

TOWN OF WHITE CASTLE, LOUISIANA

Financial Statements

For the fiscal year ended September 30, 2023



Prepared by

Town of White Castle
Town Clerk's Office

TOWN OF WHITE CASTLE, LOUISIANA

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September 30, 2023

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INDEPENDENT AUDITOR'S REPORT

* A Professional Accounting Corporation

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of White Castle, Louisiana (the Town), as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

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, 2023, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management 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, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going

concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Town's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis as listed in the table of contents and other required supplementary information as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary 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 supplementary information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information, as listed in the table of contents, does not include the basic financial statements and our auditor's report thereon. Our opinion on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statement, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 27, 2024, on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Baton Rouge, Louisiana
March 27, 2024

TOWN OF WHITE CASTLE, LOUISIANA

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our analysis of the Town of White Castle's (the Town) financial performance provides an overview of the Town's financial activities for the fiscal year ended September 30, 2023. Please read it in conjunction with the Town's financial statements, which begin on page 16. The Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes, and currently known facts.

FINANCIAL HIGHLIGHTS

The Town completed the fiscal year in a stable financial position and approaches 2024 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, 2023, are detailed throughout this analysis. Significant highlights are as follows:

- Assets and deferred outflows of resources of the Town exceeded its liabilities and deferred inflows of resources by approximately \$4.9 million at the close of the year. The Town reported a decrease of \$79,000 for unrestricted net position for the year ended September 30, 2023.
- As of September 30, 2023, the Town's governmental funds reported combined fund balances of approximately \$2 million. Additionally, approximately \$1.3 million of this fund balance is unassigned.
- At year end the Town's proprietary funds reported net position of approximately \$1.1 million, of which included a deficit of \$1.2 million in unrestricted net position.

Significant aspects of the Town's financial well-being, as of and for the year ended September 30, 2023, are detailed throughout this analysis

USING THIS ANNUAL REPORT

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

A detailed budgetary comparison for the General Fund is provided and can be found on Exhibit C-2. Additionally, information regarding the mayor's compensation, Act 87 justice system funding information, utility systems customer information, along with information regarding the Town's insurance in force, can be found on Exhibits C-3, C-4, C-5 and C-6, respectively.

Government-Wide Financial Analysis

As mentioned earlier, changes in net position may serve over time as a useful indicator of a government's financial position. In the case of the Town, assets and deferred outflows exceeded liabilities and deferred inflows by approximately \$4.9 million at the close of the fiscal year, a decrease of approximately \$338,000 from the prior year.

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

Net Position September 30, 2023 and 2022 (in thousands)						
	Governmental		Business-type		Total	
	2023	2022	2023	2022	2023	2022
Current and other assets	\$ 2,200	\$ 1,761	\$ (856)	\$ (251)	\$ 1,344	\$ 1,510
Capital assets	<u>4,517</u>	<u>4,754</u>	<u>2,315</u>	<u>2,495</u>	<u>6,832</u>	<u>7,249</u>
Total assets	<u>6,717</u>	<u>6,515</u>	<u>1,459</u>	<u>2,244</u>	<u>8,176</u>	<u>8,759</u>
Deferred outflows of resources	<u>642</u>	<u>406</u>	<u>38</u>	<u>55</u>	<u>680</u>	<u>461</u>
Total assets and deferred outflows of resources	<u>\$ 7,359</u>	<u>\$ 6,921</u>	<u>\$ 1,497</u>	<u>\$ 2,299</u>	<u>\$ 8,856</u>	<u>\$ 9,220</u>
Current and other liabilities	\$ 384	\$ 169	\$ 153	\$ 268	\$ 537	\$ 437
Noncurrent liabilities	<u>3,056</u>	<u>3,056</u>	<u>274</u>	<u>367</u>	<u>3,330</u>	<u>3,423</u>
Total liabilities	<u>3,440</u>	<u>3,225</u>	<u>427</u>	<u>635</u>	<u>3,867</u>	<u>3,860</u>
Deferred inflows of resources	<u>47</u>	<u>74</u>	<u>7</u>	<u>13</u>	<u>54</u>	<u>87</u>
Net position:						
Net investment in						
capital assets	2,514	2,578	2,229	2,358	4,743	4,972
Restricted	181	247	-	-	181	759
Unrestricted	<u>1,177</u>	<u>797</u>	<u>(1,166)</u>	<u>(707)</u>	<u>11</u>	<u>(458)</u>
Total net position	<u>3,872</u>	<u>3,622</u>	<u>1,063</u>	<u>1,651</u>	<u>4,935</u>	<u>5,273</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 7,359</u>	<u>\$ 6,921</u>	<u>\$ 1,497</u>	<u>\$ 2,299</u>	<u>\$ 8,856</u>	<u>\$ 9,220</u>

At the end of the current fiscal year the Town had an increase in balances in unrestricted net position for governmental type activities and a deficit in business type activities. The Town's deficit in business type activities is a result of accumulated operating losses in the Gas and Waterworks funds.

The largest classification of the Town's net position as of September 30, 2023 (96%) 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, 2022 (94%).

The decrease of \$79,000 in unrestricted net position of the Town at the end of fiscal 2023 represents the accumulated results of operations.

Unrestricted net position for governmental activities increased during the year by approximately \$380,000, this increase, combined with the decrease of \$459,000 in unrestricted net position for business type activities, resulted in the Town ending the 2023 fiscal year with an unrestricted net position of \$11,000. The net increase in unrestricted net position for governmental activities is attributable to decreases in public safety expenditures, decreases in operating grants and contributions, and increases in sales tax collections. The decrease in unrestricted business-type activities is primarily attributable to operations of all utility funds resulted in a loss for September 30, 2023.

(Continued)

The results of this year's operations for the government as a whole are reported in the statement of activities, which is summarized below:

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Revenues:						
Program revenues:						
Charges for services	\$ 219	\$ 200	\$ 771	\$ 794	\$ 990	\$ 994
Operating grants and contributions	66	407	-	-	66	407
General revenues:						
Ad valorem	25	30	-	-	25	30
Sales taxes	3,282	2,831	-	-	3,282	2,831
Other taxes	45	52	-	-	45	52
Other general revenues	94	68	26	8	120	76
Total revenues	<u>3,731</u>	<u>3,588</u>	<u>797</u>	<u>802</u>	<u>4,528</u>	<u>4,390</u>
Functions/Program Expenses:						
General government	991	924	-	-	991	924
Public safety	1,130	834	-	-	1,130	834
Streets and sanitation	823	747	-	-	823	747
Public health	44	69	-	-	44	69
Recreation	343	277	-	-	343	277
Gas	-	-	488	420	488	420
Waterworks	-	-	561	634	561	634
Sewerage	-	-	435	353	435	353
Interest	51	49	-	-	51	49
Total expenses	<u>3,382</u>	<u>2,900</u>	<u>1,484</u>	<u>1,407</u>	<u>4,866</u>	<u>4,307</u>
Increase (decrease) in net position before transfers	349	688	(687)	(605)	(338)	83
Transfers	(99)	(265)	99	265	-	-
Change in net position	250	423	(588)	(340)	(338)	83
Beginning net position, restated	<u>3,622</u>	<u>3,199</u>	<u>1,651</u>	<u>1,991</u>	<u>5,273</u>	<u>5,190</u>
Ending net position	<u>\$ 3,872</u>	<u>\$ 3,622</u>	<u>\$ 1,063</u>	<u>\$ 1,651</u>	<u>\$ 4,935</u>	<u>\$ 5,273</u>

Financial Analysis of Town's Most Significant Funds

The Town uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Analysis of the Town's major funds begins on page 18. The fund financial statements provide detailed information about only the most significant funds and thus not the Town as a whole. Some funds are required to be established by state law or by bond covenants. In addition, the Town Council establishes other funds to control and manage resources for particular purposes or to meet legal responsibilities for using certain taxes, grants, and other money. The Town's two kinds of funds, governmental and proprietary, use different accounting bases.

Governmental funds - Most of the Town's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the year-end balances that are available the subsequent year. These funds are reported using the *modified accrual* basis of accounting, which measures cash and other financial assets that can readily be converted to cash. As such, the governmental fund statements provide a detailed short-term view of the Town's general government operations and the basic services it provides. Governmental fund information helps users determine whether there are more or fewer financial resources that can be expended in the near future to finance the Town's programs. The relationship and differences between governmental *activities* (reported in the statement of net position and the statement of activities) and governmental *funds* (reported in the balance sheet and statement of revenues, expenditures, and changes in fund balance) are described in a reconciliation after the fund financial statements.

General Governmental Functions

The general government operations of the Town are accounted for in the General Fund, Special Revenue Fund, Debt Service Funds, and the Capital Project Fund. The following table shows a summary of general governmental operations for 2023 by fund type:

	(in thousands)					
	2023				2022	
	General Fund	Special Revenue Fund	Debt Service Funds	Capital Project Fund	Totals	Totals
Revenues and other						
financing sources	\$ 3,677	\$ 44	\$ 9	\$ -	\$ 3,730	\$ 3,568
Expenditures and other						
financing uses	2,956	44	230	-	3,230	2,876
Transfers, net	(254)	-	155	-	(99)	(265)
Change in fund balance	<u>\$ 467</u>	<u>\$ -</u>	<u>\$ (66)</u>	<u>\$ -</u>	<u>\$ 401</u>	<u>\$ 427</u>

Before transfers to other governmental and enterprise funds, the Town's General fund experienced a surplus of revenues over expenditures of \$695,000. This surplus is primarily related to an increase in sales taxes by \$451,000, this increase is attributable to sales tax remittances from online vendors that were not previously being remitted. Additionally, capital outlay expenditures decreased by \$26,000 due to the completion of various improvements to the governmental facilities of the Town during the 2022.

Overall, revenues and other financing sources of the Town’s governmental fund types for 2023 increased by approximately \$161,000, expenditures and other financing uses increased by approximately \$353,000, and net transfers out decreased by approximately \$166,000 resulting in an increase in fund balance of approximately \$401,000. This net change in fund balance represents a \$26,000 decrease when compared to the prior year’s net change in fund balance of \$427,000, largely due to the increases in sales taxes as mentioned above.

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

Source of Revenue	(in thousands)			
	2023		2022	
	Revenue	Percent	Revenue	Percent
Taxes	\$ 3,352	90	\$ 2,912	81
Intergovernmental	103	3	442	12
Licenses and permits	71	2	64	2
Fines	131	4	94	3
Miscellaneous	46	1	57	2
	<u>\$ 3,703</u>	<u>100</u>	<u>\$ 3,569</u>	<u>100</u>

The Town’s governmental activities are largely supported by tax revenues, which are recorded in the General fund, representing 90% of the total governmental revenues in 2023, which increased by approximately \$440,000 (or 15%) during the current year due primarily to increases in sales tax revenues.

Total governmental expenditures experienced an increase of approximately \$354,000 in comparison to the prior year. The largest increase incurred in public safety, which increased by \$219,000. This increase is attributable to increased personnel to meet the safety demands of the Town. Additionally, recreation expenditures increased by \$76,000 from the prior year as a result of more public events being held in 2023. Expenditures for all governmental funds by each major function are summarized below.

Function	(in thousands)			
	2023		2022	
	Expenditure	Percent	Expenditure	Percent
General government	\$ 961	31	\$ 893	32
Public safety	968	30	749	26
Streets and sanitation	653	20	645	22
Public health	44	1	70	2
Recreation	188	6	112	4
Debt Service	258	8	223	8
Capital outlay	158	5	184	6
	<u>\$ 3,230</u>	<u>100</u>	<u>\$ 2,876</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, 2023. Additionally, Gas, Water and Sewer experienced operating losses as summarized in the table below.

