

# Town of White Castle

L O U I S I A N A



2013

## Comprehensive Annual Report

For the fiscal year ended  
September 30, 2013





# COMPREHENSIVE ANNUAL FINANCIAL REPORT

## TOWN OF WHITE CASTLE, LOUISIANA

For the fiscal year ended September 30, 2013



Prepared by

Town of White Castle  
Town Clerk's Office

# TOWN OF WHITE CASTLE, LOUISIANA

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# Introductory Section







**Mayor's Office**  
**TOWN OF WHITE CASTLE**

Post Office Box 488 • 32535 Bowie Street  
White Castle, LA 70788

Office: 225.545.3012 • Fax: 225.545.8456

Since 1884

**Gerald Jermarr Williams**  
Mayor

**Stacey D. Adler**  
Town Clerk

**Mario D. Brown**  
Chief of Police

**Alderman:**  
Garnell Young  
John Barlow  
Barbara O'Bear  
Dionne Lewis  
Jonathan Greene

March 31, 2014

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, 2013. 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 unqualified opinion that the Town of White Castle's financial statements for the fiscal year ended September 30, 2013, 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 1,883 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. A complete explanation of the financial reporting entity is included in the Summary of Significant Accounting Policies in the Notes to the Financial Statements.

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

## **Budgetary Control**

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

Budget-to-actual comparisons are provided in this report for the General Fund in Exhibits B and C, 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 2014.

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 2013 for operations of the Town were approximately \$343,000 more than the 2012 revenues, representing a 23% increase. The general sales and use tax plays a significant role in financing the operations of the General Fund, representing more than 85% of available resources.

During 2013, the Town had employed labor of approximately 800 with an unemployment rate of 9.4% and a current median household income of \$20,700 and age of 32.

The Town provides some source of housing to the Baton Rouge MSA with 800 household units with a median value of \$79,300. Other important industries include government, construction, transportation, real estate and retail trade.

### **Major Initiatives in 2014**

The Town is in the preliminary stages of planning for a capital outlay project for renovation of the Community Center with an estimated cost of approximately \$1.67 million. The Town anticipates these initiatives will be concluded over the fiscal year 2014. These projects will be substantially funded by grants, with the remaining portion funded by the Town's local resources. If the Town does not receive the related governmental grant, the expenditure cannot be made.

## **LONG-TERM FINANCIAL PLANNING**

The Town has planned capital initiatives in excess of \$1.69 million. In addition to renovations to the Community Center referenced above, the Town is planning various equipment and fixed asset purchases totaling approximately \$20,000.

### **Recreation**

As mentioned above, the Town has planned a renovation to the existing Community Center during 2013 of approximately \$1.67 million. The Community Center is utilized by several residents in the community and also serves as an emergency shelter during extreme weather events. The Town believes the expenditure is a good investment and will be a great community resource.

(continued)

## ACKNOWLEDGMENTS

The preparation of this report on a timely basis 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,

  
Stacey Adler  
Town Clerk



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, 2012**

Executive Director/CEO

**TOWN OF WHITE CASTLE  
PRINCIPAL OFFICIALS  
SEPTEMBER 30, 2013**

**MAYOR**

Gerald Jermarr Williams

**COUNCIL MEMBERS**

John Barlow

Jonathan Greene

Dionne Lewis

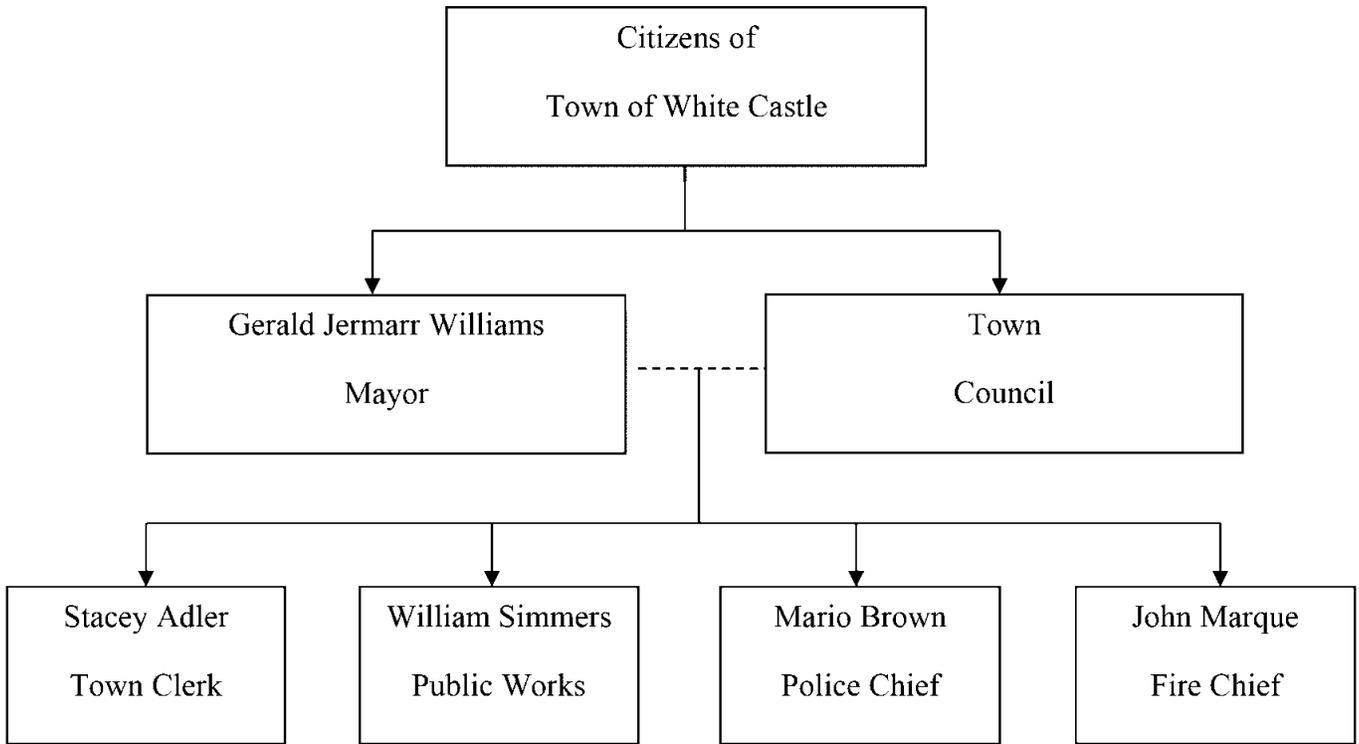
Barbara O'Bear

Garnell Young

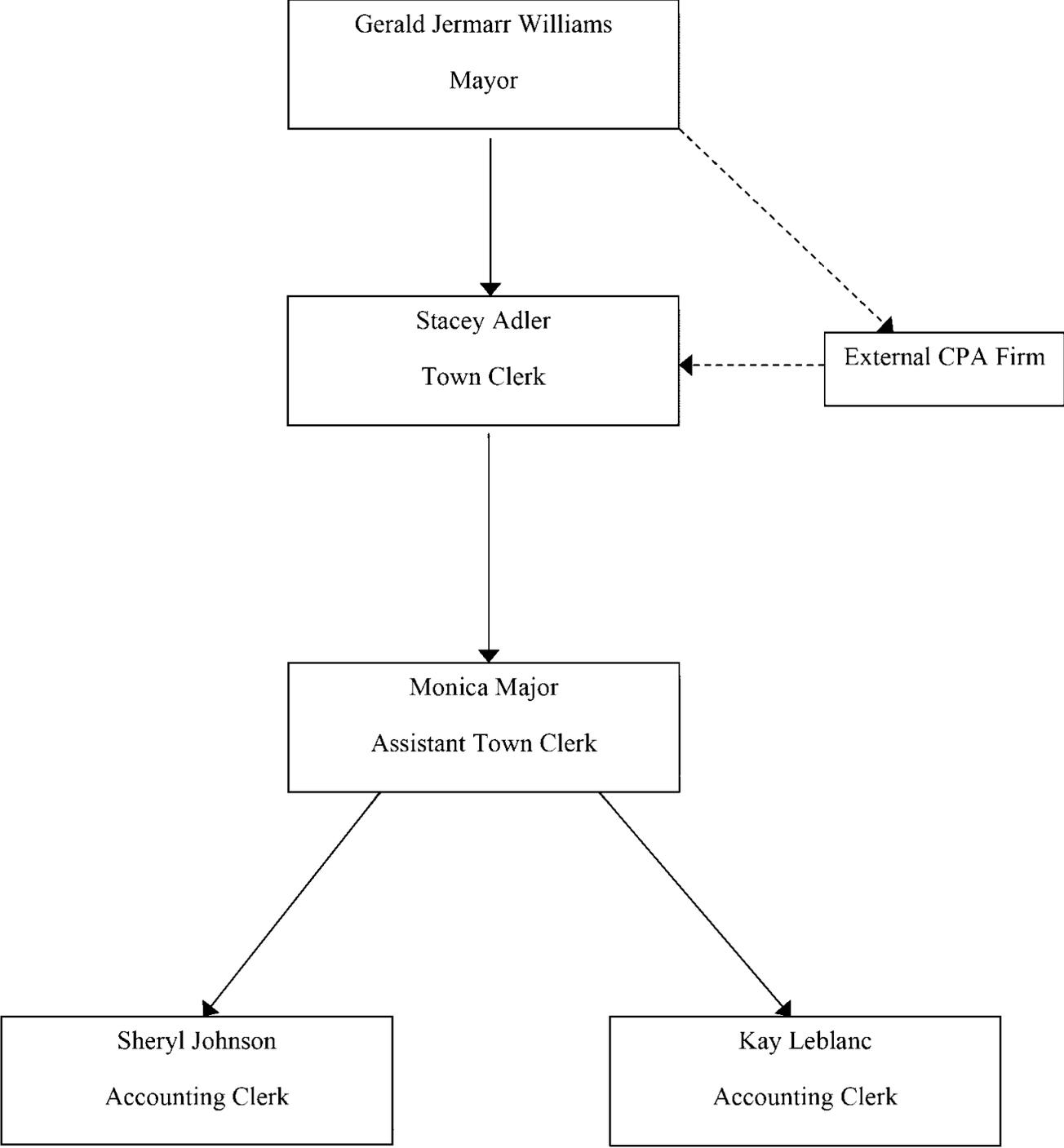
**CHIEF OF POLICE**

Mario Brown

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



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





# Financial Section





## **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, 2013, 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, 2013, 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 and budgetary comparison information on pages 3 through 13 and 49 through 51 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 and individual fund statements pages 53 through 58 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The individual fund statements 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 have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express and opinion or provide any assurance on them.

## Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 31, 2014, 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 & Nettusill*

Gonzales, Louisiana  
March 31, 2014

## TOWN OF WHITE CASTLE, LOUISIANA

### MANAGEMENT'S DISCUSSION AND ANALYSIS

Our analysis of the Town of White Castle's financial performance provides an overview of the Town's financial activities for the fiscal year ended September 30, 2013. 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 2013 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, 2013 are detailed throughout this analysis. Significant highlights are as follows:

- Assets of the Town exceeded its liabilities by approximately \$6 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, 2013, the Town's governmental funds reported combined fund balances of approximately \$2 million. Additionally, approximately \$1.4 million of this fund balance is unassigned.
- At year end the Town's proprietary funds reported net position of approximately \$2.2 million, of which \$236,000 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 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 and liabilities, with the difference between the two 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 pages 15 and 16 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. The required supplementary information can be found on Exhibits B through B-1 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.

### **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 exceeded liabilities by approximately \$6 million at the close of the fiscal year, a decrease of approximately \$5,600 from the prior year.

