

TOWN OF WHITE CASTLE, LOUISIANA

FINANCIAL REPORT

September 30, 2000

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 03/14/01

TOWN OF WHITE CASTLE, LOUISIANA

TABLE OF CONTENTS

September 30, 2000

| | <u>Exhibit</u> | <u>Page</u> |
|--|----------------|-------------|
| INDEPENDENT AUDITORS' REPORT | | 1 |
| GENERAL PURPOSE FINANCIAL STATEMENTS (Combined Statements - Overview) | | |
| Combined Balance Sheet - All Fund Types and Account Groups | A-1 | 3 |
| Combined Statement of Revenues, Expenditures, and Changes in Fund Balance - All Governmental Fund Types | A-2 | 5 |
| Combined Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget (GAAP Basis) and Actual - All Governmental Fund Types | A-3 | 6 |
| Combined Statement of Revenues, Expenses, and Changes in Retained Earnings - All Proprietary Fund Types | A-4 | 8 |
| Combined Statement of Cash Flows - All Proprietary Fund Types | A-5 | 9 |
| Notes to Financial Statements | A-6 | 10 |
| FINANCIAL STATEMENTS OF INDIVIDUAL FUNDS AND ACCOUNT GROUPS | | |
| General Fund | | |
| Balance Sheet | B-1 | 30 |
| Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget (GAAP Basis) and Actual | B-2 | 31 |
| Statement of Departmental Expenditures - Budget (GAAP Basis) and Actual | B-3 | 33 |
| Special Revenue Funds | | |
| Combining Balance Sheet | C-1 | 37 |
| Combining Statement of Revenues, Expenditures, and Changes in Fund Balances | C-2 | 38 |
| Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget (GAAP Basis) and Actual - Sales Tax Fund | C-3 | 39 |
| Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget (GAAP Basis) and Actual - Section 8 | C-4 | 40 |
| Debt Service Funds | | |
| Combining Balance Sheet | D-1 | 42 |
| Combining Statement of Revenues, Expenditures, and Changes in Fund Balances | D-2 | 43 |

TABLE OF CONTENTS (Continued)

| FINANCIAL STATEMENTS OF INDIVIDUAL FUNDS AND ACCOUNT GROUPS (continued) | <u>Exhibit</u> | <u>Page</u> |
|--|------------------------|--------------------|
| Proprietary (Enterprise) Funds | | |
| Combining Balance Sheet | E-1 | 45 |
| Combining Statement of Revenues, Expenses, and Changes in Retained Earnings | E-2 | 47 |
| Combining Statement of Cash Flows | E-3 | 48 |
| Combining Statement of Operating Expenses | E-4 | 49 |
| General Long-Term Debt Account Group | | |
| Combining Statement of General Long-Term Debt | F-1 | 51 |
| SCHEDULES (Supplementary Financial Information) | <u>Schedule</u> | <u>Page</u> |
| Sewerage Customers (Without Audit) | 1 | 53 |
| Insurance in Force (Without Audit) | 2 | 54 |
| SPECIAL INDEPENDENT AUDITORS' REPORTS | | |
| Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards | | 56 |
| SCHEDULE OF FINDINGS AND QUESTIONED COSTS | | 58 |
| STATISTICAL INFORMATION | <u>Schedule</u> | |
| Total Assets | S-1 | |
| Cash and Investments | S-2 | |
| Liabilities and Fund Equity | S-3 | |
| Fund Equity | S-4 | |
| Taxable Assessed Value of Property, Property Taxes - Assessed | S-5 | |
| General Fund Revenues, General Fund Expenditures | S-6 | |
| Transfers to General Fund, General Fund Inflows & Outflows | S-7 | |
| Sales Tax Revenues, Sales Tax Transfers Out | S-8 | |
| Gas Fund Revenues & Expenses, Gas Fund Net Income & Transfers | S-9 | |
| Gas Fund Revenues & Cost of Gas | S-10 | |
| Water Fund Revenues & Expenses, Water Fund Net Income & Transfers Out | S-11 | |
| Sewer Fund Revenues & Expenses, Sewer Fund Net Income & Transfers Out | S-12 | |



INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying general purpose financial statements and the combining, individual fund, and account group financial statements of the **TOWN OF WHITE CASTLE, LOUISIANA** as of and for the year ended September 30, 2000, as listed in the table of contents. These general purpose financial statements are the responsibility of the Town's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the **TOWN OF WHITE CASTLE, LOUISIANA** as of September 30, 2000, and the results of its operations and cash flows of its proprietary fund types for the year then ended in conformity with generally accepted accounting principles. Also, in our opinion, the combining, individual fund, and account group financial statements referred to above, present fairly, in all material respects, the financial position of each of the individual funds and account groups of the Town of White Castle, Louisiana as of September 30, 2000, and the results of operations of such funds and the cash flows of individual proprietary fund types for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued reports dated December 15, 2000, 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 grants.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole and on the combining, and individual fund and account group financial statements. The accompanying financial information listed as schedules and statistical information in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements of the Town of White Castle, Louisiana. Schedules 1 & 2 are presented without audit. The statistical information has been subjected to the auditing procedures applied in the audit of the general purpose, combining and individual fund and account group financial statements and, in our opinion, is fairly presented in all material respects in relation to the financial statements of each of the respective individual funds and account groups taken as a whole.



Certified Public Accountants

Baton Rouge, Louisiana
December 15, 2000

**TOWN OF WHITE CASTLE, LOUISIANA
ALL FUND TYPES AND ACCOUNT GROUPS**

COMBINED BALANCE SHEET

| | Governmental Fund Types | | |
|---|-------------------------|--------------------|-------------------|
| | General | Special Revenue | Debt Service |
| ASSETS | | | |
| Cash and cash equivalents | \$ 1,821 | \$ 153,467 | \$ 105,650 |
| Investments, at cost | - | 357,426 | 144,000 |
| Accounts receivable, net | - | - | - |
| Due from other governments | 27,760 | 56,224 | - |
| Due from other funds | 36,538 | 11,180 | - |
| Prepaid insurance | - | - | - |
| Restricted cash | - | - | - |
| Inventories, at cost | - | - | - |
| General fixed assets | - | - | - |
| Fixed assets, net | - | - | - |
| Available in debt service fund | - | - | - |
| Amount to be provided for retirement of general long-term debt | - | - | - |
| Total assets | <u>\$ 66,119</u> | <u>\$ 578,297</u> | <u>\$ 249,650</u> |
| LIABILITIES | | | |
| Accounts payable | \$ 26,430 | \$ - | - |
| Payroll and other accrued liabilities | 15,147 | - | - |
| Due to other funds | - | 500 | 11,180 |
| Customer deposits | - | - | - |
| Deferred revenue | - | 8,999 | - |
| Note payable | - | - | - |
| Current portion of long-term debt | - | - | - |
| Long-term debt | - | - | - |
| Total liabilities | <u>41,577</u> | <u>9,499</u> | <u>11,180</u> |
| FUND EQUITY | | | |
| Contributed capital | | | |
| From municipality | - | - | - |
| From parish | - | - | - |
| From federal grant | - | - | - |
| Investment in general fixed assets | - | - | - |
| Retained earnings | | | |
| Reserved - debt extinguishment | - | - | - |
| Reserved - property, repairs and replacement | - | - | - |
| Designated - subsequent year's expenses | - | - | - |
| Unreserved | - | - | - |
| Fund balance | | | |
| Reserved - debt service | - | - | 238,470 |
| Designated - subsequent year's expenditures | - | - | - |
| Undesignated | 24,542 | 568,798 | - |
| Total fund equity | <u>24,542</u> | <u>568,798</u> | <u>238,470</u> |
| Total liabilities and fund equity | <u>\$ 66,119</u> | <u>\$ 578,297</u> | <u>\$ 249,650</u> |