	(in thousands)			
	2023		2022	
	Total	Percent	Total	Percent
<u>Operating revenues:</u>				
Gas	\$ 250	32	\$ 273	34
Waterworks	260	33	241	31
Sewerage	280	35	281	35
Total revenues	790	100	795	100
 <u>Operating expenses:</u>				
Gas	488	33	420	30
Waterworks	557	38	630	45
Sewerage	435	29	353	25
Total expenses	1,480	100	1,403	100
Net operating loss	\$ (690)	(87)	\$ (608)	(76)

General Fund Budgetary Highlights

Differences between the General Fund original budget and the final budget are shown on Exhibit B. Revenue projections were amended to increase sales tax and fines revenues by \$550,000 and \$35,000, respectively. Actual total revenues were approximately \$241,000 greater than the final budget, primarily due to differences between actual sales tax received revenues collected in 2023 when compared to the amended budget.

Regarding expenditures, the original budget of the Town was amended to increase appropriations for general government and public safety by \$107,000 and \$187,000, respectively. These amendments to increase expenditures were proposed due to increased utilities and maintenance cost for the general government and personnel cost for public safety.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2023 the Town had approximately \$4.5 million invested in a broad range of capital assets including streets, heavy equipment for street and drainage maintenance, vehicles, computer equipment, office furniture, land, buildings, park facilities, gas and water distribution systems, and sewer treatment systems. This amount represents a net decrease of \$416,000, or 6% over the prior fiscal year. The 2023 additions in the governmental and business type activities were approximately \$158,000 and \$18,000, respectively. Additions included the purchase of public safety equipment, improvements to the streets and roads, meter system improvements, and various improvements to the Town's buildings. During 2023, depreciation and amortization expense for the governmental activities were approximately \$295,000 and depreciation expense for business type activities was \$197,000. Additionally, during the year the Town incurred a loss on disposal of governmental assets for \$100,000.

	in thousands (net of depreciation)					
	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Land	\$ 321	\$ 321	\$ 41	\$ 41	\$ 362	\$ 362
Construction in progress	-	100	-	-	-	100
Buildings and systems	1,008	1,050	1,852	2,218	2,860	3,268
Finance purchase agreements	58	-	186	-	244	-
Right-of-use assets	23	-	-	-	23	-
Equipment and vehicles	161	169	237	236	398	405
Improvements other than buildings	295	330	-	-	295	330
Infrastructure	<u>2,651</u>	<u>2,784</u>	<u>-</u>	<u>-</u>	<u>2,651</u>	<u>2,784</u>
Total assets, net of depreciaiton and amortization	<u>\$ 4,517</u>	<u>\$ 4,754</u>	<u>\$ 2,316</u>	<u>\$ 2,495</u>	<u>\$ 6,833</u>	<u>\$ 7,249</u>

The Town's fiscal year 2023 capital budget included purchases for equipment and improvements. More detailed information about the Town's capital assets is presented in Note 5 to the financial statements.

Long-Term Liabilities

On September 30, 2023, the Town had \$3.5 million in outstanding long-term liabilities, compared to \$3.4 million on September 30, 2022, an increase of 3%, as shown in the following table.

	in thousands					
	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Public improvement bonds	\$ 2,035	\$ 2,215	\$ -	\$ -	\$ 2,035	\$ 2,215
Premium on bond issuance	39	42	-	-	39	42
Finance purchase lease	24	46	85	137	109	183
Right-of-use leases	23	-	-	-	23	-
Net pension liability	1,073	715	184	214	1,257	929
Accrued sick leave	40	38	5	14	45	52
Total long-term liabilities	\$ 3,234	\$ 3,056	\$ 274	\$ 365	\$ 3,508	\$ 3,421

More detailed information about the Town's long-term liabilities is presented in Note 6 and Note 7 to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The Town's elected and appointed officials considered many factors when setting the 2024 budget and tax rates. One of those factors is the current local, state and national economies. The largest taxpayers in the Town are primarily companies involved in the petrochemical processing sector. These companies are significantly impacted by the increasing cost of fuel, including natural gas. With the high price of fuel in recent years, these companies have experienced financial difficulty resulting in the reduction of personnel staffing and the rate of plant expansion, if any. As a result, the local economy has been impacted by the financial concerns of this major industry in the Town.

The following indicators were taken into account when adopting the General Fund budget for 2024. Amounts available for appropriation in the General Fund are \$3.9 million (revenues and other financing sources). Property taxes, licensing fees, sales taxes, franchise taxes, and utility taxes are expected to remain relatively consistent with the final 2023 budget. Grant revenues are expected to provide the Town with significant funding to support the finance of programs currently offered. Budgeted grant funds are approximately \$555,000 for 2024. Budgeted expenditures are expected to be \$3.4 million (expenditures and other financing uses), with the largest expenditures allocated to public safety and operations of the general government. If these estimates are realized, the General Fund's fund balance is expected to increase by approximately \$490,000.

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

Kipp Knight

Erick Batiste

Mervin Allen

Candice Depron

Chamarcus Lewis

TOWN OF WHITE CASTLE, LOUISIANA

STATEMENT OF NET POSITION

September 30, 2023

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 97,365	\$ 35,427	\$ 132,792
Investments - certificate of deposit	212,528	-	212,528
Accounts receivable, net	19,775	152,456	172,231
Due from other governments	556,961	-	556,961
Prepaid insurance	17,838	5,952	23,790
Internal balances	1,130,923	(1,130,923)	-
Inventories	-	2,996	2,996
Restricted cash	164,277	78,372	242,649
Capital assets:			
Non depreciable	321,833	40,588	362,421
Depreciable, net	4,172,673	2,274,709	6,447,382
Right-of-use assets - amortizable, net	22,528	-	22,528
Total assets	<u>6,716,701</u>	<u>1,459,577</u>	<u>8,176,278</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pension liability	524,689	37,886	562,575
Deferred outflows related to debt refunding	117,754	-	117,754
Total deferred outflows of resources	<u>642,443</u>	<u>37,886</u>	<u>680,329</u>
Total assets and deferred outflows of resources	<u>\$ 7,359,144</u>	<u>\$ 1,497,463</u>	<u>\$ 8,856,607</u>
LIABILITIES			
Accounts payable	134,348	61,581	195,929
Payroll and other accrued liabilities	47,873	12,978	60,851
Unearned revenue	24,016	-	24,016
Customer deposits	-	78,372	78,372
Long-term liabilities:			
Due within one year	248,884	50,047	298,931
Due in more than one year	1,911,368	40,431	1,951,799
Pension liability due in more than one year	1,073,360	183,642	1,257,002
Total liabilities	<u>3,439,849</u>	<u>427,051</u>	<u>3,866,900</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows related to pension liability	47,189	7,114	54,303
NET POSITION			
Net investment in capital assets	2,514,249	2,229,737	4,743,986
Restricted for:			
Debt service	180,656	-	180,656
Unrestricted	<u>1,177,201</u>	<u>(1,166,439)</u>	<u>10,762</u>
Total net position	<u>3,872,106</u>	<u>1,063,298</u>	<u>4,935,404</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 7,359,144</u>	<u>\$ 1,497,463</u>	<u>\$ 8,856,607</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, 2023

	Program Revenues			Net (Expense) Revenue and Changes in Net Position		Total
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	
Functions/Programs						
Primary government:						
Governmental activities:						
General government	\$ 990,949	\$ 71,351	\$ -	\$ (919,598)	\$ -	\$ (919,598)
Public safety	1,129,692	148,018	18,692	(962,982)	-	(962,982)
Streets and sanitation	823,215	-	3,219	(819,996)	-	(819,996)
Public health	43,742	-	43,716	(26)	-	(26)
Recreation	343,026	-	-	(343,026)	-	(343,026)
Interest on long-term debt	50,654	-	-	(50,654)	-	(50,654)
Total governmental activities	<u>3,381,278</u>	<u>219,369</u>	<u>65,627</u>	<u>(3,096,282)</u>	<u>-</u>	<u>(3,096,282)</u>
Business-type activities:						
Gas	487,696	248,832	-	-	(238,864)	(238,864)
Waterworks	560,538	242,163	-	-	(318,375)	(318,375)
Sewerage	435,038	279,554	-	-	(155,484)	(155,484)
Total business-type activities	<u>1,483,272</u>	<u>770,549</u>	<u>-</u>	<u>-</u>	<u>(712,723)</u>	<u>(712,723)</u>
Total primary government	<u>\$ 4,864,550</u>	<u>\$ 989,918</u>	<u>\$ 65,627</u>	<u>(3,096,282)</u>	<u>(712,723)</u>	<u>(3,809,005)</u>
General revenues:						
Taxes:						
Ad valorem				24,942	-	24,942
Sales and use				3,281,557	-	3,281,557
Franchise				40,391	-	40,391
Video poker				4,538	-	4,538
Other				482	-	482
Grants and contribution not restricted to specific programs				42,591	25,998	68,589
Investment earnings				14,530	-	14,530
Payments in-lieu of taxes				37,246	-	37,246
Transfers				(99,000)	99,000	-
Total general revenues and transfers				<u>3,347,277</u>	<u>124,998</u>	<u>3,472,275</u>
Change in net position				250,995	(587,725)	(336,730)
NET POSITION						
Beginning of year, restated				<u>3,621,111</u>	<u>1,651,023</u>	<u>5,272,134</u>
Ending of year				<u>\$ 3,872,106</u>	<u>\$ 1,063,298</u>	<u>\$ 4,935,404</u>

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

TOWN OF WHITE CASTLE, LOUISIANA

BALANCE SHEETS GOVERNMENTAL FUNDS

September 30, 2023

	General Fund	Sinking Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 72,273	\$ 833	\$ 24,259	\$ 97,365
Investments - certificates of deposit	212,528	-	-	212,528
Account receivable	19,775	-	-	19,775
Due from other governments	556,961	-	-	556,961
Due from other funds	841,054	231,869	525,444	1,598,367
Prepaid insurance	17,838	-	-	17,838
Restricted cash	-	164,277	-	164,277
	<u>1,720,429</u>	<u>396,979</u>	<u>549,703</u>	<u>2,667,111</u>
Total assets	<u>\$ 1,720,429</u>	<u>\$ 396,979</u>	<u>\$ 549,703</u>	<u>\$ 2,667,111</u>
LIABILITIES				
Accounts payable	\$ 134,105	\$ -	\$ 243	\$ 134,348
Payroll and other accrued liabilities	43,994	-	-	43,994
Due to other funds	255,000	212,444	-	467,444
	<u>433,099</u>	<u>212,444</u>	<u>243</u>	<u>645,786</u>
Total liabilities	<u>433,099</u>	<u>212,444</u>	<u>243</u>	<u>645,786</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	-	-	24,016	24,016
	<u>-</u>	<u>-</u>	<u>24,016</u>	<u>24,016</u>
FUND BALANCE				
Nonspendable	17,838	-	-	17,838
Restricted for:				
Debt service	-	184,535	-	184,535
Committed:				
Debt service	-	-	239,749	239,749
Capital projects	-	-	285,695	285,695
Unassigned	1,269,492	-	-	1,269,492
	<u>1,287,330</u>	<u>184,535</u>	<u>525,444</u>	<u>1,997,309</u>
Total fund balance	<u>1,287,330</u>	<u>184,535</u>	<u>525,444</u>	<u>1,997,309</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 1,720,429</u>	<u>\$ 396,979</u>	<u>\$ 549,703</u>	<u>\$ 2,667,111</u>

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

TOWN OF WHITE CASTLE, LOUISIANA
RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEETS TO THE STATEMENT OF NET POSITION

September 30, 2023

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

Total fund balances - governmental funds (Exhibit A-2)	\$	1,997,309
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.		
Non-depreciable	\$	321,833
Depreciable, net		4,172,673
Right-of-use assets - amortizable, net		<u>22,528</u>
		4,517,034
Deferred inflows and outflows of resources for pension plans and debt refundings are not due and payable in the current period, and therefore, are not reported in the governmental funds.		
Deferred outflows related to loss on refunded debt		117,754
Deferred outflows related to pension liability		524,689
Deferred inflows related to pension liability		<u>(47,189)</u>
		595,254
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds.		
Accrued interest payable		(3,879)
Net pension liability		(1,073,360)
Premium on bond issuance		(38,894)
Bonds payable, lease liabilities, and compensated absences payable		<u>(2,121,358)</u>
		<u>(3,237,491)</u>
Net position of governmental activities (Exhibit A)	\$	<u><u>3,872,106</u></u>