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

Net Position  
September 30, 2013 and 2012  
(in thousands)

	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Current and other assets	\$ 2,178	\$ 1,675	\$ 534	\$ 574	\$ 2,712	\$ 2,249
Capital assets	<u>3,151</u>	<u>3,524</u>	<u>3,811</u>	<u>4,026</u>	<u>6,962</u>	<u>7,550</u>
Total assets	<u>5,329</u>	<u>5,199</u>	<u>4,345</u>	<u>4,600</u>	<u>9,674</u>	<u>9,799</u>
Current and other liabilities	152	119	213	214	365	333
Noncurrent liabilities	<u>1,383</u>	<u>1,427</u>	<u>1,955</u>	<u>2,062</u>	<u>3,338</u>	<u>3,489</u>
Total liabilities	<u>1,535</u>	<u>1,546</u>	<u>2,168</u>	<u>2,276</u>	<u>3,703</u>	<u>3,822</u>
Net position:						
Invested in capital assets,						
net of related debt	1,729	2,062	1,768	1,881	3,497	3,943
Restricted	569	545	173	173	742	718
Unrestricted	<u>1,496</u>	<u>1,046</u>	<u>236</u>	<u>270</u>	<u>1,732</u>	<u>1,316</u>
Total net position	<u>\$ 3,794</u>	<u>\$ 3,653</u>	<u>\$ 2,177</u>	<u>\$ 2,324</u>	<u>\$ 5,971</u>	<u>\$ 5,977</u>

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, 2013 (58%) 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, 2012 (66%).

The \$1.7 million in unrestricted net position of the Town at the end of fiscal 2013 represents the accumulated results of operations.

Unrestricted net position of governmental activities increased during the year by approximately 42%, or \$450,000.

The decrease of approximately \$34,000 in unrestricted net position of the Town's business-type activities is the result of operating losses within those activities. During the prior fiscal year, unrestricted net position decreased by \$132,000. Collectively, the business-type activities experienced a net loss of approximately \$147,000 for the year ended September 30, 2013.

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, 2013 and 2012  
(in thousands)

	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
Revenues:						
Program revenues:						
Charges for services	\$ 108	\$ 117	\$ 832	\$ 805	\$ 940	\$ 922
Operating grants and contributions	157	59	-	-	157	59
Capital grants and contributions	1	25	-	-	1	25
General revenues:						
Ad valorem	33	34	-	-	33	34
Sales taxes	1,837	1,494	-	-	1,837	1,494
Other taxes	51	49	9	-	60	49
Other general revenues	5	19	1	9	6	28
Total revenues	<u>2,192</u>	<u>1,797</u>	<u>842</u>	<u>814</u>	<u>3,034</u>	<u>2,611</u>
Functions/Program Expenses:						
General government	554	548	-	-	554	548
Public safety	654	657	-	-	654	657
Streets and sanitation	491	494	-	-	491	494
Public health	51	59	-	-	51	59
Public works	-	-	-	-	-	-
Recreation	69	63	-	-	69	63
Gas	-	-	312	297	312	297
Waterworks	-	-	492	510	492	510
Sewerage	-	-	337	358	337	358
Interest	80	83	-	-	80	83
Total expenses	<u>1,899</u>	<u>1,904</u>	<u>1,141</u>	<u>1,165</u>	<u>3,040</u>	<u>3,069</u>
Increase (decrease) in net position before transfers	293	(107)	(299)	(351)	(6)	(458)
Transfers	<u>(152)</u>	<u>(75)</u>	<u>152</u>	<u>75</u>	<u>-</u>	<u>-</u>
Increase in net position	141	(182)	(147)	(276)	(6)	(458)
Beginning net position	<u>3,653</u>	<u>3,835</u>	<u>2,324</u>	<u>2,600</u>	<u>5,977</u>	<u>6,435</u>
Ending net position	<u>\$ 3,794</u>	<u>\$ 3,653</u>	<u>\$ 2,177</u>	<u>\$ 2,324</u>	<u>\$ 5,971</u>	<u>\$ 5,977</u>

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

The Town uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Analysis of the Town’s major funds begins on page 16. 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 2013 by fund type.

	(in thousands)					2012
	2013				Totals	
	General Fund	Special Revenue Funds	Debt Service Funds	Capital Project Fund		
Revenues and transfers	\$ 2,142	\$ 50	\$ 125	\$ -	\$ 2,317	\$ 1,973
Expenditures and transfers	<u>1,676</u>	<u>50</u>	<u>121</u>	<u>-</u>	<u>1,847</u>	<u>1,783</u>
Surplus	466	-	4	-	470	190
Beginning fund balance	<u>1,004</u>	<u>-</u>	<u>259</u>	<u>286</u>	<u>1,549</u>	<u>1,359</u>
Ending fund balance	<u>\$ 1,470</u>	<u>\$ -</u>	<u>\$ 263</u>	<u>\$ 286</u>	<u>\$ 2,019</u>	<u>\$ 1,549</u>

Revenues and transfers in of the Town’s governmental fund types for 2013 increased by approximately \$344,000 and expenditures and transfers out increased by approximately \$64,000, resulting in an increase in fund balance of \$470,000, significantly better than the prior year’s increase in fund balance of \$190,000. The primary reason for this change was the result of increased tax revenue in the General Fund.

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

(in thousands)

<u>Source of Revenue</u>	2013		2012	
	Revenue	Percent	Revenue	Percent
Taxes	\$ 1,912	87%	\$ 1,566	87%
Licenses and permits	77	4%	88	5%
Intergovernmental	151	7%	97	5%
Miscellaneous	52	2%	45	3%
Total	<u>\$ 2,192</u>	<u>100%</u>	<u>\$ 1,796</u>	<u>100%</u>

The Town's activities are largely supported by tax revenues, representing 87% of total governmental revenues in 2013, which increased by approximately \$346,000 (or 22%) during the current year.

Expenditures of the governmental funds increased by approximately \$37,000 in 2013. Expenditures for all governmental funds by each major function are summarized below.

(in thousands)

<u>Function</u>	2013		2012	
	Expenditure	Percent	Expenditure	Percent
General government	\$ 470	30%	\$ 452	29%
Public safety	539	34%	542	35%
Streets and sanitation	302	19%	283	18%
Public health	50	3%	59	4%
Recreation	27	2%	19	1%
Debt service	121	8%	123	8%
Capital outlay	61	4%	55	5%
Total	<u>\$ 1,570</u>	<u>100%</u>	<u>\$ 1,533</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, 2013. Additionally, Water and Sewer experienced operating losses as summarized in the table below.

	(in thousands)			
	2013		2012	
	Total	Percent	Total	Percent
<u>Operating revenues:</u>				
Gas	\$ 312	37%	\$ 286	35%
Waterworks	243	29%	249	31%
Sewerage	286	34%	278	34%
Total revenues	<u>841</u>	<u>100%</u>	<u>813</u>	<u>100%</u>
<u>Operating expenses:</u>				
Gas	312	37%	297	37%
Waterworks	404	48%	419	52%
Sewerage	314	37%	332	40%
Total expenses	<u>1,030</u>	<u>122%</u>	<u>1,048</u>	<u>129%</u>
Net operating loss	<u>\$ (189)</u>	<u>(22%)</u>	<u>\$ (235)</u>	<u>(29%)</u>

### **General Fund Budgetary Highlights**

Differences between the General Fund original budget and the final budget are shown on Exhibit B. Revenue projections were amended to decrease intergovernmental grants by \$1.3 million. Actual revenues were approximately \$9,000 less than the final budget, primarily due to lower than expected licenses and permit revenue.

Regarding expenditures, the original budget of the Town was amended to decrease the appropriation for capital outlay expenditures. The decrease in capital outlay expenditures of approximately \$1.3 million was the result of postponement of capital outlay projects.

## CAPITAL ASSET AND DEBT ADMINISTRATION

### Capital Assets

At the end of 2013 the Town had approximately \$6,961,000 invested in a broad range of capital assets including streets, heavy equipment for street and drainage maintenance, vehicles, computer equipment, office furniture, land, buildings, park facilities, gas and water distribution systems, and sewer treatment systems. This amount represents a net decrease of \$589,000, or 8% over the prior fiscal year. Additions totaling \$84,000 in 2013 include the purchase of equipment and vehicles, as well as improvements to the Community Center. Depreciation expense of \$672,000 was recognized during 2013.

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

	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Land	\$ 272	\$ 272	\$ 41	\$ 41	\$ 313	\$ 313
Construction in progress	93	41	-	-	93	41
Buildings and systems	1,112	1,192	3,657	3,862	4,769	5,054
Equipment and vehicles	347	481	112	123	459	604
Improvements other than buildings	252	282	-	-	252	282
Infrastructure	<u>1,075</u>	<u>1,256</u>	<u>-</u>	<u>-</u>	<u>1,075</u>	<u>1,256</u>
 Total assets, net of depreciation	 <u>\$ 3,151</u>	 <u>\$ 3,524</u>	 <u>\$ 3,810</u>	 <u>\$ 4,026</u>	 <u>\$ 6,961</u>	 <u>\$ 7,550</u>

The Town's fiscal year 2013 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, 2013 the Town had \$3,505,000 in outstanding debt, compared to \$3,649,000 on September 30, 2012, a decrease of 5%, as shown in the following table.

	(in thousands)					
	Governmental		Business-type		Total	
	Activities		Activities			
	2013	2012	2013	2012	2013	2012
Public improvement bonds	\$ 1,423	\$ 1,463	\$ 1,423	\$ 1,462	\$ 2,846	\$ 2,925
Revenue bonds	-	-	620	682	620	682
Accrued sick leave	<u>16</u>	<u>20</u>	<u>23</u>	<u>22</u>	<u>39</u>	<u>42</u>
	<u>\$ 1,439</u>	<u>\$ 1,483</u>	<u>\$ 2,066</u>	<u>\$ 2,166</u>	<u>\$ 3,505</u>	<u>\$ 3,649</u>

The Town issued no debt in the fiscal year ended 2013, but did retire approximately \$171,000 of debt. More detailed information about the Town's long-term liabilities is presented in Note 6 to the financial statements.

The state of Louisiana limits the amount of general obligation debt that municipalities can issue to 35% of the assessed value of all taxable property within the Town's corporate limits. The Town's outstanding general obligation debt is significantly below this \$1.553 million state-imposed limit.

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

The Town's elected and appointed officials considered many factors when setting the 2014 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 2014. Amounts available for appropriation in the General Fund are \$3.1 million, an increase over the final 2013 budget of \$912,000, or 42%. Property taxes, licensing fees, franchise taxes and utility taxes are expected to remain consistent for the General Fund, although sales taxes are expected to decrease by approximately 9%, or \$165,000. Grant revenues are expected to increase by \$1.5 million for anticipated capital grants, mostly related to improvements to the Community Center. The Town will use these revenues to finance programs currently offered. Budgeted expenditures are expected to be \$3 million, an increase of \$1.7 million, all of which is related to the Community Center improvements that will be financed through capital grants. If these estimates are realized, the General Fund's fund balance is expected to increase by \$173,000.

