
End of year			<u>\$ 1,838,037</u>	

Notes on B-2 are an integral part of this statement.

TOWN OF WHITE CASTLE, LOUISIANA
SECTION 8

Exhibit B-1

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

For the year ended September 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Intergovernmental				
HUD receipts	\$ 65,000	\$ 65,000	\$ 67,479	\$ 2,479
Interest	<u>-</u>	<u>-</u>	<u>13</u>	<u>13</u>
Total revenues	<u>65,000</u>	<u>65,000</u>	<u>67,492</u>	<u>2,492</u>
EXPENDITURES				
Public health				
Rent and utility assistance	58,000	58,000	58,610	(610)
Administrative	<u>7,000</u>	<u>7,000</u>	<u>8,882</u>	<u>(1,882)</u>
Total expenditures	<u>65,000</u>	<u>65,000</u>	<u>67,492</u>	<u>(2,492)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
FUND BALANCE				
Beginning of year			<u>-</u>	
End of year			<u>\$ -</u>	

Notes on B-2 are an integral part of this statement.

TOWN OF WHITE CASTLE, LOUISIANA

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

For the year ended September 30, 2015

NOTE 1 - BUDGETS

Budget Policy and Budgetary Accounting

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

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

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

Basis of Accounting

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

TOWN OF WHITE CASTLE, LOUISIANA

SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY

LAST TEN FISCAL YEARS (1)(2)

MERS (Plan B)

Employer's Proportion of the Net Pension Liability (Asset)		0.700455%
Employer's Proportionate Share of the Net Pension Liability (Asset)	\$	476,062
Employer's Covered-Employee Payroll	\$	486,021
Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll		97.95%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability		76.941%

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

(2) The amounts presented have a measurement date of June 30, 2015.

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

Plan	Contractually Required Contribution¹	Contributions in Relation to Contractually Required Contribution²	Contribution Deficiency (Excess)	Employer's Covered Employee Payroll³	Contributions as a % of Covered Employee Payroll
MERS (Plan B)	\$ 48,019	\$ 46,172	\$ 1,847	\$ 505,465	9.13%

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

For reference only:

¹ *Employer contribution rate multiplied by employer's covered employee payroll*

² *Actual employer contributions remitted to Retirement Systems*

³ *Employer's covered employee payroll amount for the fiscal year ended June 30, 2015*

TOWN OF WHITE CASTLE, LOUISIANA

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

For the year ended September 30, 2015

NOTE 1 – NET PENSION LIABILITY

Changes of Benefit Terms

Municipal Employees' Retirement System (Plan B)

No Changes.

Changes of Assumptions

Municipal Employees' Retirement System (Plan B)

No Changes.

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

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

For the year ended September 30, 2015

	Original Budget	Final Budget	Actual	Variance with Final Budget
GENERAL GOVERNMENT				
Salaries	\$ 140,744	\$ 160,149	\$ 161,560	\$ (1,411)
Payroll taxes	15,000	15,400	17,273	(1,873)
Municipal retirement	7,900	8,400	9,435	(1,035)
Employees' insurance	51,500	51,500	50,136	1,364
Insurance	71,000	71,000	80,809	(9,809)
Legal fees	24,000	54,000	54,277	(277)
Emergency preparedness - animal control	27,000	27,000	29,993	(2,993)
Travel	22,500	34,660	50,558	(15,898)
Professional services	22,500	28,000	30,546	(2,546)
Utilities and telephone	10,900	16,000	17,183	(1,183)
Publishing	15,100	12,600	13,321	(721)
Maintenance contracts	12,000	13,500	17,155	(3,655)
Maintenance - building	12,500	12,500	19,376	(6,876)
Postage	6,500	6,500	6,046	454
Computer services	6,000	6,000	5,625	375
Bank fees	2,000	2,600	5,481	(2,881)
Dues and subscriptions	6,500	6,500	4,359	2,141
Maintenance - equipment and vehicle	4,000	5,000	4,165	835
Other	3,000	5,000	5,132	(132)
Coroner	4,000	5,000	4,620	380
Office supplies	2,500	4,000	6,044	(2,044)
Commissioners	1,500	1,500	1,500	-
Printing	1,200	3,400	3,610	(210)
Council on Aging	-	-	2,318	(2,318)
Drug testing	250	250	-	250
Total general government	470,094	550,459	600,522	(50,063)

TOWN OF WHITE CASTLE, LOUISIANA GENERAL FUND

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

For the year ended September 30, 2015

	Original Budget	Final Budget	Actual	Variance with Final Budget
PUBLIC SAFETY				
Police				
Salaries	\$ 322,172	\$ 321,793	\$ 316,454	\$ 5,339
Payroll taxes	25,600	25,800	25,568	232
Municipal retirement	7,550	9,250	8,288	962
Employees' insurance	84,000	84,000	80,874	3,126
Maintenance - vehicle	4,000	28,000	25,002	2,998
Vehicle fuel	18,500	14,500	8,286	6,214
Travel	4,000	5,000	8,514	(3,514)
Telephone	4,600	4,600	3,481	1,119
Computer services	3,000	7,000	3,166	3,834
Maintenance contracts	2,500	3,000	3,329	(329)
Maintenance - building	1,500	1,900	2,217	(317)
Court fees	2,000	2,000	1,598	402
Field supplies	1,500	1,500	4,589	(3,089)
Dues and subscriptions	900	900	6	894
Drug testing	200	200	94	106
Fixed asset acquisitions	5,000	5,000	-	5,000
Printing	500	500	212	288
Clothing	<u>1,500</u>	<u>1,500</u>	<u>3,873</u>	<u>(2,373)</u>
 Total police	 <u>489,022</u>	 <u>516,443</u>	 <u>495,551</u>	 <u>20,892</u>
 Volunteer fire				
Salary supplement	11,938	11,938	9,723	2,215
Maintenance - vehicle	4,500	4,500	5,545	(1,045)
Maintenance - building	1,000	1,000	2,181	(1,181)
Vehicle insurance	3,000	3,000	2,064	936
Telephone	1,650	1,650	1,710	(60)
Vehicle fuel	1,800	1,800	638	1,162
Equipment testing	<u>3,632</u>	<u>3,632</u>	<u>-</u>	<u>3,632</u>
 Total volunteer fire	 <u>27,520</u>	 <u>27,520</u>	 <u>21,861</u>	 <u>5,659</u>
 Total public safety	 <u>516,542</u>	 <u>543,963</u>	 <u>517,412</u>	 <u>26,551</u>

TOWN OF WHITE CASTLE, LOUISIANA GENERAL FUND

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

For the year ended September 30, 2015

	Original Budget	Final Budget	Actual	Variance with Final Budget
STREETS AND SANITATION				
Salaries	\$ 124,895	\$ 144,894	\$ 139,559	\$ 5,335
Payroll taxes	16,000	16,000	13,878	2,122
Municipal retirement	10,800	10,800	12,046	(1,246)
Employees' insurance	48,000	48,000	45,945	2,055
Utilities	68,500	68,500	71,796	(3,296)
Maintenance - street	15,000	30,000	45,530	(15,530)
Maintenance - vehicle	1,500	5,500	6,038	(538)
Vehicle fuel	8,000	8,000	5,576	2,424
Maintenance - equipment	-	-	3,270	(3,270)
Education & training	-	300	150	150
Equipment rental	2,500	2,500	-	2,500
Drug testing	200	200	-	200
Other	-	200	-	200
Total streets and sanitation	<u>295,395</u>	<u>334,894</u>	<u>343,788</u>	<u>(8,894)</u>
RECREATION				
Utilities	15,000	15,000	25,359	(10,359)
Maintenance	1,500	1,500	5,405	(3,905)
Youth recreation	-	-	2,535	(2,535)
Total recreation	<u>16,500</u>	<u>16,500</u>	<u>33,299</u>	<u>(16,799)</u>
CAPITAL OUTLAY	<u>501,000</u>	<u>466,500</u>	<u>1,925,062</u>	<u>(1,458,562)</u>
Total expenditures	<u>\$ 1,799,531</u>	<u>\$ 1,912,316</u>	<u>\$ 3,420,083</u>	<u>\$ (1,507,767)</u>

TOWN OF WHITE CASTLE, LOUISIANA
2008 RESERVE FUND - MAJOR FUND

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

For the year ended September 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Other				
Interest	\$ 1,000	\$ 1,000	\$ -	\$ (1,000)
OTHER FINANCING USES				
Transfers out	<u>\$ 1,000</u>	<u>1,000</u>	-	<u>1,000</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
FUND BALANCE				
Beginning of year			<u>238,289</u>	
End of year			<u>\$ 238,289</u>	