TOWN OF WHITE CASTLE, LOUISIANA

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

For the year ended September 30, 2023

	General Fund	Sinking Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES				
Taxes	\$ 3,351,910	\$ -	\$ -	\$ 3,351,910
Intergovernmental	59,157	-	43,716	102,873
License and permits	71,351	-	-	71,351
Fines	131,215	-	-	131,215
Charges for service	16,803	-	-	16,803
Other	20,155	8,579	26	28,760
	<u>3,650,591</u>	<u>8,579</u>	<u>43,742</u>	<u>3,702,912</u>
Total revenues				
EXPENDITURES				
Current function				
General government	961,061	-	-	961,061
Public safety	967,996	-	-	967,996
Streets and sanitation	652,928	-	-	652,928
Public health	-	-	43,742	43,742
Recreation	188,597	-	-	188,597
Debt service:				
Principal	25,878	180,000	-	205,878
Interest	1,645	50,150	-	51,795
Capital outlay	157,722	-	-	157,722
	<u>2,955,827</u>	<u>230,150</u>	<u>43,742</u>	<u>3,229,719</u>
Total expenditures				
Excess (deficiency) of revenues over expenditures	694,764	(221,571)	-	473,193
OTHER FINANCING SOURCES (USES)				
Transfers in	-	155,333	-	155,333
Proceeds from debt issuance	26,504	-	-	26,504
Transfers out	(254,333)	-	-	(254,333)
	<u>(227,829)</u>	<u>155,333</u>	<u>-</u>	<u>(72,496)</u>
Total other financing sources (uses)				
Net change in fund balance	466,935	(66,238)	-	400,697
FUND BALANCE				
Beginning of year	820,395	250,773	525,444	1,596,612
End of year	<u>\$ 1,287,330</u>	<u>\$ 184,535</u>	<u>\$ 525,444</u>	<u>\$ 1,997,309</u>

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

TOWN OF WHITE CASTLE, LOUISIANA

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

For the year ended September 30, 2023

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)	\$	400,697
<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 and amortization expense. This is the amount by which depreciation and amortization exceeds capital outlay.</p>		
Depreciation and amortization expense	\$ (294,438)	
Capital outlay	<u>157,722</u>	(136,716)
<p>The net effect of various transactions involving capital assets, trade-ins, and donations, is to decrease net position.</p>		
Loss on disposal of capital assets		(99,966)
<p>The liability and expense for compensated absences are not reported in governmental funds. Payments for compensated absences are reported as salaries when they occur. The payment consumes current financial resources, and it would take a catastrophic event for this liability to become a current liability.</p>		
		(1,496)
<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 and lease liabilities	205,878	
Proceeds from the issuance of lease	(26,504)	
Amortization of deferred loss on refunding bonds	(9,116)	
Amortization of bond premium	<u>3,010</u>	173,268
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.</p>		
Change in accrued interest payable		1,141
Change in net pension obligations are reported only in the Statement of Activities		<u>(85,933)</u>
Change in net position of governmental activities (Exhibit A-1)	\$	<u>250,995</u>

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

TOWN OF WHITE CASTLE, LOUISIANA

STATEMENTS OF NET POSITION
PROPRIETARY FUNDS

September 30, 2023

	Gas Utility Fund	Waterworks Utility Fund	Sewerage Utility Fund	Total
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 17,559	\$ 15,041	\$ 2,827	\$ 35,427
Accounts receivable, net	38,596	54,966	58,894	152,456
Prepaid insurance	2,976	2,976	-	5,952
Due from other funds	140,000	-	573,000	713,000
Inventories	1,094	1,902	-	2,996
Restricted cash	43,348	35,024	-	78,372
Total current assets	<u>243,573</u>	<u>109,909</u>	<u>634,721</u>	<u>988,203</u>
Long-term assets:				
Capital assets:				
Non-depreciable	-	9,000	31,588	40,588
Depreciable, net	1,425	1,680,558	592,726	2,274,709
Total long-term assets	<u>1,425</u>	<u>1,689,558</u>	<u>624,314</u>	<u>2,315,297</u>
Total assets	<u>244,998</u>	<u>1,799,467</u>	<u>1,259,035</u>	<u>3,303,500</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows related to pension liability	18,943	18,943	-	37,886
Total assets and deferred outflows of resources	<u>\$ 263,941</u>	<u>\$ 1,818,410</u>	<u>\$ 1,259,035</u>	<u>\$ 3,341,386</u>
LIABILITIES				
Current liabilities:				
Accounts payable	\$ 13,812	\$ 25,877	\$ 21,892	\$ 61,581
Payroll and other accrued liabilities	3,106	9,720	152	12,978
Customer deposits	43,348	35,024	-	78,372
Due to other funds	441,979	1,212,170	189,774	1,843,923
Total current liabilities	<u>502,245</u>	<u>1,282,791</u>	<u>211,818</u>	<u>1,996,854</u>
Long-term liabilities:				
Due within one year	472	49,575	-	50,047
Due in more than one year:				
Accrued sick leave	-	446	-	446
Lease liabilities	-	39,985	-	39,985
Net pension liability	91,821	91,821	-	183,642
Total long-term liabilities	<u>92,293</u>	<u>181,827</u>	<u>-</u>	<u>274,120</u>
Total liabilities	<u>594,538</u>	<u>1,464,618</u>	<u>211,818</u>	<u>2,270,974</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to pension liability	3,557	3,557	-	7,114
NET POSITION				
Net investment in capital assets	1,425	1,603,998	624,314	2,229,737
Unrestricted	(335,579)	(1,253,763)	422,903	(1,166,439)
Total net position	<u>(334,154)</u>	<u>350,235</u>	<u>1,047,217</u>	<u>1,063,298</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 263,941</u>	<u>\$ 1,818,410</u>	<u>\$ 1,259,035</u>	<u>\$ 3,341,386</u>

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

TOWN OF WHITE CASTLE, LOUISIANA

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

For the year ended September 30, 2023

	<u>Gas Utility Fund</u>	<u>Waterworks Utility Fund</u>	<u>Sewerage Utility Fund</u>	<u>Total</u>
OPERATING REVENUES				
Charges for services	\$ 248,832	\$ 242,163	\$ 279,554	\$ 770,549
Other	823	17,879	-	18,702
Total operating revenues	<u>249,655</u>	<u>260,042</u>	<u>279,554</u>	<u>789,251</u>
OPERATING EXPENSES				
Administration	181,590	211,611	168,205	561,406
Field	221,407	270,117	150,346	641,870
Depreciation	5,736	75,155	116,487	197,378
Gas purchases	78,963	-	-	78,963
Total operating expenses	<u>487,696</u>	<u>556,883</u>	<u>435,038</u>	<u>1,479,617</u>
Operating loss	<u>(238,041)</u>	<u>(296,841)</u>	<u>(155,484)</u>	<u>(690,366)</u>
NON-OPERATING				
Other contributions	3,648	3,648	-	7,296
Interest expense	-	(3,655)	-	(3,655)
Total non-operating, net	<u>3,648</u>	<u>(7)</u>	<u>-</u>	<u>3,641</u>
Loss before transfers	(234,393)	(296,848)	(155,484)	(686,725)
Transfers in	<u>38,000</u>	<u>61,000</u>	<u>-</u>	<u>99,000</u>
Change in net position	(196,393)	(235,848)	(155,484)	(587,725)
NET POSITION				
Beginning of year, restated	<u>(137,761)</u>	<u>586,083</u>	<u>1,202,701</u>	<u>1,651,023</u>
End of year	<u>\$ (334,154)</u>	<u>\$ 350,235</u>	<u>\$ 1,047,217</u>	<u>\$ 1,063,298</u>

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

TOWN OF WHITE CASTLE, LOUISIANA

STATEMENTS OF CASH FLOWS
PROPRIETARY FUNDS

For the year ended September 30, 2023

	<u>Gas Utility Fund</u>	<u>Waterworks Utility Fund</u>	<u>Sewerage Utility Fund</u>	<u>Totals</u>
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers and users	\$ 278,531	\$ 255,107	\$ 276,302	\$ 809,940
Payments to suppliers for goods and services	(350,992)	(403,011)	(288,691)	(1,042,694)
Payments to employees for services and benefits	(153,695)	(200,907)	(36,600)	(391,202)
Other operating revenues	<u>823</u>	<u>17,879</u>	<u>-</u>	<u>18,702</u>
Net cash used for operating activities	<u>(225,333)</u>	<u>(330,932)</u>	<u>(48,989)</u>	<u>(605,254)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Due to other funds	203,666	295,492	64,825	563,983
Due from other funds	-	45,000	-	45,000
Transfers in	<u>38,000</u>	<u>61,000</u>	<u>-</u>	<u>99,000</u>
Net cash provided by noncapital financing activities	<u>241,666</u>	<u>401,492</u>	<u>64,825</u>	<u>707,983</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition and construction of capital assets	-	(2,500)	(15,338)	(17,838)
Interest expense	-	(3,655)	-	(3,655)
Principal payments on debt	<u>-</u>	<u>(51,203)</u>	<u>-</u>	<u>(51,203)</u>
Net cash used for capital activities	<u>-</u>	<u>(57,358)</u>	<u>(15,338)</u>	<u>(72,696)</u>
Increase in cash	16,333	13,202	498	30,033
CASH AND CASH EQUIVALENTS, including restricted cash				
Beginning of period	<u>44,574</u>	<u>36,863</u>	<u>2,329</u>	<u>83,766</u>
End of period	<u>\$ 60,907</u>	<u>\$ 50,065</u>	<u>\$ 2,827</u>	<u>\$ 113,799</u>

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

TOWN OF WHITE CASTLE, LOUISIANA

**STATEMENTS OF CASH FLOWS
PROPRIETARY FUNDS**

For the year ended September 30, 2023

	Gas Utility Fund	Waterworks Utility Fund	Sewerage Utility Fund	Totals
RECONCILIATION OF CASH				
Cash and cash equivalents	\$ 17,559	\$ 15,041	\$ 2,827	\$ 35,427
Restricted cash	43,348	35,024	-	78,372
Total cash	\$ 60,907	\$ 50,065	\$ 2,827	\$ 113,799
RECONCILIATION OF OPERATING LOSS TO NET CASH USED FOR OPERATING ACTIVITIES:				
Operating loss	\$ (238,041)	\$ (296,841)	\$ (155,484)	\$ (690,366)
Adjustments of operating loss:				
Depreciation	5,736	75,155	116,487	197,378
Non-employer pension contributions	3,648	3,648	-	7,296
Change in operating assets and liabilities:				
Accounts receivable	24,245	8,307	(3,252)	29,300
Prepaid assets	(2,976)	(2,976)	-	(5,952)
Customer deposits	1,806	989	-	2,795
Inventory	1,094	1,902	-	2,996
Accrued sick leave	(4,568)	(6,277)	-	(10,845)
Accounts payable and accrued expenses	(6,519)	(105,081)	(6,740)	(118,340)
Net pension liability and related deferred inflows and outflows	(9,758)	(9,758)	-	(19,516)
Net cash used for operating activities	\$ (225,333)	\$ (330,932)	\$ (48,989)	\$ (605,254)

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

TOWN OF WHITE CASTLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

September 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Statement Presentation

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

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

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

Reporting Entity

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

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Reporting Entity (Continued)

White Castle Housing Authority

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

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

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

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

Basis of Presentation

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

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (Continued)

Government-wide Financial Statements

The government-wide financial statements include the statement of net position and the statement of activities for all activities of the primary government (the Town). As a general rule, the effect of interfund activity has been eliminated 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 are summarized into a single column on the basic financial statements.