## OTHER INFORMATION

### Contacting The Town's Financial Management

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

### Town Council

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# Basic Financial Statements





## TOWN OF WHITE CASTLE, LOUISIANA

## STATEMENT OF NET POSITION

September 30, 2013

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 990,856	\$ 149,103	\$ 1,139,959
Investments	305,370	88,607	393,977
Accounts receivable, net	8,011	125,337	133,348
Due from other governments	290,512	-	290,512
Prepaid insurance	24,864	16,129	40,993
Internal balances	200,000	(200,000)	-
Restricted cash	282,523	268,296	550,819
Inventories	-	10,373	10,373
Deferred bond issuance costs	75,943	75,943	151,886
Capital assets:			
Non depreciable	365,467	40,588	406,055
Depreciable, net	<u>2,785,987</u>	<u>3,769,926</u>	<u>6,555,913</u>
Total assets	<u>\$ 5,329,533</u>	<u>\$ 4,344,302</u>	<u>\$ 9,673,835</u>
<b>LIABILITIES</b>			
Accounts payable	\$ 57,548	\$ 6,340	\$ 63,888
Payroll and other accrued liabilities	29,658	20,940	50,598
Customer deposits	-	74,123	74,123
Deferred revenue	9,243	-	9,243
Long-term payables:			
Due within one year	56,178	110,809	166,987
Due in more than one year	<u>1,382,500</u>	<u>1,955,056</u>	<u>3,337,556</u>
Total liabilities	<u>1,535,127</u>	<u>2,167,268</u>	<u>3,702,395</u>
<b>NET POSITION</b>			
Investment in capital assets, net of related debt	1,728,954	1,767,919	3,496,873
Restricted for:			
Debt service	284,066	80,372	364,438
Capital projects	285,489	93,089	378,578
Unrestricted	<u>1,495,897</u>	<u>235,654</u>	<u>1,731,551</u>
Total net position	<u>3,794,406</u>	<u>2,177,034</u>	<u>5,971,440</u>
Total liabilities and net position	<u>\$ 5,329,533</u>	<u>\$ 4,344,302</u>	<u>\$ 9,673,835</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, 2013

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
<b>Primary government:</b>							
Governmental activities:							
General government	\$ 554,316	\$ 77,028	\$ 83,486	\$ -	\$ (393,802)	\$ -	\$ (393,802)
Public safety	654,041	30,954	-	1,431	(621,656)	-	(621,656)
Streets and sanitation	490,790	-	-	-	(490,790)	-	(490,790)
Public health	50,495	-	50,477	-	(18)	-	(18)
Recreation	69,014	-	-	-	(69,014)	-	(69,014)
Interest on long-term debt	80,104	-	-	-	(80,104)	-	(80,104)
<b>Total governmental activities</b>	<b>1,898,760</b>	<b>107,982</b>	<b>133,963</b>	<b>1,431</b>	<b>(1,655,384)</b>	<b>-</b>	<b>(1,655,384)</b>
Business-type activities:							
Gas	312,042	309,352	-	-	-	(2,690)	(2,690)
Waterworks	491,986	239,894	-	-	-	(252,092)	(252,092)
Sewerage	337,699	283,222	-	-	-	(54,477)	(54,477)
<b>Total business-type activities</b>	<b>1,141,727</b>	<b>832,468</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(309,259)</b>	<b>(309,259)</b>
<b>Total primary government</b>	<b>\$ 3,040,487</b>	<b>\$ 940,450</b>	<b>\$ 133,963</b>	<b>\$ 1,431</b>	<b>(1,655,384)</b>	<b>(309,259)</b>	<b>(1,964,643)</b>
General revenues:							
Taxes:							
Ad valorem					32,838	-	32,838
Sales and use					1,837,007	-	1,837,007
Franchise					38,944	-	38,944
Video poker					9,428	-	9,428
Other					2,902	8,577	11,479
Grants and contribution not restricted to specific programs					23,272	-	23,272
Investment earnings					4,559	1,491	6,050
Transfers					(152,000)	152,000	-
<b>Total general revenues and transfers</b>					<b>1,796,950</b>	<b>162,068</b>	<b>1,959,018</b>
Change in net position					141,566	(147,191)	(5,625)
<b>NET POSITION</b>							
Beginning of year					3,652,840	2,324,225	5,977,065
Ending of year					<b>\$ 3,794,406</b>	<b>\$ 2,177,034</b>	<b>\$ 5,971,440</b>

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

TOWN OF WHITE CASTLE, LOUISIANA

BALANCE SHEET  
GOVERNMENTAL FUNDS

September 30, 2013

	Special Revenue		Debt Service		Capital Project	Total
	General	Section 8	2008 Reserve Fund	2008 Sinking Fund	2008 Capital Project Fund	Governmental Funds
<b>ASSETS</b>						
Cash and cash equivalents	\$ 714,315	\$ 9,743	\$ 172,289	\$ 91,543	\$ 285,489	\$ 1,273,379
Investments	305,370	-	-	-	-	305,370
Due from other governments	290,512	-	-	-	-	290,512
Due from other funds	200,500	-	66,000	-	-	266,500
Other receivables	8,011	-	-	-	-	8,011
Prepaid insurance	24,864	-	-	-	-	24,864
Total assets	<u>\$ 1,543,572</u>	<u>\$ 9,743</u>	<u>\$ 238,289</u>	<u>\$ 91,543</u>	<u>\$ 285,489</u>	<u>\$ 2,168,636</u>
<b>LIABILITIES AND FUND BALANCE</b>						
<b>LIABILITIES</b>						
Accounts payable	\$ 57,548	\$ -	\$ -	\$ -	\$ -	\$ 57,548
Payroll and other accrued liabilities	16,469	-	-	-	-	16,469
Due to other funds	-	500	-	66,000	-	66,500
Deferred income	-	9,243	-	-	-	9,243
Total liabilities	<u>74,017</u>	<u>9,743</u>	<u>-</u>	<u>66,000</u>	<u>-</u>	<u>149,760</u>
<b>FUND BALANCE</b>						
Nonspendable	24,864	-	-	-	-	24,864
Restricted for:						
Debt service	-	-	238,289	25,543	-	263,832
Capital projects	-	-	-	-	285,489	285,489
Unassigned	1,444,691	-	-	-	-	1,444,691
Total fund balance	<u>1,469,555</u>	<u>-</u>	<u>238,289</u>	<u>25,543</u>	<u>285,489</u>	<u>2,018,876</u>
Total liabilities and fund balance	<u>\$ 1,543,572</u>	<u>\$ 9,743</u>	<u>\$ 238,289</u>	<u>\$ 91,543</u>	<u>\$ 285,489</u>	<u>\$ 2,168,636</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, 2013

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

Total fund balances - governmental funds (Exhibit A-2)	\$ 2,018,876
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds, net of accumulated depreciation	3,151,454
Assets used in governmental activities that are not financial resources and, therefore, are not reported in the governmental funds.	
Deferred bond issuance costs, net of accumulated amortization	75,943
Long-term liabilities (e.g. bonds, leases), are not due and payable in the current period and, therefore, are not reported in the governmental funds.	
Accrued interest payable	(13,189)
Bonds and capital lease payable	(1,422,500)
Compensated absences payable	<u>(16,178)</u>
	<u>(1,451,867)</u>
Net position of governmental activities (Exhibit A)	<u>\$ 3,794,406</u>

## TOWN OF WHITE CASTLE, LOUISIANA

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

For the year ended September 30, 2013

	General	Special Revenue	Debt Service		Capital Project	Total Governmental Funds
		Section 8	2008 Reserve Fund	2008 Sinking Fund	2008 Capital Project Fund	
<b>REVENUES</b>						
Taxes	\$ 1,911,691	\$ -	\$ -	\$ -	\$ -	\$ 1,911,691
License and permits	77,028	-	-	-	-	77,028
Intergovernmental	100,985	50,477	-	-	-	151,462
Fines	30,954	-	-	-	-	30,954
Other	<u>20,821</u>	<u>18</u>	<u>-</u>	<u>-</u>	<u>352</u>	<u>21,191</u>
Total revenues	<u>2,141,479</u>	<u>50,495</u>	<u>-</u>	<u>-</u>	<u>352</u>	<u>2,192,326</u>
<b>EXPENDITURES</b>						
Current function						
General government	469,986	-	-	-	-	469,986
Public safety	539,079	-	-	-	-	539,079
Streets and sanitation	302,042	-	-	-	-	302,042
Public health	-	50,495	-	-	-	50,495
Recreation	26,401	-	-	-	-	26,401
Debt service	-	-	-	120,936	-	120,936
Capital outlay	<u>61,413</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>61,413</u>
Total expenditures	<u>1,398,921</u>	<u>50,495</u>	<u>-</u>	<u>120,936</u>	<u>-</u>	<u>1,570,352</u>
Excess (deficiency) of revenues over expenditures	<u>742,558</u>	<u>-</u>	<u>-</u>	<u>(120,936)</u>	<u>352</u>	<u>621,974</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	-	-	-	125,000	-	125,000
Transfers out	<u>(277,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(277,000)</u>
Total other financing sources (uses)	<u>(277,000)</u>	<u>-</u>	<u>-</u>	<u>125,000</u>	<u>-</u>	<u>(152,000)</u>
Net change in fund balance	465,558	-	-	4,064	352	469,974
<b>FUND BALANCE</b>						
Beginning of year	<u>1,003,997</u>	<u>-</u>	<u>238,289</u>	<u>21,479</u>	<u>285,137</u>	<u>1,548,902</u>
End of year	<u>\$ 1,469,555</u>	<u>\$ -</u>	<u>\$ 238,289</u>	<u>\$ 25,543</u>	<u>\$ 285,489</u>	<u>\$ 2,018,876</u>

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, 2013

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)	\$	469,974
<p>Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation.</p>		
Capital outlay		61,413
Depreciation expense		(434,194)
		(372,781)
<p>The liability and expense for compensated absences are not reported in governmental funds. Instead, payments for compensated absences are reported as salaries when they occur. Only the payment consumes current financial resources and it would take a catastrophic event for this liability to become a current liability.</p>		
		3,541
<p>The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds. In the statement of net position, however, issuing debt increases long-term liabilities and does not affect the statement of activities. Similarly, repayment of principal is an expenditure in the governmental funds but reduces the liability in the statement of activities.</p>		
Principal payments on debt		40,000
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.</p>		
Accrued interest payable		832
		832
Change in net position of governmental activities (Exhibit A-1)	\$	141,566

## TOWN OF WHITE CASTLE, LOUISIANA

STATEMENT OF NET POSITION  
PROPRIETARY FUNDS

September 30, 2013

	<b>Gas Utility Fund</b>	<b>Waterworks Utility Fund</b>	<b>Sewerage Utility Fund</b>	<b>Total</b>
<b>ASSETS</b>				
Current assets:				
Cash and cash equivalents	\$ 9,526	\$ 100,989	\$ 38,588	\$ 149,103
Investments	35,292	36,719	16,596	88,607
Accounts receivable, net	38,318	42,783	44,236	125,337
Prepaid insurance	4,856	6,728	4,545	16,129
Due from other funds	150,000	-	375,000	525,000
Restricted cash	41,606	65,533	161,157	268,296
Inventories	2,328	8,045	-	10,373
Total current assets	281,926	260,797	640,122	1,182,845
Noncurrent assets:				
Bond issuance costs, net	-	75,943	-	75,943
Capital assets:				
Non-depreciable	-	9,000	31,588	40,588
Depreciable, net	12,446	2,031,456	1,726,024	3,769,926
Total noncurrent assets	12,446	2,116,399	1,757,612	3,886,457
Total assets	<u>\$ 294,372</u>	<u>\$ 2,377,196</u>	<u>\$ 2,397,734</u>	<u>\$ 5,069,302</u>
<b>LIABILITIES AND NET POSITION</b>				
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	\$ 1,719	\$ 2,784	\$ 1,837	\$ 6,340
Payroll and other accrued liabilities	2,829	16,661	1,450	20,940
Customer deposits	41,606	32,517	-	74,123
Due to other funds	-	725,000	-	725,000
Current portion of long-term liabilities	3,718	46,862	60,229	110,809
Total current liabilities	49,872	823,824	63,516	937,212
Noncurrent liabilities:				
Long-term payables				
Due in more than one year	12,064	1,552,350	390,642	1,955,056
Total liabilities	61,936	2,376,174	454,158	2,892,268
<b>NET POSITION</b>				
Invested in capital assets, net of related debt	12,446	448,732	1,306,741	1,767,919
Restricted for:				
Debt service	-	8,756	71,616	80,372
Capital projects	-	19,964	73,125	93,089
Unrestricted	219,990	(476,430)	492,094	235,654
Total net position	232,436	1,022	1,943,576	2,177,034
Total liabilities and net position	<u>\$ 294,372</u>	<u>\$ 2,377,196</u>	<u>\$ 2,397,734</u>	<u>\$ 5,069,302</u>