TOWN OF WHITE CASTLE, LOUISIANA
2008 SINKING FUND - MAJOR FUND

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

For the year ended September 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
EXPENDITURES				
Debt service	\$ 120,000	\$ 120,000	\$ 119,837	\$ 163
OTHER FINANCING USES				
Transfers in	<u>121,000</u>	<u>121,000</u>	<u>120,000</u>	<u>(1,000)</u>
Net change in fund balance	<u>\$ 1,000</u>	<u>\$ 1,000</u>	163	<u>\$ (837)</u>
FUND BALANCE				
Beginning of year			<u>26,407</u>	
End of year			<u>\$ 26,570</u>	

TOWN OF WHITE CASTLE, LOUISIANA
2008 CAPITAL PROJECT FUND - MAJOR FUND

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

For the year ended September 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Other				
Interest	\$ -	\$ -	\$ -	\$ -
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
FUND BALANCE				
Beginning of year			<u>285,489</u>	
End of year			<u>\$ 285,489</u>	

TOWN OF WHITE CASTLE, LOUISIANA

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

For the year ended June 30, 2015

Agency Head: Gerald Williams

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 40,352
Benefits - insurance	12,897
Benefits - retirement	3,531
Phone	1,136
Per diem	5,708
Reimbursements	4,387
	<u>\$ 68,011</u>

TOWN OF WHITE CASTLE, LOUISIANA**SCHEDULE OF UTILITY
CUSTOMERS**

September 30, 2015
(Without Audit)

Records maintained by the Town indicated the number of residential and commercial users for both water and sewer systems at September 30, 2015 were as follows:

	<u>Water</u>	<u>Sewer</u>	<u>Gas</u>
Residential	700	699	424
Commercial	55	43	31

At September 30, 2015, the Town was charging a \$15.38 commercial and a \$12.82 residential base fee with \$3.00 for each thousand gallons consumed for water usage. In addition, a \$25.63 commercial and a \$13.48 residential base fee with \$2.00 commercial and \$1.90 residential fee for each thousand gallons treated was charged as a sewerage fee.

At September 30, 2015, the aging of accounts receivable for the enterprise funds was as follows:

Current	\$ 98,859
31-60 days	22,038
61-90 days	8,088
Over 90 days	14,097
Allowance for doubtful accounts	<u>(10,644)</u>
	<u>\$ 132,438</u>

TOWN OF WHITE CASTLE, LOUISIANA

SCHEDULE OF INSURANCE IN FORCE

September 30, 2015
(Without Audit)

Issuer	Type of Insurance	Property Covered and Location	Insurance	Expiration Date
LA Municipal Risk Management Agent	Automobile	15 Automobiles	\$ 500,000	May 1, 2016
		Crown Victoria	20,810	May 1, 2016
		Equipment on Crown Victoria	5,960	
		Ford F-350 Rescue Unit	82,000	
	Commercial general liability	Premises operations, general	500,000	May 1, 2016
		Products and completed operations	500,000	May 1, 2016
		Medical payments	10,000/per accident	May 1, 2016
		Fire legal liability	50,000/per occurrence	May 1, 2016
	Law enforcement liability	Enforcement officers	500,000	May 1, 2016
	Public officials' errors and omissions liability	Public officials' errors and omissions	500,000	May 1, 2016
Allstate Insurance	Workers compensation	Eligible employees	statutory	January 1, 2016
	Commercial property	Sewage plant, 31540 Hwy. 405	860,000	October 10, 2015
	Fire and extended coverage	ICM building, 33060 Bowie St.	47,800	October 10, 2015
		ICM building contents	5,000	
		Water tower, 33060 Bowie St.	197,820	October 10, 2015
		Water treatment building	45,000	
	Fire and extended coverage	Contents	65,000	
		Shed	1,000	
		Town hall and fire station, 32535 Bowie St.	200,000	October 10, 2015
		Contents	43,500	
	Fire and extended coverage	Jail house, 32535 Rear Bowie	100,000	October 10, 2015
		Jail house contents	30,000	
	Fire and extended coverage	Fire station, 32055 Hwy. 405	69,300	October 10, 2015
		Fire station contents	5,000	
	Fire and extended coverage	Council on Aging building, 55050 Latino St	124,000	October 10, 2015
		Contents	10,000	
	Fire and extended coverage	Building, 32515 Bowie St.	300,000	October 10, 2015
		Contents	25,000	
	Fire and extended coverage	Sewage station, 54940 Cambre St.	70,000	October 10, 2015
	Fire and extended coverage	Sewage station, 33440 Bowie St.	95,000	October 10, 2015
	Fire and extended coverage	Sewage station, 34050 Bowie St.	35,000	October 10, 2015
	Commercial inland marine	Gas generator	52,000	October 10, 2015
		Radio tower with antenna	9,300	
		Diesel generator	10,000	
		Kubota tractor	14,990	
		Street sweeper	14,500	
		Computers	14,300	
Daigle Insurance	Commercial property	Community Center, 32635 Bowie St.	360,000	October 10, 2015
		White Castle Inn, 55035 Cambre St.		
	Public employee honesty bond	Aldermen and Mayor	25,000	August 18, 2016
Daigle Insurance	Automobile	Crown Victoria and equipment	26,770	February 5, 2016
		Ford F-350 Rescue Unit	82,000	



TOWN OF WHITE CASTLE, LOUISIANA

STATISTICAL SECTION (UNAUDITED)

September 30, 2015

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

INDEX	Exhibit	Page
<u>Financial Trends Information</u> - <i>These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.</i>		
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Tax Revenues By Source, Governmental Funds, Last Ten Fiscal Years	D-6	79
<u>Revenue Capacity Information</u> - <i>These schedules contain information to help the reader assess the government's most significant local revenue source, sales tax collections. Property tax collections are not significant to the Town. However, certain schedules considered useful relating to property taxes are included.</i>		
Property Tax Rates and Tax Levies, Direct and Overlapping Governments, Last Ten Years	D-7	80
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<u>Debt Capacity Information</u> - <i>These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.</i>		
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<u>Operating Information</u> - <i>These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.</i>		
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TOWN OF WHITE CASTLE, LOUISIANA
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(UNAUDITED)

(accrual basis of accounting)
(in thousands)

	FISCAL YEAR			
	2015	2014(1)	2013	2012
Governmental activities				
Net investment in capital assets	\$ 3,811	\$ 2,275	\$ 1,729	\$ 2,062
Restricted	551	550	569	545
Unrestricted	<u>1,543</u>	<u>1,514</u>	<u>1,420</u>	<u>1,046</u>
Total governmental activities net position	<u>5,905</u>	<u>4,339</u>	<u>3,718</u>	<u>3,653</u>
Business-type activities				
Net investment in capital assets	1,598	1,691	1,768	1,881
Restricted	211	174	173	173
Unrestricted	<u>160</u>	<u>134</u>	<u>160</u>	<u>270</u>
Total business-type activities net position	<u>1,969</u>	<u>1,999</u>	<u>2,101</u>	<u>2,324</u>
Primary government				
Net investment in capital assets	5,409	3,966	3,497	3,943
Restricted	762	724	742	718
Unrestricted	<u>1,703</u>	<u>1,648</u>	<u>1,580</u>	<u>1,316</u>
Total primary government net position	<u>\$ 7,874</u>	<u>\$ 6,338</u>	<u>\$ 5,819</u>	<u>\$ 5,977</u>

(1) Net assets restated due to implementation of GASB 68. See Independent Auditors' Report.

Exhibit D-1
(Continued)

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

(accrual basis of accounting)
(in thousands)

FISCAL YEAR					
2011	2010	2009	2008	2007	2006
\$ 2,428	\$ 2,464	\$ 2,560	\$ 3,156	\$ 3,543	\$ 3,452
542	1,146	252	246	-	253
864	640	1,618	1,275	771	260
<u>3,834</u>	<u>4,250</u>	<u>4,430</u>	<u>4,677</u>	<u>4,314</u>	<u>3,965</u>
2,025	1,433	1,023	987	1,232	1,221
173	163	153	142	132	122
402	859	1,160	1,097	984	816
<u>2,600</u>	<u>2,455</u>	<u>2,336</u>	<u>2,226</u>	<u>2,348</u>	<u>2,159</u>
4,453	3,897	3,583	4,143	4,775	4,673
715	1,309	405	388	132	375
1,266	1,499	2,778	2,372	1,755	1,076
<u>\$ 6,434</u>	<u>\$ 6,705</u>	<u>\$ 6,766</u>	<u>\$ 6,903</u>	<u>\$ 6,662</u>	<u>\$ 6,124</u>

TOWN OF WHITE CASTLE, LOUISIANA

CHANGES IN NET POSITION LAST TEN FISCAL YEARS (UNAUDITED)

(accrual basis of accounting)
(in thousands)