The daily operations of the Town continue to be organized on the basis of individual funds, 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, fund balance or net position, revenues and expenditures or expenses, as appropriate. Funds are organized into three major categories: governmental, proprietary and fiduciary. The Town does not have any fiduciary funds. An emphasis is placed on major funds within the governmental and proprietary categories.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (Continued)

Fund Financial Statements (Continued)

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

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

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

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

Governmental Fund Types

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

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

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

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

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (Continued)

Governmental Fund Types (Continued)

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

Proprietary Fund Types

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

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

Basis of Accounting and Measurement Focus

Government-wide financial statements

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

Fund financial statements

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

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting and Measurement Focus (Continued)

Fund financial statements (Continued)

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

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

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

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

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

Cash and Cash Equivalents

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments

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

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

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

Accounts Receivable, Customer Credits and Bad Debts

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Uncollectible amounts due for receivables are recognized as bad debts directly charged off at the time information becomes available which indicates that the particular receivable is not collectible. In governmental fund types, the uncollectible amount is charged directly to the revenue reported. On the other hand, in proprietary fund types, uncollectible amounts due from utility billings are recognized as bad debts through the use of an allowance account or are directly charged off at the time information becomes available which indicates that the particular receivable is not collectible. The allowance for doubtful accounts for the Gas, Waterworks, and Sewerage Funds were \$39,902, \$9,877, and \$42,084, respectively, as of September 30, 2023.

Lease Asset Receivable

Lease asset receivables are a result of leases in which the Town has entered into a contract with a lessee that delivers the right to use a nonfinancial asset of the Town as specified by the contract for a period of time in an exchange or exchange-like transaction. Such receivables are reported on the government-wide financial statements at present value of the lease payments to be received during the lease term. Additionally, the Town would recognize a deferred inflow of resources that is reported at the value of the lease receivable plus any payments received at or before the commencement of the lease for future periods. Assets of agreement entered into in which the Town is the lessor are retained as capital assets of the Town and are reported in the government-wide financial statements as described under Capital Assets. The Town has not entered into any agreements delivering control of a right-of-use a nonfinancial asset to a lessee as described above at September 30, 2023.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Interfund Transactions

During the course of operations numerous transactions occur between individual funds. Those related to short-term borrowings are classified as “due from other funds” or “due to other funds” on the balance sheet and result primarily from participation in the consolidated cash account. Interfund receivables and payables between funds within governmental activities are eliminated in the statement of net position. See Note 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.” Transfers between funds are included in the budgets of such funds. In those cases where repayment is expected, the advances are accounted for through the various interfund accounts.

Restricted Cash

Restricted cash on the Statement of Net Position represents (1) amounts which have been designated to meet unexpected contingencies for property repairs and replacements, (2) funds held for customer deposits, and (3) funds held for retirement of sales tax revenue bonds and/or public improvement bonds. Restricted cash consists of \$78,372 in Customer deposits; with \$35,024 allocated to Waterworks Utility Fund and \$43,348 to the Gas Utility Fund. Cash restricted for debt service was \$164,277 for governmental activities at September 30, 2023.

Inventory

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

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

Prepaid Expenses

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

Capital Assets

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

Right-of-Use Assets

Right-of-use assets are a result of leases in which the Town has entered into a contract with a lessor that conveys control of the right to the use the lessor’s nonfinancial asset as specified by the contract for a period of time in an exchange or exchange-like transaction. Such assets are reported on the government-wide financial statements net of amortization. A corresponding lease liability is to be recognized on the government-wide financial statements at the commencement of the lease term at the present value of payments expected to be made during the lease terms (less any lease incentives). Right-of-use assets are amortized at the lessor of the useful life or lease term.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets (Continued)

Right-of-Use Assets (Continued)

A subscription-based information technology arrangement (SBITA) results from a contract that conveys control of the right-to-use another party's (a SBITA vendor's) information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange like transaction. Such assets are recognized on the government – wide financial statements as a right-of-use SBITA, net of amortization. A corresponding subscription liability should be recognized on the government-wide financial statements at the present value of the subscription payments expected to be made during the subscription term. The Town has not entered into any agreements gaining control of the right-to-use SBITA assets as described above at September 30, 2023.

Government-wide Statements

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

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

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

Depreciation and amortization of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation and amortization reflected in the statement of net position. Depreciation and amortization is provided over the capital assets' estimated useful lives using the straight-line method of calculation. 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
Finance purchase agreement	5 years
Right-of-use assets, equipment	5 years

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets (Continued)

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. Depreciation has been provided over the estimated useful lives of the assets using the straight-line method. The estimated useful lives are as follows:

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

Long-term Liabilities

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

Government-wide Statements and Proprietary Fund Net Position

In the government-wide statement of net position and in the proprietary fund types' financial statements, long-term liabilities is reported as a liability. The long-term liabilities consists primarily of public improvement sales tax revenue bonds, lease liabilities, net pension liability, and accrued sick leave.

Fund Financial Statements

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

Compensated Absences

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-wide and Proprietary Fund Net Position

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

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

Use of Restricted Resources

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

Governmental Fund Balances

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

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

Use of Restricted Fund Balance

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Outflows and Inflows of Resources

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

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

Budget Policy and Budgetary Accounting

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

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

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

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

Estimates

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Current Accounting Standards Implemented

During the year, the Town implemented policies established under GASB Statement No. 96, *Subscription Based Information Technology Agreements (SBITAs)*. This statement provides guidance on the accounting and financial reporting for SBITAs for government end users. This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset – an intangible asset – and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including the implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended. The adoption of this statement did not materially impact the Town’s governmental or business-type activities for the year ended September 30, 2023.

Subsequent Events

In preparing the financial statements, the Town has evaluated events and transactions for potential recognition or disclosure through the date of the independent auditors’ report, March 27, 2024, which was the date the financial statements were available to be issued.

NOTE 2 - CASH AND INVESTMENTS

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

Custodial credit risk is the risk that in the event of a financial institution failure, the Town’s deposits may not be returned to them. To mitigate this risk, state law requires deposits to be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent financial institution. As of September 30, 2023, the Town was not exposed to any custodial credit risk.

Deposit balances (bank balances) at September 30, 2023, were secured as follows:

	<u>Bank Balances</u>
Federal deposit insurance	\$ 586,765
Funds not subject to categorization:	
Louisiana Asset Management Pool (LAMP)	<u>91,675</u>
Total	<u>\$ 678,440</u>

NOTE 2 - CASH AND INVESTMENTS (CONTINUED)

LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pools of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LA – R.S. 33:2955. The value of the portfolio is carried at amortized cost. As of September 30, 2023, the Town had a balance of \$91,675 invested in LAMP.

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

- Credit risk: LAMP is rated AAAM by Standard & Poor's.
- Custodial risk: LAMP participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist physical or book-entry form. The public entity's investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.
- Concentration of credit risk: Pooled investments are excluded from the 5 percent disclosure requirement.
- Interest rate risk: LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP prepares its own interest rate risk disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days or 762 days for U.S. Government floating/variable rate investments. The WAM for LAMP's total investments is (54 days) from LAMP's monthly Portfolio Holdings as of September 30, 2023.
- Foreign currency risk: Not applicable.

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

NOTE 3 - DUE FROM OTHER GOVERNMENTS

Due from other governments at September 30, 2023, consists of the following:

Primary Government	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Parish of Iberville, Louisiana - Sales tax	\$ 556,191	\$ -	\$ 556,191
State of Louisiana - Video poker	<u>770</u>	<u>-</u>	<u>770</u>
Total primary government	<u>\$ 556,961</u>	<u>-</u>	<u>\$ 556,961</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, 2023, taxes of 6.98 mills for the general fund were levied on property with assessed valuations totaling \$4,410,800. Total taxes assessed of \$30,787 less commission fees of \$5,845 collected by the Iberville Parish Sheriff's office were levied on September 15, 2022, and were due and payable prior to December 31, 2022.

NOTE 5 - CAPITAL ASSETS

A summary of changes in capital assets for the primary government for the year ended September 30, 2023 is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 321,833	\$ -	\$ -	\$ 321,833
Construction in progress	99,966	-	99,966	-
Total capital assets not being depreciated	<u>421,799</u>	<u>-</u>	<u>99,966</u>	<u>321,833</u>
Capital assets being depreciated:				
Building and improvements	2,667,080	62,324	-	2,729,404
Equipment and vehicles	2,576,099	50,939	-	2,627,038
Finance purchase agreement	65,267	-	-	65,267
Improvements other than buildings	1,048,773	4,395	-	1,053,168
Infrastructure	9,600,617	13,560	-	9,614,177
Total capital assets being depreciated	<u>15,957,836</u>	<u>131,218</u>	<u>-</u>	<u>16,089,054</u>
Less accumulated depreciation for:				
Building and improvements	1,677,802	43,604	-	1,721,406
Equipment and vehicles	2,407,613	58,865	-	2,466,478
Finance purchase agreement	4,351	3,263	-	7,614
Improvements other than buildings	719,158	38,379	-	757,537
Infrastructure	6,816,995	146,351	-	6,963,346
Total accumulated depreciation	<u>11,625,919</u>	<u>290,462</u>	<u>-</u>	<u>11,916,381</u>
Total capital assets being depreciated, net	<u>4,331,917</u>	<u>(159,244)</u>	<u>-</u>	<u>4,172,673</u>
Right-of-use assets being amortized:				
Equipment	-	26,504	-	26,504
Less accumulated amortization for:				
Equipment	-	3,976	-	3,976
Total capital assets being amortized, net	<u>-</u>	<u>22,528</u>	<u>-</u>	<u>22,528</u>
Governmental activities capital assets, net	<u>\$ 4,753,716</u>	<u>\$ (136,716)</u>	<u>\$ (99,966)</u>	<u>\$ 4,517,034</u>

NOTE 5 - CAPITAL ASSETS (CONTINUED)

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

Governmental activities:	Depreciation	Amortization	Total
Streets and sanitation	\$ 70,014	\$ -	\$ 70,014
Public safety	28,433	-	28,433
General government	37,586	3,976	41,562
Recreation	154,429	-	154,429
Total	\$ 290,462	\$ 3,976	\$ 294,438

Lease Liabilities – Governmental Activities

Finance purchase agreement

As of September 30, 2023 the Town has capitalized equipment acquired through a finance purchase agreement with a cost of \$65,267 and corresponding accumulated depreciation of \$7,614. Depreciation expense for these assets was \$3,263 in 2023.

Right-of-use asset lease

As of September 30, 2023 the Town has capitalized equipment acquired through a right-of-use asset lease with a cost of \$26,504 and corresponding accumulated amortization of \$3,976. Amortization expense for these assets was \$3,976 in 2023.

(Continued)

NOTE 5 - CAPITAL ASSETS (CONTINUED)

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 40,588	\$ -	\$ -	\$ 40,588
Capital assets being depreciated:				
Distribution systems	7,603,632	-	-	7,603,632
Finance purchase agreement	221,439	-	-	221,439
Machinery, equipment, and vehicles	645,751	17,838	-	663,589
Total capital assets being depreciated	8,470,822	17,838	-	8,488,660
Less accumulated depreciation for:				
Distribution systems	5,391,772	168,788	-	5,560,560
Finance purchase agreement	23,989	11,072	-	35,061
Machinery, equipment and vehicles	600,812	17,518	-	618,330
Total accumulated depreciation	6,016,573	197,378	-	6,213,951
Total capital assets being depreciated, net	2,454,249	(179,540)	-	2,274,709
Business-type activities capital assets, net	\$ 2,494,837	\$ (179,540)	\$ -	\$ 2,315,297

Lease Liabilities – Business Activities

Finance purchase agreement

As of September 30, 2023 the Town's Waterworks Utility Fund has capitalized equipment acquired through a finance purchase agreement with a cost of \$221,439 and corresponding accumulated depreciation of \$35,061. Depreciation expense for these assets was \$11,072 in 2023.