| Proprietary Fund Type | Account Groups | | Totals | |
|--------------------------|---------------------|---------------------|---------------------|---------------------|
| | General | General | (Memorandum Only) | |
| | Fixed Assets | Long-Term Debt | 2000 | 1999 |
| \$ 95,928 | \$ - | \$ - | \$ 356,866 | \$ 266,556 |
| 342,574 | - | - | 844,000 | 1,144,000 |
| 60,299 | - | - | 60,299 | 44,885 |
| - | - | - | 83,984 | 86,135 |
| - | - | - | 47,718 | 64,294 |
| - | - | - | - | 5,814 |
| 147,291 | - | - | 147,291 | 125,591 |
| 3,535 | - | - | 3,535 | 3,534 |
| - | 2,844,316 | - | 2,844,316 | 2,837,153 |
| 3,007,852 | - | - | 3,007,852 | 3,063,291 |
| - | - | 238,470 | 238,470 | 238,255 |
| - | - | 851,940 | 851,940 | 968,155 |
| \$ 3,657,479 | \$ 2,844,316 | \$ 1,090,410 | \$ 8,486,271 | \$ 8,847,663 |
| \$ 47,450 | \$ - | \$ - | \$ 73,880 | \$ 269,305 |
| 21,965 | - | - | 37,112 | 31,542 |
| 36,038 | - | - | 47,718 | 64,294 |
| 66,340 | - | - | 66,340 | 65,538 |
| - | - | - | 8,999 | 13,918 |
| - | - | - | - | 36,000 |
| 33,729 | - | - | 33,729 | 34,541 |
| 1,151,649 | - | 1,090,410 | 2,242,059 | 2,359,773 |
| 1,357,171 | - | 1,090,410 | 2,509,837 | 2,874,911 |
| 289,161 | - | - | 289,161 | 289,161 |
| 240,952 | - | - | 240,952 | 250,817 |
| 1,054,275 | - | - | 1,054,275 | 987,823 |
| - | 2,844,316 | - | 2,844,316 | 2,837,153 |
| 27,943 | - | - | 27,943 | 23,228 |
| 36,839 | - | - | 36,839 | 31,295 |
| - | - | - | - | 710 |
| 651,138 | - | - | 651,138 | 711,882 |
| - | - | - | 238,470 | 238,255 |
| - | - | - | - | 58,550 |
| - | - | - | 593,340 | 543,878 |
| 2,300,308 | 2,844,316 | - | 5,976,434 | 5,972,752 |
| \$ 3,657,479 | \$ 2,844,316 | \$ 1,090,410 | \$ 8,486,271 | \$ 8,847,663 |

Notes on Exhibit A-6 are an integral part of this statement.

TOWN OF WHITE CASTLE, LOUISIANA
ALL GOVERNMENTAL FUND TYPES

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

For the year ended September 30, 2000

| | General | Special Revenue | Debt Service | Totals (Memorandum Only) | |
|--|-----------|-----------------|--------------|--------------------------|------------|
| | | | | 2000 | 1999 |
| REVENUES | | | | | |
| Taxes | \$ 48,947 | \$ 651,208 | \$ - | \$ 700,155 | \$ 655,958 |
| License and permits | 54,674 | - | - | 54,674 | 59,101 |
| Intergovernmental | 87,351 | 43,861 | - | 131,212 | 169,664 |
| Fines | 63,635 | - | - | 63,635 | 57,088 |
| Other | 52,389 | 18,492 | 9,225 | 80,106 | 99,633 |
| Total revenues | 306,996 | 713,561 | 9,225 | 1,029,782 | 1,041,444 |
| EXPENDITURES | | | | | |
| General government | 251,848 | - | - | 251,848 | 395,007 |
| Public safety | 423,012 | - | - | 423,012 | 391,106 |
| Streets and sanitation | 144,978 | - | - | 144,978 | 146,859 |
| Public health | 4,875 | 44,171 | - | 49,046 | 72,101 |
| Recreation | 13,761 | - | - | 13,761 | 79,702 |
| Debt service | - | - | 191,010 | 191,010 | 189,166 |
| Total expenditures | 838,474 | 44,171 | 191,010 | 1,073,655 | 1,273,941 |
| Excess (deficiency) of revenues over expenditures | (531,478) | 669,390 | (181,785) | (43,873) | (232,497) |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Operating transfers in | 485,000 | - | 190,548 | 675,548 | 853,325 |
| Operating transfers out | - | (632,000) | (8,548) | (640,548) | (808,325) |
| Total other financing sources (uses) | 485,000 | (632,000) | 182,000 | 35,000 | 45,000 |
| Excess (deficiency) of revenues over expenditures and other sources (uses) | (46,478) | 37,390 | 215 | (8,873) | (187,497) |
| FUND BALANCE | | | | | |
| Beginning of year | 71,020 | 531,408 | 238,255 | 840,683 | 1,028,180 |
| End of year | \$ 24,542 | \$ 568,798 | \$ 238,470 | \$ 831,810 | \$ 840,683 |

Notes on Exhibit A-6 are an integral part of this statement.