	FISCAL YEAR									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Expenses										
Governmental activities										
General government	\$ 720	\$ 568	\$ 554	\$ 548	\$ 729	\$ 732	\$ 489	\$ 414	\$ 357	\$ 300
Public safety	621	632	654	657	635	514	546	532	403	333
Streets and sanitation	518	583	491	494	540	526	499	441	399	461
Public works	-	-	-	-	487	192	424	-	-	-
Public health	67	59	51	60	65	49	48	75	75	89
Culture and recreation	101	64	69	63	65	52	83	65	52	90
Interest on long-term debt	77	79	80	83	84	85	97	16	7	19
Total governmental activities	<u>2,104</u>	<u>1,985</u>	<u>1,899</u>	<u>1,905</u>	<u>2,605</u>	<u>2,150</u>	<u>2,186</u>	<u>1,543</u>	<u>1,293</u>	<u>1,292</u>
Business-type activities										
Gas	301	341	312	297	365	333	345	394	360	407
Waterworks	494	529	492	510	504	462	286	262	276	204
Sewerage	<u>328</u>	<u>322</u>	<u>338</u>	<u>358</u>	<u>385</u>	<u>357</u>	<u>281</u>	<u>284</u>	<u>267</u>	<u>276</u>
Total business-type activities	<u>1,123</u>	<u>1,192</u>	<u>1,142</u>	<u>1,165</u>	<u>1,254</u>	<u>1,152</u>	<u>912</u>	<u>940</u>	<u>903</u>	<u>887</u>
Total primary government expenses	<u>3,227</u>	<u>3,177</u>	<u>3,041</u>	<u>3,070</u>	<u>3,859</u>	<u>3,302</u>	<u>3,098</u>	<u>2,483</u>	<u>2,196</u>	<u>2,179</u>
Program Revenues										
Governmental activities										
Charges for services:										
General government	71	73	77	88	76	77	77	77	102	70
Public safety	33	19	31	29	36	34	50	50	51	41
Operating grants and contributions	67	60	134	59	70	55	178	70	65	66
Capital grants and contributions	<u>1,580</u>	<u>899</u>	<u>1</u>	<u>25</u>	<u>262</u>	<u>4</u>	<u>4</u>	<u>44</u>	<u>36</u>	<u>147</u>
Total governmental activities program revenues	<u>1,751</u>	<u>1,051</u>	<u>243</u>	<u>201</u>	<u>444</u>	<u>170</u>	<u>309</u>	<u>241</u>	<u>254</u>	<u>324</u>
Business-type activities										
Charges for Services										
Gas	303	372	309	282	289	447	127	444	522	530
Waterworks	241	242	240	246	240	220	(87)	210	215	225
Sewerage	290	290	283	277	286	308	(14)	285	295	289
Capital grants and contributions	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>501</u>	<u>215</u>	<u>-</u>	<u>-</u>	<u>55</u>	<u>-</u>
Total business-type activities program revenues	<u>834</u>	<u>904</u>	<u>832</u>	<u>805</u>	<u>1,316</u>	<u>1,190</u>	<u>26</u>	<u>939</u>	<u>1,087</u>	<u>1,044</u>
Total primary government total revenues	<u>2,585</u>	<u>1,955</u>	<u>1,075</u>	<u>1,006</u>	<u>1,760</u>	<u>1,360</u>	<u>335</u>	<u>1,180</u>	<u>1,341</u>	<u>1,368</u>

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

(accrual basis of accounting)
(in thousands)

	FISCAL YEAR									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Net revenue (expense):										
Governmental activities	\$ (353)	\$ (934)	\$ (1,655)	\$ (1,704)	\$ (2,161)	\$ (1,980)	\$ (1,877)	\$ (1,302)	\$ (1,039)	\$ (968)
Business-type activities	(289)	(288)	(309)	(360)	62	38	(886)	(1)	184	157
Total primary government net revenue (expense)	(642)	(1,222)	(1,964)	(2,064)	(2,099)	(1,942)	(2,763)	(1,303)	(855)	(811)
General Revenues and Other Changes in Net Position										
Governmental activities										
Taxes:										
Ad Valorem	31	30	33	34	33	20	43	26	31	32
Sales	2,027	1,998	1,837	1,494	1,680	1,775	1,566	1,204	1,217	891
Video Poker	12	11	9	12	15	8	10	13	14	16
Franchise	39	41	39	35	39	39	35	43	39	38
Other	3	3	3	3	6	2	8	3	6	4
Unrestricted grants and contributions	28	21	23	15	34	28	35	195	28	25
Investment earnings	1	3	5	1	11	3	22	27	22	19
Proceeds from insurance	-	5	-	3	3	-	-	-	-	-
Loss on disposal of assets	-	-	-	-	-	-	(14)	-	-	-
Miscellaneous	52	-	-	-	-	-	-	-	-	-
Transfers to other funds	(258)	(330)	(152)	(75)	(75)	(75)	(75)	30	30	-
Total governmental activities general revenues	1,935	1,782	1,797	1,522	1,746	1,800	1,630	1,541	1,387	1,025
Business-type activities										
Unrestricted grants and contributions	12	-	9	-	-	-	-	-	-	-
Investment earnings	-	-	-	2	8	6	9	34	36	28
Special Item-loss	-	7	-	7	-	-	-	-	-	-
Transfers from other funds	258	330	152	75	75	75	75	(30)	(30)	-
Total business-type activities general revenues	270	337	161	84	83	81	84	4	6	28
Total primary government general revenues	2,205	2,119	1,958	1,606	1,829	1,881	1,714	1,545	1,393	1,053
Change in Net Position										
Governmental activities	1,582	848	142	(182)	(415)	(180)	(247)	239	348	57
Business-type activities	(19)	49	(148)	(276)	145	119	(802)	3	190	185
Total change in net position	\$ 1,563	\$ 897	\$ (6)	\$ (458)	\$ (270)	\$ (61)	\$ (1,049)	\$ 242	\$ 538	\$ 242

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

(accrual basis of accounting)
(in thousands)

<u>Fiscal Year</u>	<u>Ad Valorem Taxes</u>	<u>Sales Taxes</u>	<u>Franchise Taxes</u>	<u>Other Taxes</u>	<u>Total</u>
2015	\$ 31	\$ 2,027	\$ 39	\$ 15	2,112
2014	30	1,998	41	3	2,072
2013	33	1,837	39	12	1,921
2012	34	1,494	35	15	1,578
2011	33	1,680	39	21	1,773
2010	20	1,775	39	10	1,844
2009	43	1,566	35	18	1,662
2008	26	1,204	43	16	1,289
2007	31	1,217	39	20	1,307
2006	32	825	38	20	915

Source: Town of White Castle

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

(modified accrual basis of accounting)
(in thousands)

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

Fiscal Year	GENERAL FUND			ALL OTHER GOVERNMENTAL FUNDS				
	Unreserved	Reserved	Total	Reserved*	Unreserved Reported in Special Revenue Funds	Unreserved Reported in Debt Service Funds	Unreserved Reported in Capital Project Funds	Total all other Governmental Funds
2011	30	787	817	-	-	-	542	542
2010	17	-	17	1,021	1,283	-	-	2,304
2009	2	-	2	1,213	1,505	-	-	2,718
2008	163	-	163	246	1,004	246	2,788	4,284
2007	42	-	42	-	614	99	-	713
2006	5	-	5	253	257	-	-	510

*Debt Service Funds.

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

NOTE:

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

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

(modified accrual basis of accounting)
(in thousands)

	FISCAL YEAR			
	2015	2014	2013	2012
REVENUES				
Taxes	\$ 2,099	\$ 2,072	\$ 1,912	\$ 1,566
Intergovernmental	1,712	970	151	96
Licenses and permits	70	73	77	88
Fines	33	19	31	29
Miscellaneous revenues	20	24	21	17
Total revenues	<u>3,934</u>	<u>3,158</u>	<u>2,192</u>	<u>1,796</u>
EXPENDITURES				
Current				
General government	601	484	470	452
Public safety	517	520	539	542
Streets and sanitation	344	393	302	283
Public works	-	-	-	-
Public health	68	59	50	60
Culture and recreation	33	17	27	19
Debt service				
Principal	43	40	40	35
Interest	77	79	81	87
Capital outlay	<u>1,925</u>	<u>939</u>	<u>61</u>	<u>55</u>
Total expenditures	<u>3,608</u>	<u>2,531</u>	<u>1,570</u>	<u>1,533</u>
Excess (deficiency) of revenues over expenditures	<u>326</u>	<u>627</u>	<u>622</u>	<u>263</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from insurance	-	4	-	2
Proceeds from issuance of debt	-	-	-	-
Transfers in	-	120	125	175
Transfers out	<u>(258)</u>	<u>(450)</u>	<u>(277)</u>	<u>(250)</u>
Total other financing sources and uses	<u>(258)</u>	<u>(326)</u>	<u>(152)</u>	<u>(73)</u>
Net change in fund balances	<u>\$ 68</u>	<u>\$ 301</u>	<u>\$ 470</u>	<u>\$ 190</u>
Debt service as a percentage of noncapital expenditures	7.1%	7.5%	8.0%	8.3%