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, 2013

	Gas Utility Fund	Waterworks Utility Fund	Sewerage Utility Fund	Total
<b>OPERATING REVENUES</b>				
Charges for services	\$ 309,352	\$ 239,894	\$ 283,222	\$ 832,468
Other	<u>3,042</u>	<u>3,270</u>	<u>2,265</u>	<u>8,577</u>
Total operating revenues	<u>312,394</u>	<u>243,164</u>	<u>285,487</u>	<u>841,045</u>
<b>OPERATING EXPENSES</b>				
Administration	101,717	120,064	105,043	326,824
Field	131,010	193,596	67,522	392,128
Depreciation	5,863	90,047	141,762	237,672
Gas	<u>73,452</u>	<u>-</u>	<u>-</u>	<u>73,452</u>
Total operating expenses	<u>312,042</u>	<u>403,707</u>	<u>314,327</u>	<u>1,030,076</u>
Operating income (loss)	<u>352</u>	<u>(160,543)</u>	<u>(28,840)</u>	<u>(189,031)</u>
<b>NONOPERATING</b>				
Interest income	495	576	420	1,491
Interest expense	<u>-</u>	<u>(88,279)</u>	<u>(23,372)</u>	<u>(111,651)</u>
Total nonoperating, net	<u>495</u>	<u>(87,703)</u>	<u>(22,952)</u>	<u>(110,160)</u>
Income (loss) before contributions and transfers	847	(248,246)	(51,792)	(299,191)
Transfers in	-	202,000	-	202,000
Transfers out	<u>(35,000)</u>	<u>-</u>	<u>(15,000)</u>	<u>(50,000)</u>
Net loss	<u>(34,153)</u>	<u>(46,246)</u>	<u>(66,792)</u>	<u>(147,191)</u>
<b>NET POSITION</b>				
Beginning of year	<u>266,589</u>	<u>47,268</u>	<u>2,010,368</u>	<u>2,324,225</u>
Ending of year	<u>\$ 232,436</u>	<u>\$ 1,022</u>	<u>\$ 1,943,576</u>	<u>\$ 2,177,034</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, 2013

	<b>Gas Utility Fund</b>	<b>Waterworks Utility Fund</b>	<b>Sewerage Utility Fund</b>	<b>Totals</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers and users	\$ 307,921	\$ 237,502	\$ 284,732	\$ 830,155
Payments to suppliers for goods and services	(179,709)	(155,750)	(131,451)	(466,910)
Payments to employees for services and benefits	(125,093)	(158,183)	(42,974)	(326,250)
Other operating revenues	<u>3,042</u>	<u>3,270</u>	<u>2,265</u>	<u>8,577</u>
Net cash provided (used) by operating activities	<u>6,161</u>	<u>(73,161)</u>	<u>112,572</u>	<u>45,572</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Loans from other funds	-	70,000	-	70,000
Net transfers	<u>(35,000)</u>	<u>202,000</u>	<u>(15,000)</u>	<u>152,000</u>
Net cash provided (used) by noncapital financing activities	<u>(35,000)</u>	<u>272,000</u>	<u>(15,000)</u>	<u>222,000</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Acquisition and construction of capital assets	(3,361)	(11,436)	(7,664)	(22,461)
Interest expense	-	(88,279)	(23,372)	(111,651)
Repayment of water revenue bonds	-	(44,513)	-	(44,513)
Repayment of sewer revenue bonds	<u>-</u>	<u>-</u>	<u>(57,306)</u>	<u>(57,306)</u>
Net cash used by capital activities	<u>(3,361)</u>	<u>(144,228)</u>	<u>(88,342)</u>	<u>(235,931)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Change in investment	31,794	45,969	13,659	91,422
Interest income	<u>495</u>	<u>576</u>	<u>420</u>	<u>1,491</u>
Net cash provided by investing activities	<u>32,289</u>	<u>46,545</u>	<u>14,079</u>	<u>92,913</u>
Increase in cash	89	101,156	23,309	124,554
<b>CASH AND CASH EQUIVALENTS, including restricted cash</b>				
Beginning of period	<u>51,043</u>	<u>65,366</u>	<u>176,436</u>	<u>292,845</u>
End of period	<u>\$ 51,132</u>	<u>\$ 166,522</u>	<u>\$ 199,745</u>	<u>\$ 417,399</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, 2013

	<b>Gas Utility Fund</b>	<b>Waterworks Utility Fund</b>	<b>Sewerage Utility Fund</b>	<b>Totals</b>
<b>RECONCILIATION OF CASH</b>				
Cash and cash equivalents	\$ 9,526	\$ 100,989	\$ 38,588	\$ 149,103
Restricted cash	41,606	65,533	161,157	268,296
 Total cash	 \$ 51,132	 \$ 166,522	 \$ 199,745	 \$ 417,399
 <b>RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</b>				
Operating loss	\$ 352	\$ (160,543)	\$ (28,840)	\$ (189,031)
Adjustments of operating loss:				
Depreciation	5,863	90,047	141,762	237,672
Change in operating assets and liabilities:				
Accounts receivable	(1,571)	(3,170)	1,510	(3,231)
Prepaid assets	1,979	1,907	1,990	5,876
Customer deposits	140	778	-	918
Inventory	279	364	-	643
Accounts payable and accrued expenses	(881)	(2,544)	(3,850)	(7,275)
 Net cash provided (used) by operating activities	 \$ 6,161	 \$ (73,161)	 \$ 112,572	 \$ 45,572

# Notes to the Financial Statements





## TOWN OF WHITE CASTLE, LOUISIANA

### NOTES TO FINANCIAL STATEMENTS

September 30, 2013

#### 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). Proprietary funds and government-wide statements apply Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989 unless those pronouncements conflict with or contradict GASB pronouncements, in which case GASB prevails. The more significant accounting policies established in GAAP and used by the Town are described below.

In June 1999 the GASB unanimously approved Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*. Certain of the significant changes in the Statement include the following:

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

In 2013, the City adopted GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Items Previously Reported as Assets and Liabilities*.

GASB Statement No. 63 introduced and defined deferred outflows of resources and deferred inflows of resources as consumption and an acquisition, respectively, of net position by the government that is applicable to a future reporting period. It also identifies net position, rather than net assets, as the residual of all elements presented in the statement of net position.

**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 (individual major funds and combined nonmajor funds). 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. Private-sector standards of accounting and financial reporting issued on or before November 30, 1989 generally are followed in both the government-wide financial statements and the proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the GASB.

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

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

Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to the same limitation. The Town has elected not to follow subsequent private-sector guidance.

### ***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. 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. Nonmajor funds (by category) or fund type are summarized into a single column.

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

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

**Basis of Presentation (continued)**

***Fund Financial Statements (continued)***

- 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 and account groups of the primary government presented in the financial statements are described below.

***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.

***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.

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

**Basis of Presentation (continued)**

*Proprietary Fund Types*

*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.

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.

**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.

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.

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

**Basis of Accounting and Measurement Focus (continued)**

*Fund financial statements (continued)*

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 City 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 as of September 30, 2013 were \$2,853, \$3,914 and \$3,066, respectively.

**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 Notes 9 and 10 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 balance sheet of the enterprise funds 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:

	<u>Debt Service</u>	<u>Gas</u>	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
Customer deposits	\$ -	\$ 41,606	\$ 32,517	\$ -	\$ 74,123
Restricted for debt service	282,523	-	10,076	79,728	372,327
Restricted for capital projects	-	-	22,940	81,429	104,369
Total restricted cash	<u>\$ 282,523</u>	<u>\$ 41,606</u>	<u>\$ 65,533</u>	<u>\$ 161,157</u>	<u>\$ 550,819</u>

**Inventories**

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.

**Prepays**

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. Bond issuance costs are reported as deferred charges and amortized over the term of the bond. 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:

- Invested in capital assets, net of related debt—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.

### **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, the Town Code, 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 or resolution. This includes the budget reserves.
- 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 Resources**

When an expense 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.

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

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

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

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

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

### **Estimates**

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

**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, 2013, the Town had no unsecured deposits.

Deposit balances (bank balances) at September 30, 2013, were secured as follows:

	<u>Bank Balances</u>
Federal deposit insurance	\$ 520,367
Investments not subject to categorization:	
Invested in U.S. Securities	473,165
Louisiana Asset Management Pool (LAMP)	1,124,293
Bank balances	\$ 2,117,825

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, 2013, consists of the following:

Parish of Iberville, Louisiana – Sales Tax	\$ 289,820
Other	<u>692</u>
Total	<u>\$ 290,512</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, 2013, taxes of 7.00 mills for the general fund were levied on property with assessed valuations totaling \$4,581,510. Total taxes assessed of \$32,071 were levied on November 10, 2012, and were due and payable prior to December 31, 2012.

**NOTE 5 - CAPITAL ASSETS**

A summary of changes in capital assets for the primary government for the year ended September 30, 2013 is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental activities:</b>				
<b>Capital assets not being depreciated:</b>				
Land	\$ 272,333	\$ -	\$ -	\$ 272,333
Construction in progress	40,911	52,223	-	93,134
Total capital assets not being depreciated	<u>313,244</u>	<u>52,223</u>	<u>-</u>	<u>365,467</u>
<b>Capital assets being depreciated:</b>				
Building and improvements	2,279,610	-	-	2,279,610
Equipment and vehicles	1,981,047	7,025	-	1,988,072
Improvements other than buildings	626,453	2,165	-	628,618
Infrastructure	6,182,678	-	-	6,182,678
Total capital assets being depreciated	<u>11,069,788</u>	<u>9,190</u>	<u>-</u>	<u>11,078,978</u>
Less accumulated depreciation for:				
Building and improvements	1,087,382	80,422	-	1,167,804
Equipment and vehicles	1,499,958	141,682	-	1,641,640
Improvements other than buildings	344,114	32,214	-	376,328
Infrastructure	4,927,343	179,876	-	5,107,219
Total accumulated depreciation	<u>7,858,797</u>	<u>434,194</u>	<u>-</u>	<u>8,292,991</u>
Total capital assets being depreciated net of accumulated depreciation	<u>3,210,991</u>	<u>(425,004)</u>	<u>-</u>	<u>2,785,987</u>
Governmental activities capital assets, net	<u>\$ 3,524,235</u>	<u>\$ (372,781)</u>	<u>\$ -</u>	<u>\$ 3,151,454</u>

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

<b>Governmental activities:</b>	
Streets and sanitation	\$ 190,877
Public safety	115,759
General government	84,945
Recreation	<u>42,613</u>
Total depreciation expense - governmental activities	<u>\$ 434,194</u>

(Continued)

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

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Business-type activities:</b>				
<b>Capital assets not being depreciated:</b>				
Land	\$ 40,588	\$ -	\$ -	\$ 40,588
<b>Capital assets being depreciated:</b>				
Distribution systems	7,439,203	-	-	7,439,203
Machinery, equipment, and vehicles	513,884	22,461	-	536,345
Meters	99,334	-	-	99,334
Total capital assets being depreciated	<u>8,052,421</u>	<u>22,461</u>	<u>-</u>	<u>8,074,882</u>
Less accumulated depreciation for:				
Distribution systems	3,577,011	192,345	-	3,769,356
Machinery, equipment and vehicles	390,943	45,327	-	436,270
Meters	99,330	-	-	99,330
Total accumulated depreciation	<u>4,067,284</u>	<u>237,672</u>	<u>-</u>	<u>4,304,956</u>
Total capital assets being depreciated net of accumulated depreciation	<u>3,985,137</u>	<u>(215,211)</u>	<u>-</u>	<u>3,769,926</u>
Business-type activities capital assets, net	<u>\$ 4,025,725</u>	<u>\$ (215,211)</u>	<u>\$ -</u>	<u>\$ 3,810,514</u>

**NOTE 6 - LONG-TERM DEBT**

**Debt Outstanding**

The following is a summary of long-term debt transactions of the Town for the year ended September 30, 2013:

	Balance Beginning of Year	Additions	Deletions	Balance End of Year	Due Within One Year
<b>Governmental activities:</b>					
Public improvement bond	\$ 1,462,500	\$ -	\$ 40,000	\$ 1,422,500	\$ 40,000
Accrued sick leave	19,719	20,198	23,739	16,178	16,178
	<u>\$ 1,482,219</u>	<u>\$ 20,198</u>	<u>\$ 63,739</u>	<u>\$ 1,438,678</u>	<u>\$ 56,178</u>
<b>Business-type activities:</b>					
Public improvement bond	\$ 1,462,500	\$ -	\$ 40,000	\$ 1,422,500	\$ 40,000
Revenue bonds	682,202	-	62,107	620,095	65,259
Accrued sick leave	22,005	6,812	5,547	23,270	5,550
	<u>\$ 2,166,707</u>	<u>\$ 6,812</u>	<u>\$ 107,654</u>	<u>\$ 2,065,865</u>	<u>\$ 110,809</u>