NOTE 6 - LONG-TERM LIABILITIES

Debt Outstanding

The following is a summary of long-term debt and liability transactions of the Town for the year ended September 30, 2023.

	September 30, 2022	Additions	Reductions	September 30, 2023	Due Within One Year
Governmental activities:					
Public improvement bonds	\$ 2,215,000	\$ -	\$ 180,000	\$ 2,035,000	\$ 185,000
Premium on bond issuance	41,904	-	3,010	38,894	-
Lease liabilities					
Finance purchase agreement	46,019	-	22,198	23,821	23,821
Right-of-use leases	-	26,504	3,680	22,824	5,063
Net pension liability	715,043	505,354	147,037	1,073,360	-
Accrued sick leave	38,217	22,712	21,216	39,713	35,000
Total	<u>\$ 3,056,183</u>	<u>\$ 554,570</u>	<u>\$ 377,141</u>	<u>\$ 3,233,612</u>	<u>\$ 248,884</u>

	September 30, 2022	Additions	Reductions	September 30, 2023	Due Within One Year
Business-type activities:					
Lease liabilities					
Finance purchase agreement	\$ 136,763	\$ -	\$ 51,203	\$ 85,560	\$ 45,575
Net pension liability	214,004	228	30,590	183,642	-
Accrued sick leave	15,763	3,852	14,697	4,918	4,472
Total	<u>\$ 366,530</u>	<u>\$ 4,080</u>	<u>\$ 96,490</u>	<u>\$ 274,120</u>	<u>\$ 50,047</u>

(Continued)

NOTE 6 - LONG-TERM LIABILITIES (CONTINUED)

Debt Outstanding (Continued)

The General fund has been used in prior years to liquidate the Town’s net pension liabilities. Long-term liabilities for the primary government for governmental activities at September 30, 2023, is comprised of the following:

Public Improvement Bonds

\$2,375,000 Public Improvement sales tax refunding bond dated August 2021, due in annual installments of \$160,000 to \$225,000 through 2033; interest at 2.0 to 3.0%. \$2,035,000

Bond Premium, net of accumulated amortization 38,894

Finance purchase agreement 23,821

Right-of-use leases 22,824

Net pension liability 1,073,360

Accrued sick leave 39,713

Total long-term liabilities from governmental activities \$ 3,233,612

Long-term debt obligations for the primary government for business-type activities at September 30, 2023, is comprised of the following:

Finance purchase agreement \$ 85,560

Net pension liability 183,642

Accrued sick leave 4,918

Total long-term liabilities from business-type activities \$ 274,120

(Continued)

NOTE 6 - LONG-TERM LIABILITIES (CONTINUED)

Debt Service Requirements to Maturity

The annual requirements to amortize debt outstanding for governmental activities at September 30, 2023, are as follows:

Year	Public Improvement Bonds		Lease Liabilities				Total	
	Principal	Interest	Finance Purchase Agreement		Right-of-use Lease		Principal	Interest
			Principal	Interest	Principal	Interest		
2024	\$ 185,000	\$ 46,550	\$ 23,821	\$ 989	\$ 5,063	\$ 735	\$ 213,884	\$ 48,274
2025	185,000	42,850	-	-	5,247	550	190,247	43,400
2026	190,000	39,150	-	-	5,438	359	195,438	39,509
2027	195,000	33,450	-	-	5,636	161	200,636	33,611
2028	200,000	27,600	-	-	1,441	9	201,441	27,609
2029-2033	1,080,000	65,600	-	-	-	-	1,080,000	65,600
	<u>\$ 2,035,000</u>	<u>\$ 255,200</u>	<u>\$ 23,821</u>	<u>\$ 989</u>	<u>\$ 22,825</u>	<u>\$ 1,814</u>	<u>\$ 2,081,646</u>	<u>\$ 258,003</u>

The annual requirements to amortize debt outstanding for business-type activities at September 30, 2023, are as follows:

Finance Purchase Agreement		
Year	Principal	Interest
2024	\$ 45,575	\$ 2,771
2025	39,985	1,406
	<u>\$ 85,560</u>	<u>\$ 4,177</u>

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

There are no outstanding bonds secured by ad valorem taxes of the Town as of September 30, 2023.

Bond Restrictions

Under the terms of the indenture authorizing the issuance of Sales Tax Revenue Refunding Bonds – Series 2021, proceeds of the 1% parish sales and use tax are pledged and dedicated for the establishment and maintenance of the following bond funds:

Sales Tax Revenue Bond – Series 2021 – Sinking Fund to be used for the payment of principal and interest on the outstanding bond as they are due and payable. Monthly payments are equal to the sum of one-sixth of interest falling due on the next interest payment date and one-twelfth of principal falling due on the next principal payment date.

NOTE 6 - LONG-TERM LIABILITIES (CONTINUED)

Bond Restrictions (Continued)

Town of White Castle Sales Tax Revenue Refunding Bonds

Sales Tax Revenue Bond – Series 2021 – Reserve Fund to be used solely for the purpose of paying principal and interest on the bond from the Bond Sinking Fund in case of default. The sum of \$120,684 has been deposited into this fund to satisfy this requirement.

NOTE 7 - DEDICATED REVENUES

Proceeds of the Iberville Parish sales and use tax were dedicated to the following purposes as of September 30, 2023:

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

Consistent with this dedication, sales tax revenues reported in the General Fund will be used to retire Sales Tax Revenue Refunding – Series 2021. See Note 6.

Legal Debt Margin

Computation for legal debt margin for general obligation bonds is as follows:

Ad valorem taxes – assessed valuation	\$ 4,410,800
Debt limit: 10% of assessed valuation (for any one purpose)	\$ 441,080
Debt limit: 35% of assessed valuation (aggregate, all purposes)	\$ 1,543,780

NOTE 8 - PENSION PLAN

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

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

MERS: 7937 Office Park Boulevard | Baton Rouge, Louisiana 70809 | www.mersla.com
MPERS: 7722 Office Park Boulevard | Baton Rouge, Louisiana 70809 | www.lampers.org

NOTE 8 - PENSION PLAN (CONTINUED)

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

Municipal Employees' Retirement System of Louisiana (MERS)

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

Municipal Police Employees' Retirement System (MPERS)

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

Funding Policy

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

(Continued)

NOTE 8 - PENSION PLAN (CONTINUED)

Funding Policy (Continued)

Contributions to the plans are required and determined by State statute (which may be amended) and are expressed as a percentage of covered payroll. The contribution rates in effect for the year ended September 30, 2023, for the Town and covered employees were as follows:

Plan	Town	Employees
Municipal Employees' Retirement System Plan B:		
Members hired prior to 01/01/2013	15.50%	5.00%
Members hired after 01/01/2013	15.50%	5.00%
Municipal Police Employees' Retirement System:		
All employees hired prior to 01/01/2013 and all		
Hazardous Duty employees hired after 01/01/2013	33.93%	10.00%
Non-Hazardous Duty (hired after 01/01/2013)	33.93%	8.00%
Employees receiving compensation below poverty guidelines of US Department of Health	36.43%	7.50%

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

Plan	2023	2022	2021
MERS (Plan B)	\$ 76,476	\$ 76,093	\$ 71,224
MPERS	65,158	49,051	41,492
Total	<u>\$ 141,634</u>	<u>\$ 125,144</u>	<u>\$ 112,716</u>

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

The following schedule lists the Town's proportionate share of the Net Pension Liability allocated by each of the pension plans for based on the June 30, 2023 measurement date. The Town uses this measurement to record its Net Pension Liability and associated amounts as of September 30, 2023 in accordance with GASB Statement 68. The schedule also includes the proportionate share allocation rate used at June 30, 2023 along with the change compared to the June 30, 2022 rate. The Town's proportion of the Net Pension Liability was based on a projection of the Agency's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

NOTE 8 - PENSION PLAN (CONTINUED)

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

	Net Pension Liability at June 30, 2023	Current Measurement Rate	Previous Measurement Rate	Increase (Decrease)
MERS	\$ 459,104	0.5725%	0.6094%	-0.037%
MPERS	<u>797,898</u>	0.0755%	0.0385%	0.037%
Total	<u>\$ 1,257,002</u>			

The following schedule lists each pension plan's recognized pension expense (benefit) for the Town for the year ended September 30, 2023:

	Amount
Municipal Employees' Retirement Fund	\$ 76,199
Municipal Police Employees' Retirement Fund	<u>128,067</u>
Total	<u>\$ 204,266</u>

At September 30, 2023, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Deferred Outflows of Resources:	<u>MERS</u>	<u>MPERS</u>	<u>Total</u>
Differences between expected and actual experience	\$ 6,597	\$ 56,204	\$ 62,801
Changes of assumptions	-	13,314	13,314
Net difference between projected and actual earnings on pension plan investments	59,555	86,138	145,693
Changes in proportion and differences between employer contributions and proportionate share of contributions	2,929	261,098	264,027
Employer contributions subsequent to the measurement date	<u>25,637</u>	<u>51,103</u>	<u>76,740</u>
Total	<u>\$ 94,718</u>	<u>\$ 467,857</u>	<u>\$ 562,575</u>
Deferred Inflows of Resources:	<u>MERS</u>	<u>MPERS</u>	<u>Total</u>
Differences between expected and actual experience	\$ 160	\$ 334	\$ 494
Changes in proportion and differences between Employer contributions and proportionate share of contributions	17,628	31,778	49,406
Differences between allocated and actual contributions	<u>-</u>	<u>4,403</u>	<u>4,403</u>
Total	<u>\$ 17,788</u>	<u>\$ 36,515</u>	<u>\$ 54,303</u>

NOTE 8 - PENSION PLAN (CONTINUED)

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

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Municipal Employees' Retirement Fund	\$ 94,718	\$ 17,788
Municipal Police Employees' Retirement Fund	467,857	36,515
	\$ 562,575	\$ 54,303

The Town reported a total of \$76,740 as deferred outflows of resources related to pension contributions made subsequent to the measurement period of June 30, 2023 which will be recognized as a reduction in net pension liability in the plan year ended June 30, 2024. The following schedule lists the pension contributions made subsequent to the measurement period for each pension plan:

	Subsequent Contributions
Municipal Employees' Retirement Fund	\$ 25,637
Municipal Police Employees' Retirement Fund	51,103
	\$ 76,740

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

Year	MERS	MPERS	Total
2024	\$ 12,947	\$ 145,438	\$ 158,385
2025	1,928	81,548	83,476
2026	38,941	157,531	196,472
2027	(2,523)	(4,278)	(6,801)
	\$ 51,293	\$ 380,239	\$ 431,532

NOTE 8 - PENSION PLAN (CONTINUED)

Actuarial Methods and Assumptions

MERS

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an experienced study, for the period July 2013 through June 30, 2018.

MPERS

The actuarial assumptions used in the June 30, 2023 valuation were based on the assumptions used in the June 30, 2023 actuarial finding valuation and were based on the results of an actuarial experience study for the period of July 1, 2014 through June 30, 2019. In cases where benefit structures were changed after the study period, assumptions were based on estimates of future experiences.

A summary of the actuarial methods and assumptions used in determining the total pension liability for each pension plan as of June 30, 2023 are as follows:

	Measurement/Valuation Date	Expected Remaining Service Lives	Investment Rate of Return
MERS	June 30, 2023	3 years	6.85%; net of pension plan investment expense, including inflation
MPERS	June 30, 2023	4 years	6.75%; net of investment expense

Mortality:

MERS

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

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

MPERS

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

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

NOTE 8 - PENSION PLAN (CONTINUED)

Actuarial Methods and Assumptions (Continued)

Salary Increases:

MERS (Plan B)

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

MPERS

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

Cost of Living Adjustments:

MERS

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

MPERS

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

NOTE 8 - PENSION PLAN (CONTINUED)

Actuarial Methods and Assumptions (Continued)

Discount Rate:

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

MERS

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.50% and an adjustment for the effect of rebalancing /diversification. The resulting expected long-term rate of return is 6.85% for the plan year ended June 30, 2023.