FISCAL YEAR					
2011	2010	2009	2008	2007	2006
\$ 1,758	\$ 1,849	\$ 1,635	\$ 1,301	\$ 1,293	\$ 965
356	107	163	127	120	87
76	77	77	76	102	63
36	34	50	50	51	41
36	27	48	222	46	192
<u>2,262</u>	<u>2,094</u>	<u>1,973</u>	<u>1,776</u>	<u>1,612</u>	<u>1,348</u>
666	446	478	372	331	284
519	496	534	551	434	322
326	384	303	347	237	228
487	192	438	-	-	-
66	49	48	75	75	89
19	20	90	36	127	79
35	34	30	-	190	235
84	92	90	179	9	3
<u>951</u>	<u>705</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>3,153</u>	<u>2,418</u>	<u>2,011</u>	<u>1,560</u>	<u>1,403</u>	<u>1,240</u>
<u>(891)</u>	<u>(324)</u>	<u>(38)</u>	<u>216</u>	<u>209</u>	<u>108</u>
3	-	28	-	-	-
-	-	-	3,200	-	-
183	1,925	1,001	1,200	1,094	793
<u>(258)</u>	<u>(2,000)</u>	<u>(1,076)</u>	<u>(1,170)</u>	<u>(1,064)</u>	<u>(793)</u>
<u>(72)</u>	<u>(75)</u>	<u>(47)</u>	<u>3,230</u>	<u>30</u>	<u>-</u>
<u>\$ (963)</u>	<u>\$ (399)</u>	<u>\$ (85)</u>	<u>\$ 3,446</u>	<u>\$ 239</u>	<u>\$ 108</u>
5.4%	7.4%	6.0%	11.5%	14.2%	19.2%

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

(modified accrual basis of accounting)
(in thousands)

<u>Fiscal Year</u>	<u>Ad Valorem Taxes</u>	<u>Sales Taxes</u>	<u>Franchise Taxes</u>	<u>Other Taxes</u>	<u>Total</u>
2015	\$ 31	\$ 2,027	\$ 39	\$ 15	\$ 2,112
2014	30	1,998	41	3	2,072
2013	33	1,837	39	3	1,912
2012	34	1,494	35	3	1,566
2011	33	1,680	43	3	1,759
2010	32	1,775	39	2	1,848
2009	31	1,566	35	8	1,640
2008	51	1,204	43	3	1,301
2007	31	1,217	39	6	1,293
2006	32	891	38	4	965

Source: Town of White Castle

TOWN OF WHITE CASTLE, LOUISIANA

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

Town of White Castle			Overlapping Rates					
Fiscal Year	General Purpose	Total Town Millage	Law Enforcement	School Board	Iberville Parish Government	Assessment District	Levee District	Total Direct and Overlapping Rates
2015	7.00	7.00	22.00	57.83	22.56	2.06	3.71	115.16
2014	7.00	7.00	22.00	57.83	22.56	2.06	3.47	114.92
2013	7.00	7.00	22.00	57.83	22.56	2.06	4.04	115.49
2012	7.00	7.00	22.00	56.66	19.68	2.06	4.04	111.44
2011	7.00	7.00	22.00	56.66	21.18	2.06	3.67	112.57
2010	5.65	5.65	22.00	56.66	19.84	2.06	3.67	109.88
2009	5.65	5.65	22.00	56.66	19.84	2.06	3.67	109.88
2008	7.00	7.00	22.00	39.27	22.68	2.06	3.74	96.75
2007	7.00	7.00	22.00	39.27	22.68	2.06	3.74	96.75
2006	7.00	7.00	22.00	39.27	22.68	2.06	3.74	96.75

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

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

Source: Audited financial statements of each municipality shown above.

TOWN OF WHITE CASTLE, LOUISIANA**SALES TAX REVENUES
LAST TEN FISCAL YEARS
(UNAUDITED)**

(modified accrual basis of accounting)

<u>Fiscal Year</u>	<u>2% Parish General</u>	<u>1% Parish General</u>	<u>Total</u>
2015	\$ 1,494,605	\$ 532,236	\$ 2,026,841
2014	1,472,607	525,717	1,998,324
2013	1,349,977	487,030	1,837,007
2012	1,095,386	398,358	1,493,744
2011	1,231,104	448,900	1,680,004
2010	1,302,880	472,393	1,775,273
2009	1,138,092	428,113	1,566,205
2008	902,437	301,519	1,203,956
2007	1,068,983	147,631	1,216,614
2006	824,625	-	824,625

The following is a summary of sales and use taxes being collected within the Town of White Castle as of September 30, 2015:

Parish of Iberville	3.00%
Iberville Parish School Board	2.00%
State Rate	<u>4.00%</u>
Total Rate	<u>9.00%</u>

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

Source: Iberville Parish Sales Tax Department

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

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

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

(1) Data not available for 2015

TOWN OF WHITE CASTLE, LOUISIANA

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

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

Fiscal Year	Governmental Activities Debt				Business-Type Debt		Total Primary Government	Percentage of Personal Income	(1) Debt Per Capita
	Certificate of Indebtedness	Public Improvement Bonds	Capital Leases	Promissory Notes	Public Improvement Bonds	Revenue Bonds			
2015	\$ -	\$ 1,340	\$ -	\$ -	\$ 1,340	\$ 486	3,166	0.26%	1,680
2014	-	1,382	-	-	1,382	554	3,318	0.27%	1,767
2013	-	1,423	-	-	1,423	620	3,466	0.29%	1,866
2012	-	1,463	-	-	1,463	682	3,608	0.31%	1,916
2011	-	1,500	-	-	1,500	741	3,741	0.32%	1,991
2010	-	1,535	-	-	1,535	798	3,868	0.36%	2,054
2009	-	1,570	-	-	1,570	851	3,991	0.37%	2,207
2008	-	1,600	-	-	1,600	902	4,102	0.38%	2,228
2007	-	-	-	-	-	950	950	0.10%	516
2006	40	150	17	-	-	996	1,203	0.14%	643

(1) Bureau of Economic Analysis for Iberville Parish.

Balances above exclude compensated absences

TOWN OF WHITE CASTLE, LOUISIANA

COMPUTATION OF DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
(UNAUDITED)September 30, 2015
(in thousands)

<u>Jurisdiction</u>	<u>Debt Outstanding</u>	<u>(2) Estimated Percentage Applicable</u>	<u>Estimated Share of Direct and Overlapping Debt</u>
Town direct debt	\$ <u>2,680</u>	100%	\$ <u>2,680</u>
<u>Overlapping -other government agencies (1):</u>			
Iberville Parish School Board (3)	\$ 40,402	1%	\$ 404
Iberville Parish Government (4)	<u>17,725</u>	1%	<u>177</u>
Total other government agencies	\$ <u>58,127</u>		\$ <u>582</u>
Total direct and overlapping			\$ <u>3,262</u>
2015 population estimate			<u>1,880</u>
Per capita			\$ <u>1.735</u>

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

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

(3) Source: 2014 Basic Financial Statements

(4) Source: 2014 Comprehensive Annual Financial Report

TOWN OF WHITE CASTLE, LOUISIANA
LEGAL DEBT MARGIN CALCULATION
LAST TEN FISCAL YEARS
(UNAUDITED)

<u>Year</u>	<u>Assessed Value</u>	<u>Any One Purpose</u>	<u>Aggregate All Purposes (1)</u>	<u>Debt Outstanding (2)</u>	<u>Legal Debt Margin</u>	<u>Legal Debt Margin to Aggregate Debt Limit</u>
2015	\$ 4,300,630	430,063	1,505,221	-	1,505,221	0.00%
2014	4,260,210	426,021	1,491,074	-	1,491,074	0.00%
2013	4,581,510	458,151	1,603,529	-	1,603,529	0.00%
2012	4,437,670	443,767	1,553,185	-	1,553,185	0.00%
2011	4,536,960	453,696	1,587,936	-	1,587,936	0.00%
2010	4,525,100	452,510	1,583,785	-	1,583,785	0.00%
2009	5,422,320	542,232	1,897,812	-	1,897,812	0.00%
2008	4,454,970	445,497	1,559,240	-	1,559,240	0.00%
2007	4,404,445	440,445	1,541,556	-	1,541,556	0.00%
2006	4,487,135	448,714	1,570,497	-	1,570,497	0.00%

Source: Town of White Castle Financial Reports

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

TOWN OF WHITE CASTLE, LOUISIANA

PLEDGED REVENUE COVERAGE LAST TEN FISCAL YEARS (UNAUDITED)

(full accrual basis of accounting)