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

Long-term debt for the primary government for governmental activities at September 30, 2013, 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. \$ 1,422,500

*Accrued sick leave* 16,178

Total long-term debt from governmental activities \$ 1,438,678

Long-term debt for the primary government for business-type activities at September 30, 2013, is comprised of the following:

*Public Improvement Bond*

\$3,200,000 Public Improvement sales tax refunding bond. See above. \$ 1,422,500

*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%. 369,876

\$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%. 80,995

\$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%. 169,224

*Accrued sick leave* 23,270

Total long-term debt from business-type activities \$ 2,065,865

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

**Debt Service Requirements to Maturity**

The annual requirements to amortize debt outstanding at September 30, 2013, are as follows:

Year	Governmental Activities		Business-Type Activities				Total	
	Public Improvement Bond		Sewer Revenue Bonds		Water Revenue and Public Improvement Bonds		Business-type Long-term Debt	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2014	\$ 40,000	\$ 79,136	\$ 60,229	\$ 20,750	\$ 45,030	\$ 87,078	\$ 105,259	\$ 107,828
2015	42,500	77,336	63,302	17,678	47,775	85,033	111,077	102,711
2016	45,000	75,424	66,531	14,449	50,531	82,865	117,062	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
2019-2023	295,000	305,875	57,622	15,002	330,131	335,604	387,753	350,606
2024-2028	390,000	211,450	14,771	11,925	434,528	231,782	449,299	243,707
2029-2033	512,500	89,555	18,490	8,205	568,752	98,163	587,242	106,368
2034-2038	-	-	23,146	3,550	5,597	889	28,743	4,439
2039-2041	-	-	3,363	539	-	-	3,363	539
	<u>\$ 1,422,500</u>	<u>\$ 982,061</u>	<u>\$ 450,871</u>	<u>\$ 110,640</u>	<u>\$ 1,591,724</u>	<u>\$ 1,078,763</u>	<u>\$ 2,042,595</u>	<u>\$ 1,189,403</u>

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

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

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

**Bond Restrictions (continued)**

*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 \$242,811 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.
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 \$79,728.
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 \$81,429.

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

(Continued)

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

**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 \$10,076.
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 \$22,940.

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, 2013:

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, transfers from the Sales Tax Fund will be used to retire the Public Improvement Bond – Series 2008. See Note 6.

**NOTE 8 - PENSION AND RETIREMENT PLANS**

**Municipal Employees' Retirement System of Louisiana**

*Plan Description* – Substantially all employees of the Town are members of the Municipal Employees' Retirement System of Louisiana (System), a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees. The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All employees of the Town are members of Plan B.

All permanent employees working at least 35 hours per week who are paid wholly or in part from Town funds are eligible to participate in the System. Under Plan B, employees who retire at or after age 60 with at least 10 years of creditable service or at or after age 55 with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 2% of their final-average salary multiplied for each year of creditable service. Furthermore, employees with at least one year of creditable service but less than 30 years, may take early retirement benefits commencing at or after age 60, with basic benefits reduced 3% for each year retirement precedes age 62. In any case, retirement benefits paid under Plan B cannot exceed \$70 per month multiplied by total years of creditable service. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above and do not withdraw their employee contributions may retire at the ages specified above and receive the benefit accrued to their date of termination.

The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual financial report available to the public that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Municipal Employees' Retirement System, 7937 Office Park Boulevard, Baton Rouge, Louisiana 70809, or by calling (225) 925-4810.

*Funding Policy.* Under Plan B, members are required by state statute to contribute 5.0% of their annual covered salary and the Town is required to contribute at an actuarially determined rate. The actuarially determined rate was 8.75% of annual covered payroll during the year ended September 30, 2013. Contributions to the System also include one-fourth of one percent of the ad valorem taxes shown to be collectible by the tax rolls of each parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the Town are established and may be amended by state statute. As provided by La. R.S. 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.

The Town's contributions to the system under Plan B for the years ended September 30, 2013, 2012, and 2011, were \$43,513, \$34,199, and \$35,971, respectively, and were equal to the statutorily required contributions for each year.

**NOTE 8 - PENSION AND RETIREMENT PLANS (CONTINUED)**

**Municipal Police Employees' Retirement System**

*Plan Description* – Police department employees of the Town are members of the Municipal Police Employees' Retirement System (System), a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees.

All permanent full-time police officers who are paid wholly or in part from Town police department funds are required to participate in the System.

Under the plan, officers who retire at or after age 55 with at least 12 years of creditable service, or at or after age 50 with at least 20 years of creditable service, or at any age with at least 25 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3.33% of their final-average salary multiplied for each year of creditable service, not to exceed 100% of their final salary. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual financial report available to the public that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Municipal Police Employees' Retirement System, 7722 Office Park Boulevard, Suite 200, Baton Rouge, Louisiana 70809-7601, or by calling (225) 929-7411.

*Funding Policy.* Under the plan, members are required by state statute to contribute 10.0% of their annual covered salary and the Town is required to contribute at an actuarially determined rate. The actuarially determined rate is 31% of annual covered payroll during the year ended September 30, 2013. The contribution requirements of plan members and the Town are established and may be amended by state statute. As established by state statute, 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.

The Town's contributions to the System under the plan for the years ended September 30, 2013, 2012, and 2011, were \$7,205, \$6,904, and \$6,682, respectively, and were equal to the statutorily required contributions for each year.

(Continued)

**NOTE 9 - INTERFUND TRANSFERS**

**Operating Transfers**

Operating transfers for the year ended September 30, 2013, were as follows:

	Transfers	
	In	Out
<b>Governmental activities:</b>		
General Fund:		
2008 Sales Tax Sinking Fund:	\$ -	\$ 125,000
Water Utility Fund	-	152,000
2008 Sales Tax Sinking Fund:		
General Fund	125,000	-
Total governmental activities	125,000	277,000
<b>Business-type activities:</b>		
Water Utility Fund:		
General Fund	152,000	-
Sewerage Utility Fund	50,000	-
Gas Utility Fund:		
Water Fund	-	35,000
Sewerage Utility Fund:		
Water Fund	-	15,000
Total business-type activities	202,000	50,000
	\$ 327,000	\$ 327,000

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

Interfund balances at September 30, 2013, were as follows:

	Interfund	
	Receivable	Payable
<b>Governmental Activities</b>		
General Fund:		
Water Utility Fund	\$ 200,000	\$ -
Section 8 Fund	500	-
Total General Fund	200,500	-
Section 8 Fund		
General Fund	-	500
2008 Reserve Fund		
2008 Sinking Fund	66,000	-
2008 Sinking Fund		
2008 Reserve Fund	-	66,000
Total governmental funds	266,500	66,500

**NOTE 10 - INTERFUND RECEIVABLE AND PAYABLE BALANCES (CONTINUED)**

	Interfund	
	Receivable	Payable
<b>Business-type Activities:</b>		
Gas Utility Fund:		
Water Utility Fund	\$ 150,000	\$ -
Water Utility Fund:		
General Fund	-	200,000
Sewer Utility Fund		375,000
Gas Utility Fund:		150,000
Sewer Utility Fund:		
Water Utility Fund	375,000	-
Total business-type activities	525,000	725,000
Total primary government	\$ 791,500	\$ 791,500

**NOTE 11 - COMPENSATION TO GOVERNING BODY**

The Town compensated its Mayor and members of the Town Council as follows:

Mayor	
Gerald Williams	\$ 41,746
Board of Aldermen	
Barbara O’Bear	9,600
Jonathan Greene	9,600
Garnell Young	9,600
Dionne Lewis	9,600
John Barlow	9,600
	\$ 89,746

The Town’s elected officials’ terms expire on December 31, 2014.

**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 and no accrual has been recorded in the financial statements. The Town is vigorously defending these matters.

(Continued)

**NOTE 12 - COMMITMENTS AND CONTINGENCIES (CONTINUED)**

**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.

**NOTE 13 - 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, the date the financial statements were available to be issued.

# Required Supplementary Information





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

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

For the year ended September 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>				
Taxes				
Sales	\$ 1,410,000	\$ 1,825,000	\$ 1,837,007	\$ 12,007
Ad valorem	35,000	35,000	32,838	(2,162)
Public utility franchise	26,000	26,000	23,790	(2,210)
Cable T.V. franchise	13,500	13,500	15,154	1,654
Beer	3,000	3,000	2,902	(98)
Licenses and permits	87,500	87,500	77,028	(10,472)
Intergovernmental				
Grants	1,300,000	6,500	8,071	1,571
Video poker	15,600	15,600	9,428	(6,172)
FEMA reimbursements	-	11,093	11,093	-
Local housing authority	23,000	73,000	72,393	(607)
Fines	40,000	30,000	30,954	954
Other				
Lease and royalty	25,000	9,000	8,725	(275)
Interest	31,000	3,600	4,189	589
Donation for recreation	5,000	-	-	-
Miscellaneous	15,000	11,200	7,907	(3,293)
Total revenues	<u>3,029,600</u>	<u>2,149,993</u>	<u>2,141,479</u>	<u>(8,514)</u>
<b>EXPENDITURES</b>				
Current function:				
General government	446,817	488,217	469,986	18,231
Public safety	485,500	506,000	539,079	(33,079)
Streets and sanitation	301,280	326,580	302,042	24,538
Recreation	20,000	19,750	26,401	(6,651)
Capital outlay	1,330,000	-	61,413	(61,413)
Total expenditures	<u>2,583,597</u>	<u>1,340,547</u>	<u>1,398,921</u>	<u>(58,374)</u>
Excess of revenues over expenditures	<u>446,003</u>	<u>809,446</u>	<u>742,558</u>	<u>(66,888)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	36,000	-	-	-
Transfers out	<u>(250,000)</u>	<u>(270,000)</u>	<u>(277,000)</u>	<u>(7,000)</u>
Total other financing sources (uses)	<u>(214,000)</u>	<u>(270,000)</u>	<u>(277,000)</u>	<u>(7,000)</u>
Net change in fund balance	<u>\$ 232,003</u>	<u>\$ 539,446</u>	465,558	<u>\$ (73,888)</u>
<b>FUND BALANCE</b>				
Beginning of year			<u>1,003,997</u>	
End of year			<u>\$ 1,469,555</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, 2013

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget</b>
<b>REVENUES</b>				
Intergovernmental				
HUD receipts	\$ 51,900	\$ 51,900	\$ 50,477	\$ (1,423)
Other				
Interest	<u>100</u>	<u>100</u>	<u>18</u>	<u>(82)</u>
Total revenues	<u>52,000</u>	<u>52,000</u>	<u>50,495</u>	<u>(1,505)</u>
<b>EXPENDITURES</b>				
Public health				
Rent and utility assistance	45,000	45,000	44,616	384
Administrative	<u>7,000</u>	<u>7,000</u>	<u>5,879</u>	<u>1,121</u>
Total expenditures	<u>52,000</u>	<u>52,000</u>	<u>50,495</u>	<u>1,505</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
<b>FUND BALANCE</b>				
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, 2013

**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.



# Individual Fund Statements





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

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

For the year ended September 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>GENERAL GOVERNMENT</b>				
Salaries	\$ 147,267	\$ 147,267	\$ 146,065	\$ 1,202
Payroll taxes	16,000	16,000	9,876	6,124
Municipal retirement	7,500	8,500	8,195	305
Employees' insurance	35,000	40,700	40,944	(244)
Insurance	68,000	79,000	66,968	12,032
Legal fees	25,000	22,200	27,552	(5,352)
Professional services	22,500	22,500	17,306	5,194
Maintenance - building	5,000	12,000	13,019	(1,019)
Publishing	11,500	13,500	14,909	(1,409)
Office supplies	2,000	2,000	1,882	118
Dues and subscriptions	5,500	7,000	7,355	(355)
Coroner	4,000	5,000	4,875	125
Utilities and telephone	15,700	16,400	16,663	(263)
Travel	26,500	20,200	21,157	(957)
Printing	27,200	26,700	29,992	(3,292)
Bank fees	400	1,400	1,319	81
Postage	6,000	6,000	5,865	135
Council on Aging	2,000	5,000	-	5,000
Computer services	3,000	4,500	5,187	(687)
Commissioners	1,500	1,500	1,500	-
Drug testing	250	250	80	170
Maintenance contracts	12,000	14,500	19,119	(4,619)
Maintenance - equipment and vehicle	-	4,000	4,129	(129)
Other	<u>3,000</u>	<u>12,100</u>	<u>6,029</u>	<u>6,071</u>
Total general government	<u>446,817</u>	<u>488,217</u>	<u>469,986</u>	<u>18,231</u>