**TOWN OF WHITE CASTLE, LOUISIANA
ALL GOVERNMENTAL FUND TYPES**

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

For the year ended September 30, 2000

| | General Fund | | | Special Revenue Fund | | |
|---|------------------|------------------|--|----------------------|-------------------|--|
| | Budget | Actual | Variance - favorable (unfavorable) | Budget | Actual | Variance - favorable (unfavorable) |
| REVENUES | | | | | | |
| Taxes | \$ 52,200 | \$ 48,947 | \$ (3,253) | \$ 645,000 | \$ 651,208 | \$ 6,208 |
| License and permits | 59,000 | 54,674 | (4,326) | - | - | - |
| Intergovernmental | 103,300 | 87,351 | (15,949) | 59,859 | 43,861 | (15,998) |
| Fines | 68,000 | 63,635 | (4,365) | - | - | - |
| Other | 43,200 | 52,389 | 9,189 | 25,000 | 18,492 | (6,508) |
| Total revenues | <u>325,700</u> | <u>306,996</u> | <u>(18,704)</u> | <u>729,859</u> | <u>713,561</u> | <u>(16,298)</u> |
| EXPENDITURES | | | | | | |
| General government | 220,350 | 251,848 | (31,498) | - | - | - |
| Public safety | 405,900 | 423,012 | (17,112) | - | - | - |
| Streets and sanitation | 144,500 | 144,978 | (478) | - | - | - |
| Public health | 18,000 | 4,875 | 13,125 | 59,859 | 44,171 | 15,688 |
| Recreation | 10,200 | 13,761 | (3,561) | - | - | - |
| Debt service | - | - | - | - | - | - |
| Total expenditures | <u>798,950</u> | <u>838,474</u> | <u>(39,524)</u> | <u>59,859</u> | <u>44,171</u> | <u>15,688</u> |
| Excess (deficiency) of revenues over expenditures | <u>(473,250)</u> | <u>(531,478)</u> | <u>(58,228)</u> | <u>670,000</u> | <u>669,390</u> | <u>(610)</u> |
| OTHER FINANCING SOURCES (USES) | | | | | | |
| Operating transfers in | 485,000 | 485,000 | - | - | - | - |
| Operating transfers out | - | - | - | (632,000) | (632,000) | - |
| Total other financing sources (uses) | <u>485,000</u> | <u>485,000</u> | <u>-</u> | <u>(632,000)</u> | <u>(632,000)</u> | <u>-</u> |
| Excess (deficiency) of revenues over expenditures and other sources (uses) | <u>\$ 11,750</u> | <u>(46,478)</u> | <u>\$ (58,228)</u> | <u>\$ 38,000</u> | <u>37,390</u> | <u>\$ (610)</u> |
| FUND BALANCE | | | | | | |
| Beginning of year | | <u>71,020</u> | | | <u>531,408</u> | |
| End of year | | <u>\$ 24,542</u> | | | <u>\$ 568,798</u> | |

| <u>Debt Service Fund</u> | | |
|--------------------------|-------------------|---|
| <u>Budget</u> | <u>Actual</u> | <u>Variance - favorable (unfavorable)</u> |
| \$ - | \$ - | \$ - |
| - | - | - |
| - | - | - |
| - | - | - |
| <u>4,200</u> | <u>9,225</u> | <u>5,025</u> |
| <u>4,200</u> | <u>9,225</u> | <u>5,025</u> |
| - | - | - |
| - | - | - |
| - | - | - |
| - | - | - |
| <u>189,200</u> | <u>191,010</u> | <u>(1,810)</u> |
| <u>189,200</u> | <u>191,010</u> | <u>(1,810)</u> |
| <u>(185,000)</u> | <u>(181,785)</u> | <u>3,215</u> |
| 186,000 | 190,548 | 4,548 |
| <u>(4,000)</u> | <u>(8,548)</u> | <u>(4,548)</u> |
| <u>182,000</u> | <u>182,000</u> | <u>-</u> |
| <u>\$ (3,000)</u> | 215 | <u>\$ 3,215</u> |
| | <u>238,255</u> | |
| | <u>\$ 238,470</u> | |