SCHEDULE A - REVENUE BONDS-SALES TAX-ROAD IMPROVEMENT

Year	(1)		Available for Debt Service	(4) Debt Service Requirements			Coverage
	Gross Revenue	Expenses		Principal	Interest	Total	
2015	\$ 532,236	\$ -	\$ 532,236	\$ 42,500	\$ 77,136	\$ 119,636	4.45
2014	525,717	-	525,717	40,000	79,136	119,136	4.41
2013	487,030	-	487,030	40,000	80,936	120,936	4.03
2012	398,358	-	398,358	37,500	82,530	120,030	3.32
2011	448,900	-	448,900	35,000	84,017	119,017	3.77
2010	472,393	-	472,393	35,000	85,505	120,505	3.92

SCHEDULE B - REVENUE BONDS - WATER REVENUES - WATER FUND

Year	(2) Gross Revenue	(3) Expenses	Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2015	\$ 545,649	\$ 320,725	\$ 224,924	\$ 47,775	\$ 85,033	\$ 132,808	1.69
2014	630,993	351,320	279,673	45,030	87,078	132,108	2.12
2013	441,894	313,660	128,234	44,798	89,110	133,908	0.96
2012	373,513	324,637	48,876	42,076	90,924	133,000	0.37
2011	364,736	328,746	35,990	39,364	92,625	131,989	0.27
2010	345,546	320,202	25,344	39,161	94,316	133,477	0.19
2009	324,755	239,867	84,888	33,969	99,399	133,368	0.64
2008	210,207	226,010	(15,803)	3,785	9,187	12,972	(1.22)
2007	214,509	243,846	(29,337)	3,610	9,362	12,972	(2.26)
2006	225,269	171,878	53,391	3,443	9,529	12,972	4.12

SCHEDULE B - REVENUE BONDS - SEWER REVENUES - SEWER FUND

Year	(2) Gross Revenue	(3) Expenses	Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2015	\$ 282,136	\$ 171,285	\$ 110,851	\$ 63,302	\$ 17,678	\$ 80,980	1.37
2014	271,936	163,129	108,807	60,229	20,750	80,979	1.34
2013	270,487	172,565	97,922	57,309	23,674	80,983	1.21
2012	278,240	189,095	89,145	54,524	30,181	84,705	1.05
2011	285,990	245,959	40,031	51,878	29,103	80,981	0.49
2010	307,688	224,932	82,756	49,360	31,621	80,981	1.02
2009	261,943	145,012	116,931	46,984	33,997	80,981	1.44
2008	284,772	142,159	142,613	44,686	36,295	80,981	1.76
2007	294,962	132,437	162,525	42,487	38,494	80,981	2.01
2006	288,817	130,677	158,140	40,451	40,530	80,981	1.95

1 Town of White Castle - 2009 1% sales and use tax fund which is reported within the General Fund

2 Utility revenues and transfers from other tax funds

3 Operating expenses less depreciation

4 The Town began retiring this debt in 2009

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

Year	(1) Iberville Parish Population	(1) Town of White Castle Population	(2) Personal Income	(2) Per Capita Personal Income	(3) Unemployment Rate
2015	33,303	1,884	1,268,983,291	38,104	7.4
2014	33,327	1,878	1,214,526,000	36,443	7.8
2013	33,438	1,857	1,193,245,000	35,685	8.4
2012	33,350	1,883	1,179,394,000	35,364	9.5
2011	33,367	1,879	1,153,032,000	34,556	10.4
2010	33,395	1,883	1,084,920,000	32,487	10.0
2009	33,393	1,808	1,089,713,000	32,633	9.5
2008	33,685	1,841	1,076,414,000	31,955	6.9
2007	33,603	1,840	964,010,000	28,688	5.9
2006	33,519	1,870	860,396,000	25,669	5.6

Source:

- (1) U.S. Department of Commerce, Bureau of the Census and U. S Beacon.com.
- (2) Bureau of Economic Analysis, information is for Parish of Iberville, information for 2015 not available. 2015 is an estimate based on year over year increase in prior years.
- (3) Obtained from the St. Louis Fed website.

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

2014(1)		
Employer	Number of Employees	Percent of total
Dow Chemical Company	3,000	35%
La Dept. of Saftey and Corrections	1,200	14%
Syngenta Crop Protection, Inc.	885	10%
Axiall, LLC	850	10%
Iberville Parish School Board	750	9%
Shintech	700	8%
Total Petrochemicals USA, Inc	500	6%
Iberville Parish Council	270	3%
Olin Chlor Alkali Products	210	2%
Iberville Parish Sheriff's Office	170	2%
	<u>8,535</u>	<u>100%</u>

2005(2)		
Employer	Number of Employees	Percent of total
Dow Chemical Company	1,500	35%
Iberville Parish School	665	15%
Georgia Gulf	451	11%
Syngenta	325	8%
Atofina	270	6%
River West Medical Center	266	6%
Iberville Parish Council	262	6%
HBT	240	6%
Pioneer Americas, Inc	160	4%
City of Plaquemine	133	3%
	<u>4,272</u>	<u>100%</u>

(1) Source: 2014 Iberville Parish Council CAFR, data for 2015 unavilable

(2) Source: 2005 Iberville Parish Council CAFR

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

Full-time Equivalent Employees Allotted in Annual Budget										
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
General Government	11	11	8	8	10	10	10	9	9	9
Police Department	12	15	12	14	17	17	17	15	15	14
Street Maintenance	6	6	6	6	6	6	6	5	5	5
Gas Utility	3	3	2	2	3	3	3	3	3	3
Water Utility	2	2	1	1	3	3	3	2	2	2
Sewer Utility	1	1	1	1	1	1	1	1	1	1
Total employees	<u>35</u>	<u>38</u>	<u>30</u>	<u>32</u>	<u>40</u>	<u>40</u>	<u>40</u>	<u>35</u>	<u>35</u>	<u>34</u>

Source: Town of White Castle

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

	FISCAL YEAR									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Function:										
Public Safety:										
Police:										
Traffic violations (1)	300	300	316	371	364	338	498	497	512	413
Administration:										
Occupational licenses	301	308	322	332	302	337	341	343	335	361
Building permits - single family	-	-	4	9	-	1	-	1	6	8
Transportation:										
Town street maintenance program:										
Number of miles maintained	7	7	7	7	7	7	7	7	7	7
Miles of concrete roads	3	3	3	3	3	3	3	3	3	3
Miles of asphalt roads	4	4	4	4	4	4	4	4	4	4
Utility service:										
Natural Gas:										
Number of users	455	487	452	488	486	474	500	508	517	530
Water:										
Number of users	1,016	769	769	763	767	750	773	779	775	775
Wastewater:										
Number of users	742	756	757	749	752	738	760	759	766	766
Drainage:										
Miles of drainage ditches maintained - non-curb	8	8	8	8	8	8	8	8	8	8
Miles of drainage ditches maintained - curbed	6	6	6	6	6	6	6	6	6	6
Culture-Recreation:										
Parks:										
Number of parks maintained	4	4	4	4	4	4	3	3	3	3

Source: Town of White Castle

(1) Information not available for 2015

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

Major Programs	FISCAL YEAR									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
General Government:										
Number of general government buildings	2	2	2	2	2	2	2	2	2	2
Number of vehicles	1	1	1	1	1	1	1	1	1	1
Public Safety:										
Police:										
Number of vehicles	5	5	5	5	4	4	4	4	4	4
Number of stations	1	1	1	1	1	1	1	1	1	1
Fire:										
Number of stations	2	2	2	2	2	2	2	2	2	2
Number of vehicles	3	3	3	3	3	3	2	2	2	2
Streets and Sanitation:										
Number of vehicles	5	5	5	5	5	5	4	4	4	4
Miles of streets	7	7	7	7	7	7	7	7	7	7
Utilities:										
Number of natural gas distribution systems	1	1	1	1	1	1	1	1	1	1
Number of water distribution systems	1	1	1	1	1	1	1	1	1	1
Number of sanitary sewer systems	1	1	1	1	1	1	1	1	1	1
Culture and Recreation										
Number of parks	4	4	4	4	4	4	3	3	3	3
Number of community centers	1	1	1	1	1	1	1	1	1	1

Source: Town of White Castle



**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**

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

We have audited in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Town of White Castle, Louisiana, as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the Town of White Castle, Louisiana's basic financial statements and have issued our report thereon dated September 22, 2016.

Internal Control Over Financial Reporting

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

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the following deficiencies described in the accompanying schedule of findings and responses to be material weaknesses: [2015-001, 2015-002, 2015-003, and 2015-004].

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiencies described in the accompanying schedule of findings and responses to be significant deficiencies: [2015-005, 2015-006, 2015-007, and 2015-008].

Compliance and other matters

As part of obtaining reasonable assurance about whether the Town of White Castle's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants agreements, noncompliance with which could have had a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and responses as items [2015-003, 2015-004, 2015-006, 2015-007, 2015-008, 2015-009, 2015-010, and 2015-011].

Town of White Castle's Response to Findings

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's control and compliance. Accordingly, this communication is not suitable for any other purpose.