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

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

For the year ended September 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>PUBLIC SAFETY</b>				
<b>Police</b>				
Salaries	\$ 319,000	\$ 331,000	\$ 341,239	\$ (10,239)
Payroll taxes	22,000	26,000	26,513	(513)
Municipal retirement	6,000	6,000	7,205	(1,205)
Employees' insurance	65,000	65,000	75,971	(10,971)
Maintenance - vehicle	4,000	5,000	6,366	(1,366)
Field supplies	2,000	500	198	302
Clothing	3,000	500	2,668	(2,168)
Computer services	2,200	3,400	3,277	123
Printing	1,000	500	1,013	(513)
Drug testing	500	200	150	50
Maintenance - building	1,000	2,000	5,544	(3,544)
Vehicle fuel	16,500	20,000	20,589	(589)
Dues and subscriptions	900	900	645	255
Travel	4,000	3,000	5,370	(2,370)
Telephone	5,500	4,000	4,419	(419)
Maintenance contracts	1,000	2,000	2,131	(131)
Court fees	<u>2,000</u>	<u>3,000</u>	<u>2,593</u>	<u>407</u>
 Total police	 <u>455,600</u>	 <u>473,000</u>	 <u>505,891</u>	 <u>(32,891)</u>
 <b>Volunteer fire</b>				
Salary supplement	11,600	11,600	8,722	2,878
Maintenance - building	5,900	12,500	12,441	59
Maintenance - vehicle	6,500	7,900	10,766	(2,866)
Telephone	1,400	-	-	-
Vehicle fuel	1,500	1,000	1,259	(259)
Vehicle insurance	<u>3,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
 Total volunteer fire	 <u>29,900</u>	 <u>33,000</u>	 <u>33,188</u>	 <u>(188)</u>
 Total public safety	 <u>485,500</u>	 <u>506,000</u>	 <u>539,079</u>	 <u>(33,079)</u>

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

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

For the year ended September 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>STREETS AND SANITATION</b>				
Salaries	\$ 155,580	\$ 156,080	\$ 124,665	\$ 31,415
Employees' insurance	38,000	39,000	44,576	(5,576)
Payroll taxes	15,000	15,000	12,700	2,300
Municipal retirement	11,500	11,500	13,066	(1,566)
Maintenance - street	7,500	19,500	16,164	3,336
Maintenance - vehicle	1,500	5,000	3,874	1,126
Maintenance - equipment	500	-	2,179	(2,179)
Equipment rental	1,000	9,000	8,410	590
Utilities	59,000	63,500	67,806	(4,306)
Vehicle fuel	8,000	7,800	8,522	(722)
Drug testing	200	200	80	120
Other	<u>3,500</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total streets and sanitation	<u>301,280</u>	<u>326,580</u>	<u>302,042</u>	<u>24,538</u>
<b>RECREATION</b>				
Maintenance	3,000	4,750	7,393	(2,643)
Youth recreation	2,000	-	-	-
Utilities	<u>15,000</u>	<u>15,000</u>	<u>19,008</u>	<u>(4,008)</u>
Total recreation	<u>20,000</u>	<u>19,750</u>	<u>26,401</u>	<u>(6,651)</u>
<b>CAPITAL OUTLAY</b>	<u>1,330,000</u>	<u>-</u>	<u>61,413</u>	<u>(61,413)</u>
Total expenditures	<u>\$ 2,583,597</u>	<u>\$ 1,340,547</u>	<u>\$ 1,398,921</u>	<u>\$ (58,374)</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, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>				
Other				
Interest	\$ 7,500	\$ -	\$ -	\$ -
<b>OTHER FINANCING USES</b>				
Transfers out	<u>7,500</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
<b>FUND BALANCE</b>				
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, 2013

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget</b>
<b>EXPENDITURES</b>				
Debt service	\$ 121,000	\$ 121,000	\$ 120,936	\$ 64
<b>OTHER FINANCING USES</b>				
Transfers in	<u>132,500</u>	<u>125,000</u>	<u>125,000</u>	<u>-</u>
Net change in fund balance	<u>\$ 11,500</u>	<u>\$ 4,000</u>	4,064	<u>\$ 64</u>
<b>FUND BALANCE</b>				
Beginning of year			<u>21,479</u>	
End of year			<u>\$ 25,543</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, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>				
Other				
Interest	\$ -	\$ -	\$ 352	\$ 352
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	352	<u>\$ 352</u>
<b>FUND BALANCE</b>				
Beginning of year			<u>285,137</u>	
End of year			<u>\$ 285,489</u>	

# Statistical Section





# TOWN OF WHITE CASTLE, LOUISIANA

## STATISTICAL SECTION

September 30, 2013

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

INDEX	<u>Exhibit</u>	<u>Page</u>
<b><u>Financial Trends Information</u></b> - <i>These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.</i>		
Net Position By Component, Last Ten Fiscal Years	D-1	60
Changes in Net Position, Last Ten Fiscal Years	D-2	62
Governmental Activities Tax Revenues By Source, Last Ten Fiscal Years	D-3	64
Fund Balance of Governmental Funds, Last Ten Fiscal Years	D-4	65
Changes in Fund Balances of Governmental Funds, Last Ten Fiscal Years	D-5	66
Tax Revenues By Source, Governmental Funds, Last Nine Fiscal Years	D-6	68
<b><u>Revenue Capacity Information</u></b> - <i>These schedules contain information to help the reader assess the government's most significant local revenue source, sales tax collections. Property tax collections are not significant to the Town. However, certain schedules considered useful relating to property taxes are included.</i>		
Property Tax Rates and Tax Levies, Direct and Overlapping Governments, Last Ten Years	D-7	69
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Taxable Sales by Standard Industrial Classification (SIC) Code, Last Three Years	D-9	71
<b><u>Debt Capacity Information</u></b> - <i>These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.</i>		
Ratios of Outstanding Debt by Type, Last Ten Fiscal Years	D-10	72
Direct and Overlapping Governmental Activities Debt	D-11	73
Legal Debt Margin Calculation, Last Ten Fiscal Years	D-12	74
Pledged Revenue Coverage, Last Ten Fiscal Years	D-13	75
<b><u>Demographic and Economic Information</u></b> - <i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.</i>		
Demographic and Economic Statistics, Last Ten Fiscal Years	D-14	76
Principal Employers, Current Year and Nine Years Ago	D-15	77
<b><u>Operating Information</u></b> - <i>These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.</i>		
Full-Time Equivalent City Employees by Fund/Department, Last Ten Fiscal Years	D-16	78
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Capital Asset Statistics by Function/Program, Last Ten Fiscal Years	D-18	80

**TOWN OF WHITE CASTLE, LOUISIANA**

**NET POSITION BY COMPONENT  
LAST TEN FISCAL YEARS**

(accrual basis of accounting)  
(in thousands)

	FISCAL YEAR			
	2013	2012	2011	2010
Governmental activities				
Invested in capital assets, net of related debt	\$ 1,729	\$ 2,062	\$ 2,428	\$ 2,464
Restricted	569	545	542	1,146
Unrestricted	<u>1,496</u>	<u>1,046</u>	<u>864</u>	<u>640</u>
Total governmental activities net position	<u>3,794</u>	<u>3,653</u>	<u>3,834</u>	<u>4,250</u>
Business-type activities				
Invested in capital assets, net of related debt	1,768	1,881	2,025	1,433
Restricted	173	173	173	163
Unrestricted	<u>236</u>	<u>270</u>	<u>402</u>	<u>859</u>
Total business-type activities net position	<u>2,177</u>	<u>2,324</u>	<u>2,600</u>	<u>2,455</u>
Primary government				
Invested in capital assets, net of related debt	3,497	3,943	4,453	3,897
Restricted	742	718	715	1,309
Unrestricted	<u>1,732</u>	<u>1,316</u>	<u>1,266</u>	<u>1,499</u>
Total primary government net position	<u>\$ 5,971</u>	<u>\$ 5,977</u>	<u>\$ 6,434</u>	<u>\$ 6,705</u>

**NET POSITION BY COMPONENT  
LAST TEN FISCAL YEARS**

(accrual basis of accounting)  
(in thousands)

FISCAL YEAR						
2009	2008	2007	2006	2005	2004	
\$ 2,560	\$ 3,156	\$ 3,543	\$ 3,452	\$ 3,505	\$ 3,556	
252	246	-	253	240	240	
<u>1,618</u>	<u>1,275</u>	<u>771</u>	<u>260</u>	<u>109</u>	<u>261</u>	
<u>4,430</u>	<u>4,677</u>	<u>4,314</u>	<u>3,965</u>	<u>3,854</u>	<u>4,057</u>	
1,023	987	1,232	1,221	1,280	1,380	
153	142	132	122	111	101	
<u>1,160</u>	<u>1,097</u>	<u>984</u>	<u>816</u>	<u>584</u>	<u>556</u>	
<u>2,336</u>	<u>2,226</u>	<u>2,348</u>	<u>2,159</u>	<u>1,975</u>	<u>2,037</u>	
3,583	4,143	4,775	4,673	4,785	4,936	
405	388	132	375	351	341	
<u>2,778</u>	<u>2,372</u>	<u>1,755</u>	<u>1,076</u>	<u>693</u>	<u>817</u>	
<u>\$ 6,766</u>	<u>\$ 6,903</u>	<u>\$ 6,662</u>	<u>\$ 6,124</u>	<u>\$ 5,829</u>	<u>\$ 6,094</u>	

## TOWN OF WHITE CASTLE, LOUISIANA

### CHANGES IN NET POSITION LAST TEN FISCAL YEARS

(accrual basis of accounting)  
(in thousands)

	FISCAL YEAR									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
<b>Expenses</b>										
Governmental activities										
General government	\$ 554	\$ 548	\$ 729	\$ 732	\$ 489	\$ 414	\$ 357	\$ 300	\$ 287	\$ 367
Public safety	654	657	635	514	546	532	403	333	387	471
Streets and sanitation	491	494	540	526	499	441	399	461	357	434
Public works	-	-	487	192	424	-	-	-	-	-
Public health	51	60	65	49	48	75	75	89	75	72
Culture and recreation	69	63	65	52	83	65	52	90	28	32
Interest on long-term debt	80	83	84	85	97	16	7	19	116	41
Total governmental activities	<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>	<u>1,250</u>	<u>1,417</u>
Business-type activities										
Gas	312	297	365	333	345	394	360	407	382	338
Waterworks	492	510	504	462	286	262	276	204	182	199
Sewerage	338	358	385	357	281	284	267	276	275	316
Total business-type activities	<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>	<u>839</u>	<u>853</u>
Total primary government expenses	<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>	<u>2,089</u>	<u>2,270</u>
<b>Program Revenues</b>										
Governmental activities										
Charges for services:										
General government	77	88	76	77	77	77	102	70	74	72
Public safety	31	29	36	34	50	50	51	41	50	43
Culture and recreation	-	-	-	-	-	-	-	-	-	-
Operating grants and contributions	134	59	70	55	178	70	65	66	67	59
Capital grants and contributions	1	25	262	4	4	44	36	147	12	20
Total governmental activities program revenues	<u>243</u>	<u>201</u>	<u>444</u>	<u>170</u>	<u>309</u>	<u>241</u>	<u>254</u>	<u>324</u>	<u>203</u>	<u>194</u>
Business-type activities										
Charges for Services										
Gas	309	282	289	447	127	444	522	530	291	359
Waterworks	240	246	240	220	(87)	210	215	225	214	189
Sewerage	283	277	286	308	(14)	285	295	289	296	264
Capital grants and contributions	-	-	501	215	-	-	55	-	-	-
Total business-type activities program revenues	<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>	<u>801</u>	<u>812</u>
Total primary government total revenues	<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>	<u>1,004</u>	<u>1,006</u>