MPERS

The forecasted long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected 2.54% inflation of and an adjustment for the effect of rebalancing/diversification. The resulting forecasted long-term rate of return is 7.90% for the plan year ended June 30, 2023.

The following table provides a summary of the best estimates of arithmetic/geometric real rates of return for each major asset class included in each of the Retirement Systems target asset allocations as of June 30, 2023:

Asset Class	Target Allocation		Long - Term Expected Real Rate of Return	
	MERS	MPERS	MERS	MPERS
Public Equity	56.00%	-	2.44%	-
Equity	-	52.00%	-	3.29%
Public Fixed Income	29.00%	-	1.26%	-
Fixed Income	-	34.00%	-	1.12%
Alternatives	15.00%	14.00%	0.65%	0.95%
Total	<u>100.00%</u>	<u>100.00%</u>	4.35%	5.36%
Inflation			<u>2.50%</u>	<u>2.54%</u>
Expected Arithmetic Nominal Return			<u>6.85%</u>	<u>7.90%</u>

NOTE 8 - PENSION PLAN (CONTINUED)

Actuarial Methods and Assumptions (Continued)

Discount Rate:

The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, each of the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate used to measure the total pension liability for MERS and MPERS were both 6.85% and 6.75% for the year ended June 30, 2023.

Sensitivity of the Employer's Proportionate Share of Net Pension Liability to Changes in the Discount Rate

The following table presents the Town's proportionate share of the Net Pension Liability (NPL) using the discount rate of each Retirement System as well as what the Town's proportionate share of the NPL would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current rate used by each of the Retirement Systems:

	<u>1.0% Decrease</u>	<u>Current Discount Rate</u>	<u>1.0% Increase</u>
MERS			
Discount Rates	5.85%	6.85%	7.85%
Shares of Net Pension Liability	\$ 648,717	\$ 459,104	\$ 298,721
	<u>1.0% Decrease</u>	<u>Current Discount Rate</u>	<u>1.0% Increase</u>
MPERS			
Discount Rates	5.75%	6.75%	7.75%
Shares of Net Pension Liability	\$ 1,122,706	\$ 797,898	\$ 526,564

NOTE 9 - INTERFUND RECEIVABLE AND PAYABLE BALANCES

Interfund balances at September 30, 2023, were as follows:

	Receivable	Payable
Governmental Activities:		
General Fund:		
Sinking Fund	\$ 101,000	\$ -
Capital Project Fund	-	255,000
Gas Utility Fund	351,979	-
Waterworks Utility Fund	298,301	-
Sewerage Utility Fund	89,774	-
Total General Fund	841,054	255,000
Sinking Fund:		
General Fund	-	101,000
Capital Projects	-	30,695
Reserve Fund	-	80,749
Waterworks Utility Fund	131,869	-
Sewerage Utility Fund	100,000	-
Total Sinking Fund	231,869	212,444
Reserve Fund:		
Sinking Fund	80,749	-
Waterworks Utility Fund	159,000	-
Total Reserve Fund	239,749	-
Capital Project Fund:		
General Fund	255,000	-
Sinking Fund	30,695	-
Total Capital Project	285,695	-
Total Governmental Activities	1,598,367	467,444

NOTE 9 - INTERFUND RECEIVABLE AND PAYABLE BALANCES (CONTINUED)

Interfund balances at September 30, 2023, were as follows:

	Receivable	Payable
Business-type Activities:		
Gas Utility Fund:		
General Fund	-	351,979
Waterworks Utility Fund	140,000	-
Sewerage Utility Fund	-	90,000
Total Gas Utility Fund	140,000	441,979
Waterworks Utility Fund:		
General Fund	-	298,301
Sinking Fund	-	131,869
Reserve Fund	-	159,000
Sewerage Utility Fund	-	483,000
Gas Fund	-	140,000
Total Water Utility Fund	-	1,212,170
Sewerage Utility Fund:		
General Fund	-	89,774
Sinking Fund	-	100,000
Gas Utility Fund	90,000	-
Water Utility Fund	483,000	-
Total Sewerage Utility Fund	573,000	189,774
Total Business-type Activities	713,000	1,843,923
Total primary government	\$ 2,311,367	\$ 2,311,367

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

NOTE 10 - INTERFUND TRANSFERS

Interfund Transfers

Interfund transfers for the year ended September 30, 2023, were as follows:

	Transfers	
	In	Out
Governmental Activities:		
General Fund:		
Sinking Fund	\$ -	\$ 155,333
Gas Utility Fund	-	38,000
Waterworks Utility Fund	-	61,000
Total General Fund	-	254,333
Sinking Fund:		
General Fund	155,333	-
Total Governmental Activities	155,333	254,333
Business-type Activities:		
Gas Utility Fund:	38,000	-
Waterworks Utility Fund:		
General Fund	61,000	-
Total Business-type Activities	99,000	-
Total primary government	\$ 254,333	\$ 254,333

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

NOTE 11 - COMPENSATION TO GOVERNING BODY

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

Name	Amount
Kipp Knight	\$ 10,200
Erick Batiste	10,200
Mervin Allen	10,200
Candice Depron	10,200
Chamarcus Lewis	7,448
Total	\$ 48,248

NOTE 12 - COMMITMENTS AND CONTINGENCIES

Litigation

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

Grants and Loans

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

Risk Management

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

NOTE 13 - RESTATEMENT OF NET POSITION

In 2023, the Town restated the net position of its Waterworks Utility Fund to properly include the effect of accounts payable accruals that not properly included in net position at September 31, 2022. The accruals excluded from the Waterworks Utility Fund relate to major well repairs performed during the 2022 fiscal year. The impacts on the Waterworks Utility Fund and Business-Type Activities net position are as follows:

	Waterworks Utility Fund	Business Type Activities
Total net position at September 30, 2022, as previously reported	\$ 659,130	\$ 1,724,070
Restatement of prior year enterprise funds	(73,047)	(73,047)
Total net position at September 30, 2023, restated	\$ 586,083	\$ 1,651,023

**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, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Taxes:				
Sales	\$ 2,450,000	\$ 3,000,000	\$ 3,281,557	\$ 281,557
Ad valorem	32,000	32,000	24,942	(7,058)
Public utility franchise	27,000	29,000	28,595	(405)
Video poker	7,500	7,500	4,538	(2,962)
Cable T.V. franchise	13,500	13,500	11,796	(1,704)
Beer	3,000	3,000	482	(2,518)
Licenses and permits	85,000	70,000	71,351	1,351
Intergovernmental:				
Federal grants	50,000	50,000	3,219	(46,781)
State and local grants	-	3,000	18,692	15,692
Local housing authority	35,000	37,000	37,246	246
Fines	100,000	135,000	131,215	(3,785)
Charges for service	-	-	16,803	16,803
Other:				
Lease and royalty	12,000	12,000	5,090	(6,910)
Interest	2,000	3,000	5,925	2,925
Miscellaneous	15,000	15,000	9,140	(5,860)
Total revenues	<u>2,832,000</u>	<u>3,410,000</u>	<u>3,650,591</u>	<u>240,591</u>
EXPENDITURES				
Current function:				
General government	662,420	769,120	961,061	(191,941)
Public safety	814,752	1,002,102	967,996	34,106
Streets and sanitation	602,780	692,580	652,928	39,652
Recreation	74,090	128,990	188,597	(59,607)
Debt service	18,000	15,000	27,523	(12,523)
Capital outlay	-	15,000	157,722	(142,722)
Total expenditures	<u>2,172,042</u>	<u>2,622,792</u>	<u>2,955,827</u>	<u>(333,035)</u>
Excess of revenues over expenditures	659,958	787,208	694,764	(92,444)
OTHER FINANCING SOURCES (USES)				
Proceeds from debt issuance	-	-	26,504	26,504
Transfers out	(493,000)	(490,000)	(254,333)	235,667
Total other financing sources (uses)	<u>(493,000)</u>	<u>(490,000)</u>	<u>(227,829)</u>	<u>262,171</u>
Net change in fund balance	<u>\$ 166,958</u>	<u>\$ 297,208</u>	\$ 466,935	<u>\$ 169,727</u>
FUND BALANCE				
Beginning of year			<u>820,395</u>	
End of year			<u>\$ 1,287,330</u>	

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

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

As of the fiscal year ended (2023):

	2023	
	MERS (Plan B)	MPERS
Employer's Proportion of the Net Pension Liability (Asset)	0.5725%	0.0755%
Employer's Proportionate Share of the Net Pension Liability (Asset)	\$ 459,104	\$ 797,898
Employer's Covered Payroll	\$ 491,410	\$ 228,741
Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	93.43%	348.82%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	73.25%	71.30%

As of the fiscal year ended (2022):

	2022	
	MERS (Plan B)	MPERS
Employer's Proportion of the Net Pension Liability (Asset)	0.6094%	0.0385%
Employer's Proportionate Share of the Net Pension Liability (Asset)	\$ 535,008	\$ 394,039
Employer's Covered Payroll	\$ 553,640	\$ 159,349
Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	96.63%	247.28%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	69.56%	70.80%

As of the fiscal year ended (2021):

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

As of the fiscal year ended (2020):

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

As of the fiscal year ended (2019):

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

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

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

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

MERS (Plan B) = Municipal Employees' Retirement System

MPERS = Municipal Police Employees' Retirement System

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

As of the fiscal year ended (2018):

	2018	
	MERS (Plan B)	MPERS
Employer's Proportion of the Net Pension Liability (Asset)	0.6830%	0.0229%
Employer's Proportionate Share of the Net Pension Liability (Asset)	\$ 577,458	\$ 193,302
Employer's Covered Payroll	\$ 561,456	\$ 60,399
Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	102.85%	320.04%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	65.60%	71.88%

As of the fiscal year ended (2017):

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

As of the fiscal year ended (2016):

	2016	
	MERS (Plan B)	MPERS
Employer's Proportion of the Net Pension Liability (Asset)	0.7180%	0.0023%
Employer's Proportionate Share of the Net Pension Liability (Asset)	\$ 595,116	\$ 21,520
Employer's Covered Payroll	\$ 509,077	\$ 6,023
Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	116.90%	357.30%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	63.34%	66.04%

As of the fiscal year ended (2015):

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

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

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

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

MERS (Plan B) = Municipal Employees' Retirement System

MPERS = Municipal Police Employees' Retirement System

TOWN OF WHITE CASTLE, LOUISIANA

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

For the year ended September 30, 2023

NOTE 1 - BUDGETS

Budget Policy and Budgetary Accounting

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

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

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

Basis of Accounting

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

NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Expenditures Exceeding Appropriations

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

Governmental Activities:	Revised Budget	Actual (GAAP Basis)	Excess over Budget
General Fund:			
Current function:			
General government	\$ 769,120	\$ 961,061	\$ (191,941)
Recreation	128,990	188,597	(59,607)
Debt Service	15,000	27,523	(12,523)
Capital outlay	15,000	157,722	(142,722)

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

	2023	
	MERS (Plan B)	MPERS
Contractually Required Contribution	\$ 76,200	\$ 80,093
Contributions in Relation to Contractually Required Contribution	<u>76,200</u>	<u>65,158</u>
Contribution Deficiency (Excess)	\$ -	\$ 14,935
Employer's Covered Payroll	405,706	282,393
Contributions as a % of Covered Payroll	15.50%	31.25%
	2022	
	MERS (Plan B)	MPERS
Contractually Required Contribution	\$ 76,109	\$ 35,454
Contributions in Relation to Contractually Required Contribution	<u>76,109</u>	<u>35,454</u>
Contribution Deficiency (Excess)	\$ -	\$ -
Employer's Covered Payroll	426,222	129,822
Contributions as a % of Covered Payroll	15.50%	31.25%
	2021	
	MERS (Plan B)	MPERS
Contractually Required Contribution	\$ 70,101	\$ 40,271
Contributions in Relation to Contractually Required Contribution	<u>70,101</u>	<u>40,271</u>
Contribution Deficiency (Excess)	\$ -	\$ -
Employer's Covered Payroll	452,263	119,321
Contributions as a % of Covered Payroll	15.50%	33.75%
	2020	
	MERS (Plan B)	MPERS
Contractually Required Contribution	\$ 75,174	\$ 44,140
Contributions in Relation to Contractually Required Contribution	<u>75,174</u>	<u>44,140</u>
Contribution Deficiency (Excess)	\$ -	\$ -
Employer's Covered Payroll	536,955	135,815
Contributions as a % of Covered Payroll	14.00%	32.50%
	2019	
	MERS (Plan B)	MPERS
Contractually Required Contribution	\$ 62,798	\$ 20,902
Contributions in Relation to Contractually Required Contribution	<u>72,130</u>	<u>20,902</u>
Contribution Deficiency (Excess)	\$ (9,332)	\$ -
Employer's Covered Payroll	448,559	64,313
Contributions as a % of Covered Payroll	14.00%	32.50%