Notes on Exhibit A-6 are an integral part of this statement

**TOWN OF WHITE CASTLE, LOUISIANA
ALL PROPRIETARY FUND TYPES**

**COMBINED STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN RETAINED EARNINGS**

For the year ended September 30, 2000

| | Totals | |
|---|--------------------------|-------------------|
| | (Memorandum Only) | |
| | 2000 | 1999 |
| OPERATING REVENUES | | |
| Charges for services | \$ 609,294 | \$ 535,440 |
| Penalties | 21,075 | 18,899 |
| Other | 2,299 | 4,171 |
| Total operating revenues | <u>632,668</u> | <u>558,510</u> |
| OPERATING EXPENSES | | |
| Gas | 92,594 | 80,381 |
| Depreciation | 162,680 | 150,508 |
| Field | 221,165 | 229,587 |
| Administration | 183,025 | 172,622 |
| Total operating expenses | <u>659,464</u> | <u>633,098</u> |
| Operating loss | <u>(26,796)</u> | <u>(74,588)</u> |
| NON-OPERATING | | |
| Interest income | 26,534 | 23,853 |
| Interest expense | (63,346) | (56,338) |
| Total non-operating | <u>(36,812)</u> | <u>(32,485)</u> |
| Loss before operating transfers | (63,608) | (107,073) |
| OPERATING TRANSFERS | | |
| Operating transfers out | <u>(35,000)</u> | <u>(45,000)</u> |
| Net loss | (98,608) | (152,073) |
| Depreciation transferred to contributed capital | 47,413 | 44,233 |
| Net decrease in retained earnings | (51,195) | (107,840) |
| RETAINED EARNINGS | | |
| Beginning balance | <u>767,115</u> | <u>874,955</u> |
| Ending balance | <u>\$ 715,920</u> | <u>\$ 767,115</u> |

Notes on Exhibit A-6 are an integral part of this statement

**TOWN OF WHITE CASTLE, LOUISIANA
ALL PROPRIETARY FUND TYPES**

COMBINED STATEMENT OF CASH FLOWS

For the year ended September 30, 2000

| | Totals (Memorandum Only) | |
|---|-----------------------------|-------------------|
| | 2000 | 1999 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Operating loss | \$ (26,796) | \$ (74,588) |
| Adjustments to operating loss: | | |
| Depreciation | 162,680 | 150,508 |
| Change in operating assets and liabilities: | | |
| Accounts receivable | (15,414) | 7,475 |
| Customer deposits | 802 | 834 |
| Prepaid insurance | 5,814 | (5,815) |
| Accounts payable and accrued expenses | 11,954 | (13,779) |
| Net cash provided by operating activities | <u>139,040</u> | <u>64,635</u> |
| CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES | | |
| Due to other funds | (27,055) | 40,959 |
| Operating transfers out | (35,000) | (45,000) |
| Net cash used by non-capital financing activities | <u>(62,055)</u> | <u>(4,041)</u> |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | |
| Contributed capital | 104,000 | - |
| Acquisition and construction of capital assets | (245,333) | (122,066) |
| Interest expense | (63,346) | (56,338) |
| Proceeds from water revenue bonds | 8,000 | 54,000 |
| Repayment of water revenue bonds | (4,627) | (1,981) |
| Proceeds from sewer revenue bonds | 26,000 | 72,000 |
| Repayment of sewer revenue bonds | (31,899) | (27,681) |
| Net cash used by capital activities | <u>(207,205)</u> | <u>(82,066)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Purchase of certificate of deposit, net | 92,549 | 28,636 |
| Interest income | 26,534 | 23,853 |
| Net cash provided by investing activities | <u>119,083</u> | <u>52,489</u> |
| Increase (decrease) in cash and cash equivalents | (11,137) | 31,017 |
| CASH AND CASH EQUIVALENTS, including restricted cash | | |
| Beginning of period | <u>254,356</u> | <u>223,339</u> |
| End of period | <u>\$ 243,219</u> | <u>\$ 254,356</u> |

Notes on Exhibit A-6 are an integral part of this statement.