Postlethwaite + Nattenwillh

Gonzales, Louisiana
September 22, 2016

TOWN OF WHITE CASTLE, LOUISIANA

SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED SEPTEMBER 30, 2015

A. SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditor's report issued: Unmodified

Internal Control over Financial Reporting:

- | | | |
|--|------------------|------------------|
| <input type="checkbox"/> Material weakness(es) identified? | <u> x </u> yes | <u> </u> no |
| <input type="checkbox"/> Significant deficiency(ies) identified that are not considered to be material weaknesses? | <u> x </u> yes | <u> </u> no |

Noncompliance material to financial statements noted?	<u> x </u> yes	<u> </u> no
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B. FINDINGS- FINANCIAL STATEMENT AUDIT

2015-001 Unauthorized/Unapproved Payroll

Criteria: The Town's payroll time clock is used as an internal control over time accumulation which is used to prepare payroll disbursements. This control provides supporting documentation for time worked by employees. Hourly employees are to utilize time cards to record hours worked. Date and time in/out are stamped by the Town's payroll time clock to track employee hours for each pay period.

Condition: It was noted for the pay periods ending June 14, 2015, July 26, 2015 and August 23, 2015 that six police department employees on one occasion and two police department employees on more than one occasion did not utilize the payroll time clock and manually entered or edited the time in/out on one or more days to document hours worked for the applicable pay period. In addition, there was no documented evidence of supervisor review for those instances where time worked was manually entered or edited.

Cause: The Town did not consistently apply recommendations that manually documented time for hourly employees is to be reviewed and approved by a department manager.

Effect: Manually documenting time without proper authorization or approval circumvents the internal control over time documentation and subjects the Town to potentially abusive practices.

Recommendation: The Town's Police Department should require all employees to use the automated time clock available to track time worked. Alternatively, any manual entries made by employees should be reviewed and approved by the Chief of Police.

TOWN OF WHITE CASTLE, LOUISIANA

SCHEDULE OF FINDINGS AND RESPONSES

YEAR ENDED SEPTEMBER 30, 2015

B. FINDINGS- FINANCIAL STATEMENT AUDIT (continued)

2015-001 Unauthorized/Unapproved Payroll (continued)

Management's response: Management agrees with the comment and will review payroll procedures with the Chief of Police and his administrator for compliance with the recommendation.

2015-002 Security of Blank Checks Stock

Criteria: Policies and procedures should be documented and adhered to in order to properly secure the Town's stock of blank checks and prevent authorized signors from signing blank checks. Inadequate security of check stock increases the risk of theft and/or misuse of Town funds. An adequate system of controls over disbursements provides that appropriate documentation be obtained and verified prior to the preparation of payment and signature of authorized Town personnel.

Condition: The stock of blank checks is kept in a file drawer located in a storage room at the Town Hall that is accessible to all employees. The file drawer has a locking mechanism, however, it was noted that on more than one occasion the drawer was not locked and in an open position leaving the blank checks unsecured. Further, forty-five blank checks in the unsecured file drawer were signed in advance by the Town's Mayor.

Cause: The Town did not adhere to the Purchasing/Policy Manual by signing blank checks to be used at a future point in time.

Effect: The Town increases the risk of theft and/or misuse of Town funds.

Recommendation: The Town of White Castle should review the purchasing policy in place and consider revising to strengthen controls over the purchasing process as well as including policies and procedures to properly secure the Town's stock of blank checks.

Management's response: Management has discontinued this practice and considers this matter resolved.

TOWN OF WHITE CASTLE, LOUISIANA

SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED SEPTEMBER 30, 2015

B. FINDINGS- FINANCIAL STATEMENT AUDIT (continued)

2015-003 Gas Utility Billing

Criteria: The Town's Ordinance #326 dated October 20, 2014 set the rates and determination of monthly service charges for natural gas consumption.

Condition: For the year ended September 30, 2015, the Town charged consumers of natural gas at a rate inconsistent with Ordinance #326. The rates used to determine gas utility service charges resulted in the Town overbilling gas consumers by approximately \$90,000.

Additionally, the gas rate ordinance was revised without consideration to the water and sewer utility operations. The rates set in these utilities are not sufficient to support current operations and such operating deficits were previously funded by profits earned in the gas utility fund which is a common practice in municipal owned utilities. Since the new rate structure in the gas utility will not produce sufficient revenue to cover operating losses in the water and sewer utility, the overall utility operation is financially jeopardized. Currently, the Town is subsidizing the water utility with transfers from discretionary sales tax collections. Although this may solve the lack of utility revenue matter, sales tax transfers do not represent a reasonable long-term strategy for operating the Town's utility operations.

Cause: The Town does not have adequate controls in place to ensure accurate information is provided to appropriate personnel responsible for entering monthly rates into the billing system for the gas utility. The Town also lacks procedures for maintaining documentation used to determine the monthly rates.

Effect: The Town overbilled consumers for natural gas consumption.

Recommendation: The Town of White Castle should consider developing policies and procedures that document the determination and application of monthly gas rates consistent with adopted ordinances including review procedures to ensure consumers are billed correctly.

Secondly, the Town should review the current utility rate structure and consider appropriate charges for operating the utility funds in a reasonable manner from a financial standpoint.

Management's response: Management has reviewed this matter and determined that the Town used the previous ordinance in place prior the revised ordinance being adopted. At the time of adoption, the Town was concluding an election cycle and in December 2014, the Town Clerk was terminated. As a result of this transition, the newly enacted ordinance was not implemented into the billing system. However, the Town will resolve this matter by implementing the following corrective actions:

- The Town has calculated credits owed to utility users based on gas consumption for the period of the gas utility billings.
- Secondly, the credit above will be assigned to utility customer accounts based on a pro rata allocation from actual gas consumption. The Town considers this a fair and equitable method for refunding customer billings.
- Adjustments will be made for the September 2016 utility billing cycle.
- To the extent there are closed accounts, the Town will issue a refund to those customers, net of any amounts owed.

TOWN OF WHITE CASTLE, LOUISIANA

SCHEDULE OF FINDINGS AND RESPONSES

YEAR ENDED SEPTEMBER 30, 2015

B. FINDINGS- FINANCIAL STATEMENT AUDIT (continued)

2015-003 Gas Utility Billing (continued)

- The Town will review current ordinances setting utility rates and consider changes that are fiscally responsible.
- In terms of the billing error, the Town considers that matter resolved based on the actions taken in September 2016.

2015-004 Vehicle Mileage paid to the Mayor

Criteria: The Town's general section to the Travel Policy states that expenses will be reimbursed to the Town's Council Members, Officers, and employees who are required to travel in the course and scope of their employment with the Town. The Town's transportation section of the Travel Policy states that an employee should maintain appropriate records of mileage associated with travel and complete an expense reimbursement report to document the amount the reimbursable. The travel report is subject to the approval of the Mayor prior to reimbursement.

Additionally, the ordinance passed by the Board on February 23, 2015 which established the Mayor's compensation for the fiscal year states:

"The Compensation paid to the Mayor shall be \$3,520 per month, payable bi-weekly. There shall be no allowance for gas or vehicle use, or compensation for mileage. The mayor shall have use of the Town vehicle, if needed, for Town business....."

Condition: For the period March 18, 2015 through September 30, 2015, the Mayor was paid a total of \$3,500.26 as reimbursement for mileage of approximately 6,360 miles purportedly for Town related business using his personal vehicle. Documentation provided to the auditors as support for the mileage reimbursements was lacking certain information such as the specific dates traveled, and a thorough explanation of the business conducted. Additionally the precision of the mileage reported is questionable given that the same mileage was reported for several different destinations. Additionally, payment of the mileage reimbursements may be inconsistent with the ordinance that established the mayor's salary.

P&N also noted that an additional \$4,333 was requested by the Mayor for reimbursement for 7,911 of mileage for a period subsequent to the period under audit, from October 1, 2015 through December 31, 2015.

These reimbursements either paid to or requested by the Mayor were approved by either himself or by himself and a subordinate.

Cause: Possible noncompliance with the ordinance setting the mayor's salary and compensation. Also, the travel reimbursement payment process lacks an independent approval for the Mayor's request as the travel policy only states that travel reports are subject to approval of the Mayor.

Effect: The Town reimbursed the Mayor for mileage where the documentation for certain items appeared to be lacking and which may have been non-compliant with the ordinance establishing the Mayor's compensation. Total questioned costs are \$3,500.26, the amount of costs paid during the audit period. This quantification of questioned costs does not include any questioned costs that may have occurred subsequent to the date of the financial statements, September 30, 2015.

Recommendation: The Town of White Castle should consider amending the travel policy to provide

TOWN OF WHITE CASTLE, LOUISIANA

SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED SEPTEMBER 30, 2015

B. FINDINGS-FINANCIAL STATEMENT AUDIT (continued)

2015-004 Vehicle Mileage paid to the Mayor (continued)

an approval process for the Mayor's reimbursements. It is also recommended that the Town revisit its travel policy to ensure that it requires appropriate documentation for mileage and other costs. When revisiting the policy, the proto type provided by the Louisiana Legislative Auditors' could be used as a general guide. Furthermore, if reimbursement of mileage to the mayor is determined to be inconsistent with the ordinance, then the mayor should make restitution to the Town for the amounts paid, inclusive of the amounts paid during and after the year under audit.