**CHANGE IN NET POSITION  
LAST TEN FISCAL YEARS**

(accrual basis of accounting)  
(in thousands)

	FISCAL YEAR									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Net revenue (expense):										
Governmental activities	\$ (1,655)	\$ (1,704)	\$ (2,161)	\$ (1,980)	\$ (1,877)	\$ (1,302)	\$ (1,039)	\$ (968)	\$ (1,047)	\$ (1,223)
Business-type activities	(309)	(360)	62	38	(886)	(1)	184	157	(38)	(41)
Total primary government net revenue (expense)	<u>(1,964)</u>	<u>(2,064)</u>	<u>(2,099)</u>	<u>(1,942)</u>	<u>(2,763)</u>	<u>(1,303)</u>	<u>(855)</u>	<u>(811)</u>	<u>(1,085)</u>	<u>(1,264)</u>
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities										
Taxes:										
Ad Valorem	33	34	33	20	43	26	31	32	32	31
Sales	1,837	1,494	1,680	1,775	1,566	1,204	1,217	891	676	681
Video Poker	9	12	15	8	10	13	14	16	14	15
Franchise	39	35	39	39	35	43	39	38	30	29
Other	3	3	6	2	8	3	6	4	8	4
Unrestricted grants and contributions	23	15	34	28	35	195	28	25	36	18
Investment earnings	5	1	11	3	22	27	22	19	8	8
Donation	-	-	-	-	-	-	-	-	-	-
Proceeds from insurance	-	3	3	-	-	-	-	-	-	-
Loss on disposal of assets	-	-	-	-	(14)	-	-	-	-	-
Gain on sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers to other funds	(152)	(75)	(75)	(75)	(75)	30	30	-	40	35
Total governmental activities general revenues	<u>1,797</u>	<u>1,522</u>	<u>1,746</u>	<u>1,800</u>	<u>1,630</u>	<u>1,541</u>	<u>1,387</u>	<u>1,025</u>	<u>844</u>	<u>821</u>
Business-type activities										
Unrestricted grants and contributions	9	-	-	-	-	-	-	-	-	-
Investment earnings	-	2	8	6	9	34	36	28	16	8
Special Item-loss	-	7	-	-	-	-	-	-	-	-
Transfers from other funds	152	75	75	75	75	(30)	(30)	-	(40)	(35)
Total business-type activities general revenues	<u>161</u>	<u>84</u>	<u>83</u>	<u>81</u>	<u>84</u>	<u>4</u>	<u>6</u>	<u>28</u>	<u>(24)</u>	<u>(27)</u>
Total primary government general revenues	<u>1,958</u>	<u>1,606</u>	<u>1,829</u>	<u>1,881</u>	<u>1,714</u>	<u>1,545</u>	<u>1,393</u>	<u>1,053</u>	<u>820</u>	<u>794</u>
<b>Change in Net Position</b>										
Governmental activities	142	(182)	(415)	(180)	(247)	239	348	57	(203)	(402)
Business-type activities	(148)	(276)	145	119	(802)	3	190	185	(62)	(68)
Total primary government net revenue (expense)	<u>\$ (6)</u>	<u>\$ (458)</u>	<u>\$ (270)</u>	<u>\$ (61)</u>	<u>\$ (1,049)</u>	<u>\$ 242</u>	<u>\$ 538</u>	<u>\$ 242</u>	<u>\$ (265)</u>	<u>\$ (470)</u>

Information available for ten years.

**TOWN OF WHITE CASTLE, LOUISIANA**  
**PRIMARY GOVERNMENT TAX REVENUES BY SOURCE**  
**LAST TEN FISCAL YEARS**

(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>
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
2005	32	676	30	22	760
2004	31	681	29	19	760

Source: Town of White Castle

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

(modified accrual basis of accounting)  
(in thousands)

Fiscal Year	GENERAL FUND			ALL OTHER GOVERNMENTAL FUNDS		
	Nonspendable	Unrestricted	Total	Committed	Restricted	Total all other Governmental Funds
2013	\$ 31	\$ 1,439	\$ 1,470	\$ -	\$ 549	\$ 549
2012	30	974	1,004	-	545	545
2011	30	787	817	-	542	542

Fiscal Year	GENERAL FUND		ALL OTHER GOVERNMENTAL FUNDS				
	Unreserved	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
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
2005	12	12	239	101	-	-	340
2004	42	42	240	223	-	-	463

\*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

(modified accrual basis of accounting)  
(in thousands)

	FISCAL YEAR			
	2013	2012	2011	2010
<b>REVENUES</b>				
Taxes	\$ 1,912	\$ 1,566	\$ 1,758	\$ 1,849
Intergovernmental	151	96	356	107
Licenses and permits	77	88	76	77
Fines	31	29	36	34
Miscellaneous revenues	21	17	36	27
<b>Total revenues</b>	<u>2,192</u>	<u>1,796</u>	<u>2,262</u>	<u>2,094</u>
<b>EXPENDITURES</b>				
Current				
General government	470	452	666	446
Public safety	539	542	519	496
Streets and sanitation	302	283	326	384
Public works	-	-	487	192
Public health	50	60	66	49
Culture and recreation	27	19	19	20
Debt service				
Principal	40	35	35	34
Interest	81	87	84	92
Capital outlay	61	55	951	705
<b>Total expenditures</b>	<u>1,570</u>	<u>1,533</u>	<u>3,153</u>	<u>2,418</u>
Excess (deficiency) of revenues over expenditures	<u>622</u>	<u>263</u>	<u>(891)</u>	<u>(324)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Long-term lease proceeds	-	-	-	-
Proceeds from insurance	-	2	3	-
Proceeds from issuance of debt	-	-	-	-
Transfers in	125	175	183	1,925
Transfers out	(277)	(250)	(258)	(2,000)
<b>Total other financing sources and uses</b>	<u>(152)</u>	<u>(73)</u>	<u>(72)</u>	<u>(75)</u>
Net change in fund balances	<u>\$ 470</u>	<u>\$ 190</u>	<u>\$ (963)</u>	<u>\$ (399)</u>
Debt service as a percentage of noncapital expenditures	8.0%	8.3%	5.4%	7.4%

FISCAL YEAR

	2009	2008	2007	2006	2005	2004
\$	1,635	\$ 1,301	\$ 1,293	\$ 965	\$ 739	\$ 741
	163	127	120	87	126	97
	77	76	102	63	68	69
	50	50	51	41	49	42
	48	222	46	192	25	31
	<u>1,973</u>	<u>1,776</u>	<u>1,612</u>	<u>1,348</u>	<u>1,007</u>	<u>980</u>
	478	372	331	284	255	336
	534	551	434	322	379	480
	303	347	237	228	203	358
	438	-	-	-	-	-
	48	75	75	89	75	72
	90	36	127	79	7	11
	30	-	190	235	271	152
	90	179	9	3	10	43
	-	-	-	-	-	-
	<u>2,011</u>	<u>1,560</u>	<u>1,403</u>	<u>1,240</u>	<u>1,200</u>	<u>1,452</u>
	<u>(38)</u>	<u>216</u>	<u>209</u>	<u>108</u>	<u>(193)</u>	<u>(472)</u>
	-	-	-	-	-	-
	28	-	-	-	-	-
	-	3,200	-	-	-	130
	1,001	1,200	1,094	793	844	1,057
	<u>(1,076)</u>	<u>(1,170)</u>	<u>(1,064)</u>	<u>(793)</u>	<u>(804)</u>	<u>(1,022)</u>
	<u>(47)</u>	<u>3,230</u>	<u>30</u>	<u>-</u>	<u>40</u>	<u>165</u>
\$	<u>(85)</u>	<u>\$ 3,446</u>	<u>\$ 239</u>	<u>\$ 108</u>	<u>\$ (153)</u>	<u>\$ (307)</u>
	6.0%	11.5%	14.2%	19.2%	23.4%	13.4%

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

(modified accrual basis of accounting)  
(in thousands)

Fiscal Year	Ad Valorem Taxes	Sales Taxes	Franchise Taxes	Other Taxes	Total
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
2005	32	676	30	8	746
2004	31	681	29	4	745

Source: Town of White Castle

**TOWN OF WHITE CASTLE, LOUISIANA**  
**PROPERTY TAX RATES AND TAX LEVIES**  
**DIRECT GOVERNMENTS**  
**LAST TEN CALENDAR YEARS**

Fiscal Year	Town of White Castle		Overlapping Rates					Total Direct and Overlapping Rates
	General Purpose	Total Town Millage	Law Enforcement	School Board	Iberville Parish Government	Assessment District	Levee District	
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
2005	7.00	7.00	22.00	39.27	22.68	2.06	3.74	96.75
2004	7.00	7.00	22.00	39.27	22.68	1.98	3.74	96.67

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

(modified accrual basis of accounting)

Fiscal Year	2% Parish General	1% Parish General	Total
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
2005	675,489	-	675,489
2004	680,738	-	680,738

The following is a summary of sales and use taxes being collected within the Town of White Castle as of September 30, 2013:

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 TEN FISCAL YEARS (1)**

(modified accrual basis of accounting)

Primary Taxpayers by Industry	Parish-wide Taxable Sales					
	FISCAL YEAR					
	2012	2011	2010	2009	2008	2007
Manufacturer of chemicals	\$ 398,210,177	\$ 407,494,930	\$ 555,260,810	\$ 451,722,558	\$ 63,896,513	\$ 383,428,833
Industrial equipment sales	77,657,168	51,834,793	57,494,719	44,812,120	38,473,171	49,692,665
Motor vehicle dealers	30,447,867	56,985,901	47,570,749	49,300,031	43,511,789	55,019,311
Department stores & dry goods	37,594,616	37,965,471	37,657,428	39,397,302	35,155,751	38,075,149
Grocery stores	37,586,350	37,089,615	37,314,861	36,151,634	33,179,640	30,518,673
Lumber, building materials stores	15,943,033	21,085,725	21,878,034	28,460,909	23,271,228	25,975,932
Miscellaneous - others	<u>267,992,845</u>	<u>181,563,931</u>	<u>90,009,390</u>	<u>99,475,828</u>	<u>105,688,605</u>	<u>136,057,691</u>
	<u>\$ 865,432,056</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 Sales tax is collected on a parish-wide basis and shared with participating municipalities on a pro-rata basis based on population.

(1) Data not available for 2013 and 2006-2004

La. R.S. 47:1508. Confidential character of tax records provides that the records and files maintained pursuant to a tax ordinance of any political subdivision are confidential and privileged and no person shall divulge or disclose any information obtained from such records or files except to the administration and enforcement of the tax laws of this state or a political subdivision of this state.