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

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

MERS (Plan B) = Municipal Employees' Retirement System

MPERS = Municipal Police Employees' Retirement System

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

	2018	
	MERS (Plan B)	MPERS
Contractually Required Contribution	\$ 67,310	\$ 19,766
Contributions in Relation to Contractually Required Contribution	<u>67,310</u>	<u>19,766</u>
Contribution Deficiency (Excess)	\$ -	\$ -
Employer's Covered Payroll	508,000	59,448
Contributions as a % of Covered Payroll	13.25%	33.25%
	2017	
	MERS (Plan B)	MPERS
Contractually Required Contribution	\$ 52,244	\$ 24,906
Contributions in Relation to Contractually Required Contribution	<u>52,244</u>	<u>24,906</u>
Contribution Deficiency (Excess)	\$ -	\$ -
Employer's Covered Payroll	474,945	73,796
Contributions as a % of Covered Payroll	11.00%	33.75%
	2016	
	MERS (Plan B)	MPERS
Contractually Required Contribution	\$ 49,955	\$ 7,588
Contributions in Relation to Contractually Required Contribution	<u>49,955</u>	<u>7,588</u>
Contribution Deficiency (Excess)	\$ -	\$ -
Employer's Covered Payroll	509,077	24,090
Contributions as a % of Covered Payroll	9.81%	31.50%
	2015	
	MERS (Plan B)	MPERS
Contractually Required Contribution	\$ 48,019	\$ -
Contributions in Relation to Contractually Required Contribution	<u>46,172</u>	<u>-</u>
Contribution Deficiency (Excess)	\$ 1,847	\$ -
Employer's Covered Payroll	505,465	-
Contributions as a % of Covered Payroll	9.13%	-

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

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

MERS (Plan B) = Municipal Employees' Retirement System

MPERS = Municipal Police Employees' Retirement System

NOTE 3 - DEFINED BENEFIT PLANS

Changes in benefit terms and assumptions are as follows:

MERS			MPERS		
<u>Measurement Date</u>	<u>Changes of Benefit Terms</u>		<u>Measurement Date</u>	<u>Changes of Benefit Terms</u>	
	<u>Years</u>	<u>Change</u>		<u>Years</u>	<u>Change</u>
6/30/2023	3	-	6/30/2023	4	-
6/30/2022	3	-	6/30/2022	4	-
6/30/2021	3	-	6/30/2021	4	-
6/30/2020	3	-	6/30/2020	4	-
6/30/2019	3	-	6/30/2019	4	-
6/30/2018	3	-	6/30/2018	4	-
6/30/2017	3	-	6/30/2017	4	-
6/30/2016	3	-	6/30/2016	4	-

MERS <u>Measurement Date</u>	<u>Investment Rate of Return</u>		<u>Inflation rates</u>	
	<u>Rate</u>	<u>Change</u>	<u>Rate</u>	<u>Change</u>
6/30/2023	6.85%	0.00%	2.50%	0.00%
6/30/2022	6.85%	0.00%	2.50%	0.00%
6/30/2021	6.85%	-0.10%	2.50%	0.00%
6/30/2020	6.95%	-0.05%	2.50%	0.00%
6/30/2019	7.00%	-0.28%	2.50%	-0.10%
6/30/2018	7.28%	-0.12%	2.60%	-0.18%
6/30/2017	7.40%	-0.10%	2.78%	-0.10%
6/30/2016	7.50%	0.00%	2.88%	0.00%
6/30/2015	7.50%	0.00%	2.88%	0.00%

MPERS <u>Measurement Date</u>	<u>Investment Rate of Return</u>		<u>Inflation rates</u>	
	<u>Rate</u>	<u>Change</u>	<u>Rate</u>	<u>Change</u>
6/30/2023	6.75%	0.00%	2.50%	0.00%
6/30/2022	6.75%	0.00%	2.50%	0.00%
6/30/2021	6.75%	-0.20%	2.50%	0.00%
6/30/2020	6.95%	-0.18%	2.50%	0.00%
6/30/2019	7.13%	-0.07%	2.50%	-0.10%
6/30/2018	7.20%	-0.13%	2.60%	-0.10%
6/30/2017	7.33%	-0.18%	2.70%	-0.18%
6/30/2016	7.50%	0.50%	2.88%	0.00%
6/30/2015	7.00%	0.00%	2.88%	0.00%

TOWN OF WHITE CASTLE, LOUISIANA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

September 30, 2023

	Special Revenue	Debt Service	Capital Project	Total Nonmajor
	Section 8 Fund	Reserve Fund	2008 Capital Project Fund	Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 24,259	\$ -	\$ -	\$ 24,259
Due from other funds	-	239,749	285,695	525,444
Total assets	<u>\$ 24,259</u>	<u>\$ 239,749</u>	<u>\$ 285,695</u>	<u>\$ 549,703</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE				
LIABILITIES				
Accounts payable	\$ 243	\$ -	\$ -	\$ 243
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	24,016	-	-	24,016
FUND BALANCE				
Committed for:				
Debt service	-	239,749	-	239,749
Capital projects	-	-	285,695	285,695
Total fund balance	-	239,749	285,695	525,444
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 24,259</u>	<u>\$ 239,749</u>	<u>\$ 285,695</u>	<u>\$ 549,703</u>

TOWN OF WHITE CASTLE, LOUISIANA
COMBINING STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS

For the year ended September 30, 2023

	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Project</u>	<u>Total Nonmajor</u>
	<u>Section 8 Fund</u>	<u>Reserve Fund</u>	<u>2008 Capital Project Fund</u>	<u>Governmental Funds</u>
REVENUES				
Intergovernmental	\$ 43,716	\$ -	\$ -	\$ 43,716
Interest	26	-	-	26
Total revenues	<u>43,742</u>	<u>-</u>	<u>-</u>	<u>43,742</u>
EXPENDITURES				
Current function				
Public health	<u>43,742</u>	<u>-</u>	<u>-</u>	<u>43,742</u>
FUND BALANCE				
Beginning of year	<u>-</u>	<u>239,749</u>	<u>285,695</u>	<u>525,444</u>
End of year	<u>\$ -</u>	<u>\$ 239,749</u>	<u>\$ 285,695</u>	<u>\$ 525,444</u>

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

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

For the year ended September 30, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
GENERAL GOVERNMENT				
Salaries	\$ 143,420	\$ 171,920	\$ 187,808	\$ (15,888)
Payroll taxes	20,000	22,000	22,044	(44)
Municipal retirement	21,700	21,700	13,918	7,782
Employees' insurance	68,000	76,000	68,388	7,612
Insurance	100,000	120,000	170,009	(50,009)
Legal fees	20,000	20,000	19,754	246
Emergency preparedness - animal control	54,000	50,000	63,210	(13,210)
Travel	53,000	46,500	53,742	(7,242)
Professional services	30,000	46,200	68,360	(22,160)
Utilities and telephone	17,000	35,000	42,452	(7,452)
Publishing	5,000	5,000	434	4,566
Maintenance - building	47,000	46,000	63,283	(17,283)
Community events	18,000	40,000	68,626	(28,626)
Postage	6,000	6,000	6,428	(428)
Computer services	13,600	10,000	12,513	(2,513)
Bank fees	3,000	6,000	8,841	(2,841)
Dues and subscriptions	3,700	2,700	4,725	(2,025)
Equipment rental	-	5,000	-	5,000
Maintenance - equipment and vehicle	5,000	17,000	36,803	(19,803)
Coroner	3,000	3,600	4,065	(465)
Printing	8,000	2,000	4,028	(2,028)
Drug testing	1,000	1,000	299	701
Other	22,000	15,500	41,331	(25,831)
Total general government	<u>662,420</u>	<u>769,120</u>	<u>961,061</u>	<u>(191,941)</u>

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

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

For the year ended September 30, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
PUBLIC SAFETY				
Police:				
Salaries	\$ 482,652	\$ 565,652	\$ 544,325	\$ 21,327
Payroll taxes	36,000	40,000	39,504	496
Municipal retirement	86,000	82,000	102,128	(20,128)
Employees' insurance	102,000	114,000	117,212	(3,212)
Maintenance - vehicle	4,000	34,000	40,731	(6,731)
Vehicle fuel	8,000	12,000	10,709	1,291
Travel	11,500	8,500	16,610	(8,110)
Telephone	5,000	11,000	10,448	552
Computer services	10,000	4,000	633	3,367
Maintenance contracts	8,800	15,000	18,351	(3,351)
Maintenance - building	2,500	16,000	8,868	7,132
Court fees	-	4,500	600	3,900
Field supplies	1,750	34,750	18,379	16,371
Dues and subscriptions	500	1,800	1,800	-
Drug testing	800	800	1,233	(433)
Printing	1,250	1,600	3,335	(1,735)
Clothing	1,500	4,000	5,484	(1,484)
	<u>762,252</u>	<u>949,602</u>	<u>940,350</u>	<u>9,252</u>
Total police				
Volunteer fire:				
Salary supplement	22,400	22,400	-	22,400
Maintenance - vehicle	3,000	3,000	7,773	(4,773)
Maintenance - building	-	-	5,929	(5,929)
Maintenance - equipment	21,900	21,900	859	21,041
Vehicle insurance	2,200	2,200	2,187	13
Telephone	2,400	2,400	2,861	(461)
Vehicle fuel	600	600	1,336	(736)
Maintenance contracts	-	-	6,701	(6,701)
	<u>52,500</u>	<u>52,500</u>	<u>27,646</u>	<u>24,854</u>
Total volunteer fire				
Total public safety	<u>814,752</u>	<u>1,002,102</u>	<u>967,996</u>	<u>34,106</u>

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

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

For the year ended September 30, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
STREETS AND SANITATION				
Salaries	\$ 206,880	\$ 179,880	\$ 171,625	\$ 8,255
Payroll taxes	16,200	16,200	16,920	(720)
Municipal retirement	50,000	38,000	32,069	5,931
Employees' insurance	82,000	85,000	87,148	(2,148)
Utilities	75,000	100,000	147,253	(47,253)
Maintenance - street	154,000	181,800	137,203	44,597
Maintenance - vehicle	5,000	19,000	25,222	(6,222)
Vehicle fuel	12,000	17,000	17,861	(861)
Engineering	-	50,000	12,146	37,854
Drug testing	500	500	411	89
Other	1,200	5,200	5,070	130
	<u>602,780</u>	<u>692,580</u>	<u>652,928</u>	<u>39,652</u>
Total streets and sanitation				
RECREATION				
Salaries	21,840	24,040	43,606	(19,566)
Payroll Taxes	1,750	1,950	3,505	(1,555)
Utilities	36,000	52,000	70,941	(18,941)
Maintenance	9,500	47,000	65,453	(18,453)
Youth recreation	5,000	4,000	5,092	(1,092)
	<u>74,090</u>	<u>128,990</u>	<u>188,597</u>	<u>(59,607)</u>
Total recreation				
DEBT SERVICE	18,000	15,000	27,523	(12,523)
CAPITAL OUTLAY	<u>-</u>	<u>15,000</u>	<u>157,722</u>	<u>(142,722)</u>
Total expenditures	<u>\$ 2,172,042</u>	<u>\$ 2,622,792</u>	<u>\$ 2,955,827</u>	<u>\$ (333,035)</u>