Management's response: Management has reviewed this matter and has the following comments:

- The Town's ordinance is poorly written in terms of reimbursement of expenses paid personally by the Mayor on behalf of the town. The ordinance uses the term compensation for mileage but excludes any discussion relative to expense reimbursement for the expenditure of the Mayor's personal resources on behalf of the town. The term compensation implies payment for services rendered. However, the payments made to the Mayor represented reimbursement of personal funds expended related to Town business. Finally, due to the lack of clarity, it is uncertain as to the ordinance's applicability to an expense reimbursement.
- The practice of reimbursing public officials for business use of a personal vehicle is a very common practice so this decision by the Mayor was not considered to be in violation of any rules or regulations where such reimbursement for use of a personal vehicle is permitted by the Louisiana State Travel Policies and Regulations. Additionally, even though the compensation ordinance addresses mileage, the limitation is considered out of the ordinary, infeasible, under the then circumstances and subject to interpretation.
- Additionally, the payments did not represent a car allowance that is customary in the governmental industry. The payments were not arbitrarily determined but were based on actual mileage traveled by the Mayor in his personal vehicle for Town business.
- The Mayor used internet mapping to estimate mileage traveled for reimbursement purposes.
- All travel reimbursements related strictly to business associated with the Town and no personal reimbursements were made.
- Despite the Town Ordinance language under Chapter 2, Section 2-17, there was no town vehicle available for the Mayor's use. Therefore, his only alternatives were to miss activities and events that were essential to the Town's growth and development, or, to use his personal vehicle to travel to these functions. The Mayor chose the latter option.
- The Mayor's decision to use his personal vehicle in the absence of one that was to be made available by the town was made despite the extreme wear and tear such extra travel placed on his personal vehicle; and for which the Mayor did not seek reimbursement.
- The Town has revised the ordinance in May 2016 to provide more flexibility for the reimbursement of business use of a personal vehicle that seems reasonable.
- The Town purchased a vehicle for the Mayor in July 2016. As a result of this action, the matter is considered resolved.

2015-005 Per Diem

Criteria: The Town's meal section to the Travel Policy states that no meal allowance may be collected for meals that are provided at the conference, convention, meeting, etc. and included in the cost of registration. All funds advanced prior to travel are to be documented providing receipts for

TOWN OF WHITE CASTLE, LOUISIANA

SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED SEPTEMBER 30, 2015

B. FINDINGS- FINANCIAL STATEMENT AUDIT (continued)

2015-005 Per Diem (continued)

expenditure of the per diem. Failure to provide documentation to prove what the money was spent on and that it was for the Town's purpose and benefit shall require the official or employee to personally reimburse the Town the per diem advanced. Said documentation shall be provided to the Town Clerk within seven business days of the return, at which time any funds which fails to meet the required specifications as Town purposed are to be refunded and/or any unused funds are to be returned.

Condition: It was noted in several instances that conference attendees did not follow the Town's policy with respect to conference travel related to per diem request reimbursed for meals at conferences attended during the year. The Town paid reimbursements to conference attendees without consistently maintaining documentation to support what meals were provided at conferences, conventions, meetings, etc. and included in the cost of registration nor were receipts provided to the Town to reconcile the travel allowance to actual costs.

Cause: The Town did not adhere to the travel policy for the per diem payments made to the Mayor and Town employees. Adequate documentation of the conference registration/agenda or other details of the conference was not maintained by the Town.

Effect: The Town reimbursed conference attendees for per diem where the documentation supported that certain meals were already provided by the conference and should have been excluded from the amount reimbursed.

Recommendation: The Town of White Castle should maintain conference agendas and related details to support the amount of per diem paid to officials and employees to ensure that appropriate reimbursements are made.

Management's response: Management has the following comments:

- In August 2016, the Town revised the per diem process to require the return of receipts to substantiate expenditures made while traveling.
- The Town Clerk is the central point for collecting receipts and maintaining documentation to support per diem expenditures. After an expenditure report is prepared, any excess funds will be returned to the Town. To the extent there are reasonable expenses in excess of the per diem, an additional payment will be made to the employee.
- Also, the Town is limiting per diem payments to meals not covered by the conference attended.
- Additionally, although meals may be provided at a conference, the travel policy does not currently mandate the consumption of said meal. As a result, the Town does not believe it has violated state law or its internal policies by choosing an alternative meal while at a conference and does not consider the cost mentioned above to be questioned due to that fact.
- The Town will also review the current travel policy and may consider changes as recommended by the Mayor and approved by the Council

2015-006 Retirement Contributions

Criteria: The Town employees participate in Plan B of the Municipal Employee's Retirement System of Louisiana (MERS). The Funding Policy for Plan B states that the Town is to contribute to the plan

TOWN OF WHITE CASTLE, LOUISIANA

SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED SEPTEMBER 30, 2015

B. FINDINGS- FINANCIAL STATEMENT AUDIT (continued)

2015-006 Retirement Contributions (continued)

on behalf of employees at a rate 9.5% of covered payroll and to withhold and remit 5% of employee pay to the MERS as the employee's contribution. Additionally, the Town's police department employees, in accordance with state law, are enrolled as members of the Louisiana Municipal Police Employees Retirement System.

Condition: For at least the month of June 30, 2015, it was noted that the Town reported incorrect covered wages for two employees to the Municipal Employee's Retirement System of Louisiana Plan

B (MERS) that resulted in the Town remitting incorrect employee and employer contribution amounts. It was also noted that the Town did not withhold the correct amount of employee retirement contributions for the employees June 2015 covered payroll. The amount withheld did not agree to the required 5% of total covered payroll.

Additionally, one of the employees that was enrolled in the MERS System should have been, in accordance with R.S. 11: 2211- 11:2233, enrolled in the Municipal Police Employee's Retirement System (MPERS), since that employee's job duties fell under the job descriptions of those employees that are considered to be police officers and administrative support thereof.

Cause: The Town lacks review procedures to determine that the correct amount of retirement is withheld from employee's earnings for each pay period. In addition, policies and procedures of the Town do not provide for a reconciliation of payroll records to covered wages and retirement contributions remitted to the Municipal Employee's Retirement System of Louisiana monthly to ensure accurate reporting. Additionally, the Town has not reacted to changes in the law that have affected the classification of employees and resulting changes to pension plan enrollment.

Effect: The Town did not make contributions to these retirement systems in the appropriate amounts. Total known effects to the Town's net financial position are approximately \$7,200.

Recommendation: The Town of White Castle should consider developing policies and procedures to review retirement contribution withholdings for payroll processing and reconciling such payroll information to covered wages and retirement contributions remitted to the Municipal Employee's Retirement System of Louisiana. Additionally, the Town should take the necessary steps to transfer the one mis-enrolled employee from the MERS System to the MPERS System.

Management's response: Management has gone through the process of moving impacted employees to the applicable retirement system. The net difference in contributions was approximately \$2,000. The two employees were erroneously registered with MERS since they were not Police officers. However, MPERS changed certain eligibility rules several years ago to include police administrative employees into that system. As a result, the previous Town Clerk made this error. However, as a result of action taken by the Town, this matter is considered resolved.

TOWN OF WHITE CASTLE, LOUISIANA

SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED SEPTEMBER 30, 2015

B. FINDINGS-FINANCIAL STATEMENT AUDIT (continued)

2015-007 Cash Management

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

Condition: The police department made only ten deposits in four separate months for traffic tickets and court fines collected during the fiscal year. Collections for fines were held until the deposits were made. This infrequent depositing of funds is noncompliant with the statute above and is indicative a deficiency in internal controls.

Cause: A lack of adherence to state law and best practices.

Effect: The Town did not comply with Louisiana Cash Management Laws.

Recommendation: The Town of White Castle should adhere to Louisiana Cash Management Laws to ensure that deposits are made daily whenever practicable.

Management's response: Management has reviewed this matter with the Chief of Police for further action. Additionally, the Town has provided the Police Department the tools available from the Legislative Auditor's website for accounting for municipal traffic tickets. The Town will also monitor cash deposits for timeliness going forward.

2015-008 Past Due Utility Accounts

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

Condition: The Town had past due utility accounts from the Mayor, a council member, and 2 higher ranking employees at certain times during the fiscal year ending September 30, 2015. Balances in arrears from related parties on an individual basis ranged anywhere from approximately \$50 to \$1,100. Some of these accounts were brought current during the year while others remained in arrears. The total balance in arrears from related parties was approximately \$515 at September 30, 2015.