**TOWN OF WHITE CASTLE, LOUISIANA**

**RATIOS OF OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS**

(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			
2013	\$ -	\$ 1,423	\$ -	\$ -	\$ 1,423	\$ 620	\$ 3,466	0.31%	\$ 1,866
2012	-	1,463	-	-	1,463	682	3,608	0.30%	1,916
2011	-	1,500	-	-	1,500	741	3,741	0.32%	1,991
2010	-	1,535	-	-	1,535	798	3,868	0.35%	2,054
2009	-	1,570	-	-	1,570	851	3,991	0.39%	2,207
2008	-	1,600	-	-	1,600	902	4,102	0.40%	2,228
2007	-	-	-	-	-	950	950	0.10%	516
2006	40	150	17	-	-	996	1,203	0.14%	643
2005	74	290	34	44	-	1,040	1,482	0.18%	809
2004	108	420	54	131	-	1,082	1,795	0.24%	973

(1) Bureau of Economic Analysis for Iberville Parish. Information for 2012 and 2011 is unavailable. 2013-2011 personal income amounts are estimates based on year over year increase in prior years

Balances above exclude compensated absences

TOWN OF WHITE CASTLE, LOUISIANA

COMPUTATION OF DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

September 30, 2013  
(in thousands)

Jurisdiction	Debt Outstanding	(2) Estimated Percentage Applicable	Estimated Share of Direct and Overlapping Debt
Town direct debt	\$ 1,423	100%	\$ 1,423
<u>Overlapping -other government agencies (1):</u>			
Iberville Parish School Board (3)	\$ 44,970	1%	\$ 450
Iberville Parish Government (4)	18,875	1%	189
Total other government agencies	\$ 63,845		\$ 639
Total direct and overlapping			\$ 2,062
2013 population estimate			1,857
Per capita			\$ 1.110

(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: 2012 general purpose financial statements of the Iberville Parish School Board

(4) Source: 2012 comprehensive annual financial report of the Iberville Parish Government

**TOWN OF WHITE CASTLE, LOUISIANA**

**LEGAL DEBT MARGIN CALCULATION  
LAST TEN FISCAL YEARS**

<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>
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%
2005	4,535,610	453,561	1,587,464	-	1,587,464	0.00%
2004	4,467,765	446,777	1,563,718	-	1,563,718	0.00%

Source: Town of White Castle Financial Reports

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

# TOWN OF WHITE CASTLE, LOUISIANA

## PLEGDED REVENUE COVERAGE

### LAST TEN FISCAL YEARS

(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	
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
2009	428,113	-	428,113	30,000	90,396	120,396	3.56

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

Year	(2)		Available for Debt Service	(5) Debt Service Requirements			Coverage
	Gross Revenue	(3) Expenses		Principal	Interest	Total	
2013	\$ 370,312	\$ 427,322	\$ (57,010)	\$ 44,798	\$ 89,110	\$ 133,908	(0.43)
2012	373,513	419,890	(46,377)	42,076	90,924	133,000	(0.35)
2011	400,721	330,365	70,356	39,364	92,625	131,989	0.53
2010	347,797	320,202	27,595	39,161	94,316	133,477	0.21
2009	325,940	239,867	86,073	33,969	99,399	133,368	0.65
2008	217,832	226,010	(8,178)	3,785	9,187	12,972	(0.63)
2007	279,005	243,846	35,159	3,610	9,362	12,972	2.71
2006	233,357	171,878	61,479	3,443	9,529	12,972	4.74
2005	218,653	145,761	72,892	3,289	9,683	12,972	5.62
2004	190,611	162,408	28,203	3,131	2,274	5,405	5.22

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

Year	(2)		Available for Debt Service	Debt Service Requirements			Coverage
	Gross Revenue	(3) Expenses		Principal	Interest	Total	
2013	\$ 285,487	\$ 278,838	\$ 6,649	\$ 57,309	\$ 23,674	\$ 80,983	0.08
2012	278,240	331,529	(53,289)	54,524	30,181	84,705	(0.63)
2011	290,611	158,756	131,855	51,878	29,103	80,981	1.63
2010	312,879	224,932	87,947	49,360	31,621	80,981	1.09
2009	271,714	145,012	126,702	46,984	33,997	80,981	1.56
2008	300,959	142,268	158,691	44,686	36,295	80,981	1.96
2007	313,244	132,437	180,807	42,487	38,494	80,981	2.23
2006	304,970	130,442	174,528	40,451	40,530	80,981	2.16
2005	305,247	122,135	183,112	38,509	42,472	80,981	2.26
2004	267,417	131,005	136,412	36,682	44,299	80,981	1.68

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 Total expenses less payments toward debt service and depreciation

4 The Town began retiring this debt in 2009

5 The Town began retiring this debt in 2004

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

Year	(1) Iberville Parish Population	(1) Town of White Castle Population	(2) Personal Income	(2) Per Capita Personal Income	(3) Unemployment Rate
2013	33,228	1,857	1,108,196,000	33,351	9.4
2012	32,505	1,883	1,206,748,000	37,125	10.7
2011	33,387	1,879	1,169,346,000	35,024	10.9
2010	33,387	1,883	1,102,353,000	33,017	10.4
2009	32,505	1,808	1,035,320,000	31,851	9.2
2008	32,899	1,841	1,028,138,000	31,251	6.2
2007	32,915	1,840	940,666,000	28,579	5.2
2006	32,885	1,870	860,764,000	26,175	5.6
2005	32,180	1,831	824,656,000	25,626	8.4
2004	32,332	1,845	741,610,000	22,937	8.4

## 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 2013 - 2011 not available. 2013 - 2011 are estimates 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 NINE YEARS AGO**

2013 (1)		
Employer	Number of Employees	Percent of Total
Cora-Texas Manufacturing Co.	150	33.56%
Iberville Parish School Board - White Castle High School/ Dorseyville Elementary School	115	25.73%
Nottoway Plantation	60	13.42%
Town of White Castle	30	6.71%
White-Castle Fertilizer Co-op	30	6.71%
Bank of Commerce	17	3.80%
Daigle's Supermarket	15	3.36%
Iberville Bank	10	2.24%
Dollar General Store	10	2.24%
Family Dollar	10	2.24%
	<u>447</u>	<u>100.00%</u>

(1) Data is from 2011 and is not available for 2013 and 2012. Data for 2004, or nine years ago, was not available.

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

	<b>Full-time Equivalent Employees Allotted in Annual Budget</b>									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
General Government	8	8	10	10	10	9	9	9	9	9
Police Department	12	14	17	17	17	15	15	14	15	15
Street Maintenance	6	6	6	6	6	5	5	5	5	5
Gas Utility	2	2	3	3	3	3	3	3	2	2
Water Utility	1	1	3	3	3	2	2	2	2	2
Sewer Utility	1	1	1	1	1	1	1	1	1	1
Total employees	<u>30</u>	<u>32</u>	<u>40</u>	<u>40</u>	<u>40</u>	<u>35</u>	<u>35</u>	<u>34</u>	<u>34</u>	<u>34</u>

Source: Town of White Castle

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

	FISCAL YEAR									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
<b>Function:</b>										
Public Safety:										
Police:										
Traffic violations	316	371	364	338	498	497	512	413	495	418
Administration:										
Occupational licenses	322	332	302	337	341	343	335	361	N/A	N/A
Building permits - single family	4	9	-	1	-	1	6	8	9	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	452	488	486	474	500	508	517	530	535	537
Water:										
Number of users	769	763	767	750	773	779	775	775	772	769
Wastewater:										
Number of users	757	749	752	738	760	759	766	766	777	765
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	2	2	2	2	1	1	1	1	1	1

Source: Town of White Castle  
Occupational licence information not available for 2005 and 2004.

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

Major Programs	FISCAL YEAR									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
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	4	4	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	2	2	2	2	2	2
Streets and Sanitation:										
Number of vehicles	5	5	5	5	4	4	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	3	3	3	3	3	3
Number of community centers	1	1	1	1	1	1	1	1	1	1

Source: Town of White Castle

# Special Independent Auditors' Reports





**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, 2013, and the related notes to the financial statements, which collectively comprise the Town of White Castle, Louisiana's basic financial statements and have issued our report thereon dated March 31, 2014.

**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 questioned costs, we identified certain deficiencies in internal control that we consider to be a material weakness.

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 deficiency described in the accompanying schedule of findings and questioned costs to be a material weakness [2013-01].

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

## 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.



Gonzales, Louisiana  
March 31, 2014

TOWN OF WHITE CASTLE, LOUISIANA  
SCHEDULE OF FINDINGS AND RESPONSES  
YEAR ENDED SEPTEMBER 30, 2013

**A. SUMMARY OF AUDITORS' RESULTS**

*Financial Statements*

Type of auditor's report issued: Unmodified

Internal Control over Financial Reporting:

- Material weakness(es) identified?   x   yes        no
- Significant deficiency(ies) identified that are not considered to be material weaknesses?        yes   x   no

Noncompliance material to financial statements noted?        yes   x   no

**B. FINDINGS- FINANCIAL STATEMENT AUDIT**

**MATERIAL WEAKNESS**

**2013-01 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.

*Condition:* 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. 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. There was no evidence of a manager/supervisor's approval for the manually documented time. It was also noted that the Town's assistant clerk, who is responsible for preparing payroll, has inconsistently utilized the payroll time clock and manually documented time for the pay period. Manually documented time for the assistant clerk includes time worked during the normal work week and on weekends. There was no evidence of a manager/supervisor's approval for the manually documented time. Furthermore, we understand that the assistant clerk has missed significant work for health related matters. At the time the matter was reported to management, no physician documentation was on file relative to time missed. Additionally, most of the sick time taken by the assistant clerk during the normal work week was replaced with time worked on weekends.

*Cause:* The Town did not have adequate policies in place to mandate hourly employees to utilize the payroll time clock to document all time worked, authorization of each pay period by a department manager, or record retention of physician documentation for significant time missed due to health related matters.

**TOWN OF WHITE CASTLE, LOUISIANA**  
**SCHEDULE OF FINDINGS AND RESPONSES**  
**YEAR ENDED SEPTEMBER 30, 2013**

**B. FINDINGS- FINANCIAL STATEMENT AUDIT (continued)**

**2013-01 Unauthorized/Unapproved Payroll (continued)**

*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 of White Castle should accept the recommendations received from Faulk & Winkler, LLC included in a letter addressed to Mayor Gerald Williams dated July 3, 2013. The recommendations are as follows:

- 1) All employees, whether salaried or hourly, use the time clock system for documenting time worked to include time of arrival and departure for each work day.
- 2) Department managers should physically sign time cards to verify and approve time worked prior to being provided to the payroll clerk for preparation of cash disbursements to employees.
- 3) The Town should review its personnel policies and prepare revisions to address the matters above. In particular, the process for time accumulation, manager approval and time off should be addressed.
- 4) The Town should address its position relative to performing job duties after hours and weekends. We recommend that a Town manager approve after hour and weekend work for positions working a normal workweek.
- 5) Since these matters relate directly to your existing payroll clerk, we recommend that payroll preparation duties be reassigned to another individual in your finance office or consider outsourcing payroll to a third party.
- 6) These matters should be reviewed with the Town's Police Chief for resolution.
- 7) Finally, use of personal time off should be monitored by the Town Clerk on a monthly basis.

*Management's response:* Management concurs with the finding and plans to implement recommendations noted above. This matter was reviewed by the Mayor and Town Council in July 2013 with a few recommendations implemented. However, the Town will review this matter at the finance committee meeting scheduled in April 2014 to discuss fully implementing the recommendations.

**NON COMPLIANCE WITH STATE LAWS AND REGULATIONS**

None

**TOWN OF WHITE CASTLE, LOUISIANA**  
**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**  
**YEAR ENDED SEPTEMBER 30, 2013**

**A. FINDINGS – FINANCIAL STATEMENT AUDIT**

**REPORTABLE CONDITIONS:**

**2012-01 Louisiana Budget Law**

*Observation:* The Louisiana Revised Statute 39:1311A(1) requires that the budget shall be amended when total expenditures and other sources for the remainder of the year, within a fund, are failing to meet total budgeted expenditures and other sources by five percent or more. The Town of White Castle's General Fund had an unfavorable variance of 8.05% of total actual expenditures to total budgeted expenditures.

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

**2012-02 Louisiana Budget Law**

*Observation:* The Louisiana Revised Statute 39:1225 requires the amount of security shall at all times be equal to one hundred percent of the amount of collected funds on deposit to the credit of each depositing authority except that portion of the deposits insured by any governmental agency insuring bank deposits which is organized under the laws of the United States.

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

## **SPECIAL ACKNOWLEDGEMENTS**

Stacey Adler  
Town Clerk

Monica Major  
Assistant Town Clerk

Sheryl Johnson  
Accounting Clerk

Kay Leblanc  
Accounting Clerk



# Town of White Castle, Louisiana



## Principal Officials

### Mayor

Gerald Jermarr Williams

### Council Members

John Barlow  
Jonathan Greene  
Dionne Lewis  
Barbara O'Bear  
Garnell Young

### Chief Of Police

Mario Brown