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

For the year ended September 30, 2023

Agency Head: John Morris, Mayor

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 54,080
Benefits - insurance	12,827
Benefits - retirement	8,382
Travel and conference registrations	6,032
Per diem	<u>1,082</u>
	<u>\$ 82,403</u>

TOWN OF WHITE CASTLE, LOUISIANA
ACT 87 SYSTEM FUNDING SCHEDULE
COLLECTING/DISBURSING ENTITY

For the year ended September 30, 2023

	First Six Month Period Ending, March 31, 2023	Second Six Month Period Ending, September 30, 2023
BEGINNING BALANCE OF AMOUNTS COLLECTED	\$ -	\$ 3,864
COLLECTIONS:		
Civil Fees	68,932	49,331
DISBURSEMENTS TO GOVERNMENTS AND NON-PROFITS:		
Case Management Information Systems, Traffic fines	367	263
Crime Victims Reparations Fund, Traffic fines	1,675	1,198
Peace Officers Standards and Training Council, Traffic fines	1,137	813
Louisiana Trauma Head and Spinal Cord Injury Trust Fund, Traffic fines	685	490
TOTAL DISBURSEMENTS	3,864	2,764
AMOUNTS "SELF DISBURSED" TO COLLECTING AGENCY:	65,068	46,567
DISBURSEMENTS/RETAINAGE	68,932	49,331
TOTAL ENDING BALANCE OF AMOUNTS COLLECTED AND NOT DISBURSED	\$ 3,864	\$ 6,628

TOWN OF WHITE CASTLE, LOUISIANA

**SCHEDULE OF UTILITY
CUSTOMERS**

September 30, 2023
(Without Audit)

Records maintained by the Town indicated the number of residential and commercial users for gas, water and sewer systems at September 30, 2023 were as follows:

	<u>Water</u>	<u>Sewer</u>	<u>Gas</u>
Residential	645	655	389
Commercial	51	37	21

At September 30, 2023, the Town was charging a \$17.38 commercial and a \$14.82 residential base fee with \$3.00 for each thousand gallons consumed for water usage. In addition, a \$25.63 commercial and a \$13.48 residential base fee with \$2.00 commercial and \$1.90 residential fee for each thousand gallons treated was charged as a sewerage fee.

At September 30, 2023, the aging of accounts receivable for the enterprise funds was as follows:

Current	\$ 93,913
31-60 days	32,715
61-90 days	29,154
Over 90 days	88,537
Allowance for doubtful accounts	<u>(91,863)</u>
	<u>\$ 152,456</u>

TOWN OF WHITE CASTLE, LOUISIANA
SCHEDULE OF INSURANCE IN FORCE

September 30, 2023
(Without Audit)

<u>Issuer</u>	<u>Type of Insurance</u>	<u>Property Covered and Location</u>	<u>Insurance</u>	<u>Expiration Date</u>
LA Municipal Risk Management Agent	Automobile	21 Automobiles	\$ 1,000,000	May 1, 2024
	Commercial general liability	Premises operations, general	1,000,000	May 1, 2024
		Products and completed operations	1,000,000	May 1, 2024
		Medical payments	10,000/per accident	May 1, 2024
		Fire legal liability	50,000/per occurrence	May 1, 2024
	Law enforcement liability	Enforcement officers	1,000,000	May 1, 2024
	Public officials' errors and omissions liability	Public officials' errors and omissions	1,000,000	May 1, 2024
	Workers compensation	Eligible employees	statutory	January 1, 2024
Scottsdale Insurance Company	Commercial property	Sewage plant, 31540 Hwy. 405	620,000	April 12, 2024
	Fire and extended coverage	Water tower and treatment facility 33060 Bowie St.	270,000	April 12, 2024
	Fire and extended coverage	Police and Fire Station, 32535 Bowie St.	735,400	April 12, 2024
	Fire and extended coverage	Fire station, 32055 Hwy. 405	160,000	April 12, 2024
	Fire and extended coverage	Fitness Center Building, 55050 Latino St	306,800	April 12, 2024
	Fire and extended coverage	Town Hall, 32515 Bowie St.	1,300,000	April 12, 2024
	Fire and extended coverage	Sewage station, 54940 Cambre St.	130,000	April 12, 2024
	Fire and extended coverage	Property in the open, 324800 Bowie St. and 31880 Hwy. 1	276,000	April 12, 2024
Fire and extended coverage	Rec Center, 32711 Bowie St. Cummins Generator	1,455,000	April 12, 2024	
Rod Prejean & Associates, Inc.	Automobile	Ford Explorer w/ equipment	25,974	February 5, 2024
		Ford Explorer w/ equipment	25,974	
		Ford Explorer w/ equipment	25,974	

KOLDER, SLAVEN & COMPANY, LLC

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Christine C. Doucet, CPA – retired 2022

* A Professional Accounting Corporation

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

John Morris III, Mayor
and members of the Town Council
Town of White Castle, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of White Castle, Louisiana (the Town), as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued our report thereon dated March 27, 2024.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that is 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 internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Baton Rouge, Louisiana
March 27, 2024

TOWN OF WHITE CASTLE
White Castle, Louisiana

Schedule of Current and Prior Year Audit Findings
and Management's Corrective Action Plan
Year Ended September 30, 2023

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

A. Internal Control Findings –

There are no findings to be reported under this section.

B. Compliance Findings –

There are no findings to be reported under this section.

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

A. Internal Control Findings –

There were no findings reported under this section.

B. Compliance Findings –

There were no findings reported under this section.

Town of White Castle

White Castle, Louisiana

Statewide Agreed-Upon Procedures

Fiscal period October 1, 2022 through September 30, 2023

KOLDER, SLAVEN & COMPANY, LLC

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Mr. John Morris III, Mayor,
and the Town of White Castle Council Members
and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period October 1, 2022 through September 30, 2023. Town of White Castle's (the Town) management is responsible for those C/C areas identified in the SAUPs.

The Town has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period October 1, 2022 through September 30, 2023. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

Written Policies and Procedures

1. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories (if applicable to public funds and the entity's operations):
 - a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget.
 - b) **Purchasing**, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the Public Bid Law; and (5) documentation required to be maintained for all bids and price quotes.
 - c) **Disbursements**, including processing, reviewing, and approving.
 - d) **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

- e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employees(s) rate of pay or approval and maintenance of pay rate schedules.
- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- g) **Travel and Expense Reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- h) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.
- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- k) **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.
- l) **Prevention of Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

Board or Finance Committee

- 2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
 - a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
 - b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum on all special revenue funds. *Alternatively, for those entities reporting on the non-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*
 - c) For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

- d) Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

Bank Reconciliations

- 3. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:
 - a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);
 - b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation. (e.g., initialed and dated, electronically logged); and
 - c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Collections (excluding EFTs)

- 4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).
- 5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies and procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:
 - a) Employees that are responsible for cash collections do not share cash drawers/registers.
 - b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.
 - c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
 - d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, are not responsible for collecting cash, unless another employee/official verifies the reconciliation.
- 6. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe that the bond or insurance policy for theft was enforced during the fiscal period.
- 7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when*

selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc. Obtain supporting documentation for each of the 10 deposits and:

- a) Observe that receipts are sequentially pre-numbered.
- b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
- c) Trace the deposit slip total to the actual deposit per the bank statement.
- d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
- e) Trace the actual deposit per the bank statement to the general ledger.

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

8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).
9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:
 - a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
 - b) At least two employees are involved in processing and approving payments to vendors.
 - c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
 - d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.
 - e) Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.

[Note: Exceptions to controls that constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); should not be reported.]
10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:
 - a) Observe that the disbursement matched the related original itemized invoice and that supporting documentation indicates that deliverables included on the invoice were received by the entity.
 - b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.
11. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons

authorized to disburse funds (e.g., sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy. Note: If no electronic payments were made from the main operating account during the month selected the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.

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

12. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.
13. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation and:
 - a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder. [Note: requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported]
 - b) Observe that finance charges and late fees were not assessed on the selected statements.
14. Using the monthly statements or combined statements selected under #13 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

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

15. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:
 - a) If reimbursed using a per diem, observe that the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).
 - b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
 - c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).
 - d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Contracts

16. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:
- a) Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
 - b) Observe that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).
 - c) If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g. if approval is required for any amendment was approval documented).
 - d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

Payroll and Personnel

17. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
18. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under #17 above, obtain attendance records and leave documentation for the pay period, and:
- a) Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, officials are not eligible to earn leave and do not document their attendance and leave. However, if the official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)
 - b) Observe that supervisors approved the attendance and leave of the selected employees/officials.
 - c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
 - d) Observe that the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.
19. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity policy on termination payments. Agree the hours to the employee or officials' cumulate leave records, agree the pay rates to the employee or officials' authorized pay rates in the employee or officials' personnel files, and agree the termination payment to entity policy.
20. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g. payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

Ethics

21. Using the 5 randomly selected employees/officials from procedure #17 under “Payroll and Personnel” above, obtain ethics documentation from management, and:
 - a. Observe whether the documentation demonstrates that each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170.
 - b. Observe that the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity’s ethics policy during the fiscal period, as applicable.
22. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

Debt Service

23. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management’s representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each bond/note issued.
24. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management’s representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

Fraud Notice

25. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management’s representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the Parish in which the entity is domiciled.
26. Observe that the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

Information Technology Disaster Recovery/Business Continuity

27. Perform the following procedures, verbally discuss the results with management, and report “We performed the procedure and discussed the results with management.”
 - a. Obtain and inspect the entity’s most recent documentation that it has backed up its critical data (if there is no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government’s local server or network, and (c) was encrypted.
 - b. Obtain and inspect the entity’s most recent documentation that it has tested/verified that its backups can be restored (if there is no written documentation, then inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months
 - c. Obtain a listing of the entity’s computers currently in use and their related locations, and management’s representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

28. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in Payroll and Personnel procedure #19. Observe evidence that the selected terminated employees have been removed or disabled from the network

Prevention of Sexual Harassment

29. Using the 5 randomly selected employees/officials from procedure #17 under ‘Payroll and Personnel’ above, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year.
30. Observe that the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity’s premises if the entity does not have a website).
31. Obtain the entity’s annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe that it includes the applicable requirements of R.S. 42:344:
- a. Number and percentage of public servants in the agency who have completed the training requirements;
 - b. Number of sexual harassment complaints received by the agency;
 - c. Number of complaints which resulted in a finding that sexual harassment occurred;
 - d. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
 - e. Amount of time it took to resolve each complaint.

Findings:

No exceptions were found as a result of procedures list above with the exception of:

Written Policies and Procedures:

Written policies and procedures did not address how vendors are added to the vendor list, Receipts, Contracting, Ethics, Debt Service, Information Technology Disaster Recovery/Business Continuity, Payroll Processing, Sexual Harassment Employee Training, and Sexual Harassment Annual Reporting.

Bank Reconciliations:

1 out of the 4 bank reconciliations tested were not prepared within 2 months of related statement closing date.

Credit Cards:

3 out of the 3 credit cards tested had finance charges or late fees.

10 out of the 30 credit card transactions tested did not have supporting documentation.

Ethics:

4 out of the 5 employees had not completed one hour of ethics training during the fiscal period.

Information Technology Disaster Recovery/Business Continuity

We performed the procedures and discussed the results with management.

Prevention of Sexual Harassment:

The Town does not have its sexual harassment policy and complaint procedures posted on the Town's website.

The sexual harassment report was not prepared on or before February 1.

Management's Response:

Management of the Town concurs with the exceptions and is working to address the deficiencies identified.

We were engaged by the Town to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the Town and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Baton Rouge, Louisiana
March 27, 2024