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

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

Recommendation: The Town of White Castle should monitor the past due accounts to ensure that the Mayor, members of the Town's Council, and employees are paying utility bills in full as they become due. Cutoff of services should be enforced for all customers.

Management's response: Management will monitor payments from employees and governing members of the Town going forward to ensure balances are kept current.

TOWN OF WHITE CASTLE, LOUISIANA

SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED SEPTEMBER 30, 2015

B. FINDINGS-FINANCIAL STATEMENT AUDIT (continued)

2015-009 Compensation of Municipal Officers

Criteria: Louisiana Revised Statute 33:404.1 states that the board of aldermen shall by ordinance fix the compensation of the mayor, aldermen, clerk, chief of police, and all other municipal officers. The board of aldermen may by ordinance increase or decrease their compensation and the compensation of any nonelected municipal officer and may increase the compensation of other elected officials.

Condition: The Town Council approved to appoint the Town Clerk at the January 2015 board meeting. The Town minutes do not reflect that, in accordance with Louisiana Revised Statute 33:404.1, the Board of Alderman set by ordinance the clerk's compensation.

Mayor and Chief of Police received an increase in pay that was effective beginning with the September 21, 2015 pay period. The Town's board minutes did not reflect that the Town, by ordinance, explicitly increased the compensation of the Mayor and Chief of Police.

Cause: The compensation of the Town Clerk was not set by ordinance when she was appointed. With respect to the Mayor and Police Chief's salaries, the administration attempted to comply with the statute by presenting salary information with the Finance Committee through a separately presented salary schedule and by including the raises in the 2015-2016 fiscal year budget. However, in order for the budget ordinance to serve as the approval required by 33:404.1, the increases in the Mayor and Chief of Police's compensation must be specifically identified in the budget as a separate line item. Those compensation levels were not specifically identified within the budget and therefore noncompliance is cited.

Effect: The Town may have violated Louisiana Revised Statute 33:404.1.

Recommendation: The Town of White Castle should review and comply Louisiana Revised Statute 33:404.1 when appointing and/or making changes to the compensation of municipal officials.

Management's response: The Town adopted an ordinance in July 2016 setting the Town Clerk's compensation. Also, as previously mentioned the Mayor and Chief of Police compensation ordinances were revised to describe the current rate of pay for each elected officer. As a result of actions taken, the Town considers this matter resolved.

2015-010 Public Records Request

Criteria: Louisiana Revised Statute 44:31(A) states that provided access to public records is a responsibility and duty of the appointive or elective office of a custodian and his/her employees. Louisiana Revised Statute 44:32(A) states that the custodian shall present any public record to any person of the age of majority who so request. Further Louisiana Revised Statute 44:33(B)(1) states if the public record applied for is immediately available, because of its not being in active use at the time of the application, the public record shall be immediately presented to the authorized person applying for it. If the public record applied for is not immediately available, because of its being in active use at the time of the application, the custodian shall promptly certify this in writing to the applicant, and in his certificate shall fix a day and hour within three days, exclusive of Saturdays, Sundays, and legal public holidays, for the exercise of the right granted by this Chapter.

Condition: A lawsuit was filed on November 18, 2015 with the 18th Judicial District Court alleging Plaintiff was refused the receipt of public records request.

TOWN OF WHITE CASTLE, LOUISIANA

SCHEDULE OF FINDINGS AND RESPONSES

YEAR ENDED SEPTEMBER 30, 2015

B. FINDINGS- FINANCIAL STATEMENT AUDIT (continued)

2015-010 Public Records Request (continued)

Cause: On March 18th, 2016 the 18th Judicial District Court ruled in favor of the Plaintiffs on allegations that the Plaintiffs were refused the receipt of public records request.

Effect: The Town was in violation of Louisiana public records request laws.

Recommendation: The Town of White Castle should review the Louisiana public records request laws to ensure that the Town is in compliance when such requests are made.

Management's response: Management has historically adhered to the public records request law and intends to fully comply with such requested going forward.

Unfortunately, the Town has been inundated with a large volume of public records requests during 2015 and 2016. At times the requests can be vague that results in difficulties satisfying the party requesting the information. However, the Town will operate in a transparent fashion and will be diligent in its efforts to satisfy any public records request in the future.

2015-011 Audit Law

Criteria: Louisiana Revised Statute 24:513(5)(a) states that audits shall be completed and submitted to the Louisiana Legislative Auditors within six months of the close of the entity's fiscal year.

Condition: The audit was not submitted to the Louisiana Legislative Auditors within the time frame allowed by law.

Cause: The Town's auditor was required to review allegations of non-compliance with laws and regulations having financial impacts on the Town. These matters were communicated near the end of the audit. Reviewing these matters involved extensive research, review of documentation, and discussions with Town personnel which delayed the completion of the audit.

Effect: Noncompliance with the state's audit law.

Recommendation: Communications with the auditors should occur more timely and frequently.

Management's response: The significant allegations made during 2016 required a substantial amount of effort by the Town and its auditing firm. A number of audit requests were received in March and April 2016 which required a significant effort by the auditing firm to address. This additional effort caused time delays in the release of the audit so that factual data could be shared and corrected in this process.

The Town has historically submitted audit reports timely and considers this year to be isolated. The Town will correct this matter and submit audited financial statements within the six-month statutory deadline in future years.

TOWN OF WHITE CASTLE, LOUISIANA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED SEPTEMBER 30, 2014

A. FINDINGS – FINANCIAL STATEMENT AUDIT

2014-01 Unauthorized/Unapproved Payroll

Observation: The Town's payroll time clock is used as an internal control over time accumulation which is used to prepare payroll disbursements. This control provides supporting documentation for time worked by employees. It was noted that one police department employee on more than one occasion did not utilize the payroll time clock and manually entered the date and time in/out for each day of the pay period. Evidence that a manager/supervisor implemented the recommendations that manually documented time should be reviewed and approved was not consistently performed during the year.

Current Years Status: A similar finding will be reported in current year related to the approval of police department employees manually documented time. This matter has been reported as Item 2015-001.

2014-02 Credit Cards

Observation: The Town's credit card policy states that the Town's credit card shall be used only for lodging, conference registration, car rental, and expenses associated with rental provided all of these expenses are exclusively for the Town's business. There shall be no expenditure of Town funds for food, meals, beverages, etc., not connected with travel for the Town's purpose. There were two instances where an employee used the Town's credit card to make purchases at Polo Ralph Lauren store, one purchase in Las Vegas, Nevada and one purchase in Gonzales, Louisiana. These transactions were not related to Town business related travel. Further, the transactions do not appear to expenses related to Town business.

Current Years Status: A similar finding will be reported in current year related to purchases made with the Town's credit card. This matter has been reported as Item 2015-007.

2014-03 Cash Management

Observation: Louisiana Revised Statute 39:1212 requires that all funds of local depositing authorities shall be deposited daily whenever practicable, in the fiscal agency. The police department made ten deposits in six separate months for traffic tickets and court fines collected during the fiscal year. Fines collected were held until the deposits were made.

Current Years Status: A similar finding will be reported in current year related to the timing of police department collections. This matter has been reported as Item 2015-008.

TOWN OF WHITE CASTLE, LOUISIANA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED SEPTEMBER 30, 2014

A. FINDINGS – FINANCIAL STATEMENT AUDIT (continued)

2014-04 Past Due Utility Accounts

Criteria: Article VII, Section 14(A) of the Louisiana Constitution of 1974 - Prohibited Uses. Except as otherwise provided by this constitution, the funds, credit, property, or things of value of the state or of any political subdivision shall not be loaned, pledged, or donated to or for any person, association, or corporation, public or private. The Town had past due utility accounts from a council member and employees as of September 30, 2014.

Current Years Status: A similar finding will be reported in current year related to past due utility accounts. This matter has been reported as Item 2015-009.

NON COMPLIANCE WITH STATE LAWS AND REGUALTIONS

2014-05 Louisiana Budget Law

Condition: The Town of White Castle's General Fund had an unfavorable variance of 7.69% of total actual revenues to budgeted total revenues. The variance relates to a grant administered by the Parish for a capital outlay project related to the Community Building – Point of Distribution Center. Since the Parish administers this grant on behalf of the Town, budget estimates are difficult to predict due to timing of construction activity and related revenue reimbursements. Louisiana Revised Statute 39:1311A(1-2) requires that the budget shall be amended when total revenue and other sources plus projected revenue and other sources for the remainder of the year, within a fund, are failing to meet total budgeted revenues and other sources by five percent or more and total actual expenditures and other uses plus projected expenditures and other uses for the remainder of the year, within a fund, are exceeding the total budgeted expenditures and other uses by five percent or more.

Current Years Status: No similar finding reported in current year.

SPECIAL ACKNOWLEDGEMENTS

Monica Major
Town Clerk

Heather A. Jones
Assistant Town Clerk

Sheryl Johnson
Accounting Clerk

Kay Leblanc
Accounting Clerk