TOWN OF WHITE CASTLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

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 as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. Proprietary funds apply Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails. The more significant accounting policies of the Town are described below.

Reporting Entity

For financial reporting purposes, the Town includes all funds and account groups that are controlled by or dependent on the Town's executive or legislative branches (the Mayor or the Board of Aldermen, respectively). 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.

The following organization is not part of the Town and thus is excluded from the accompanying financial statements:

White Castle Housing Authority

White Castle Housing Authority's (the Authority) operating and capital expenditures, including debt service, are financed from federal grants and tenant rentals. The Town has no involvement in the determination of the Authority's budget, rental rates, or any obligation for the Authority's outstanding debt. 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.

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 disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Accounting

The Town uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

Funds of the Town are classified into two categories - governmental and proprietary. Each category, in turn, is divided into separate "fund types."

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 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.

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.

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.

Proprietary Fund Types

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Proprietary funds differ from governmental funds in that their focus is on income measurement, which, together with the maintenance of equity, is an important financial indicator. Proprietary funds include:

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Enterprise Funds - Enterprise funds are used to account for utility operations that are financed and operated in a manner similar to private business enterprises - 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.

Account Groups

Account groups are used to establish accounting control and accountability for the Town's fixed assets and general long-term debt. The following are the account groups of the Town:

General Fixed Assets Account Group - This group of accounts represents a summary of the fixed assets of the Town. Capital expenditures are recorded as expenditures in the governmental fund types at the time of purchase and are subsequently recorded, at cost, for control purposes, in the general fixed assets account group.

In accordance with generally accepted accounting principles for governmental entities, depreciation is not recorded on general fixed assets.

General Long-Term Debt Account Group - This group of accounts represents a summary of the long-term debt of the Town.

Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

Governmental funds are maintained on the modified accrual basis of accounting. Revenues are recognized in the accounting period in which they become available (collectible within the current period) and measurable (amount can be determined). Expenditures are recognized in the accounting period in which the liability is incurred, if measurable, except for unmatured interest on general long-term debt which is recognized when due.

The modified accrual basis of accounting as applied to the major sources of revenue is as follows:

Ad valorem taxes and the related state revenue sharing (which is based on population and homesteads in the Town) 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 of the current year and January and February of the following year.

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.

Sales taxes are recognized when collected by the intermediary collecting government.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting (Continued)

Interest income on investments is recorded when investments mature and income is received.

All proprietary funds are accounted for on a flow of economic resources measurement focus and a determination of net income and capital maintenance. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. The proprietary funds use the accrual basis of accounting and apply applicable FASB pronouncements in accounting and reporting for its proprietary operations. Revenues are recognized when earned, and expenses are recognized at the time liabilities are incurred.

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. Each fund shares pro rata the investment earnings according to its average cash balance.

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

Investments

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

Inventories

Inventories are stated at cost that approximates market value, using the first-in, first-out method.

Accounts Receivable

Uncollectible amounts due for ad valorem taxes and other receivables 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. In governmental fund types, the uncollectible amount is charged directly to the revenue reported. On the other hand, in proprietary fund types, the uncollectible amount is recognized as a bad debt expense.

Restricted Cash

Restricted cash on the balance sheet of the enterprise funds represents (1) amounts which have been designated to meet unexpected contingencies for property repairs and replacements, (2) funds held for customer deposits and (3) funds held for retirement of sewer revenue bonds.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

General Fixed Assets

General fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction are reflected as expenditures in governmental funds, and the related assets are reported in the general fixed assets account group at historical cost. Property acquired through donations is recorded at its estimated fair value.

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.

Public domain ("infrastructure") general fixed assets consisting of roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems are not capitalized, as these assets are immovable and of value only to the government.

Depreciation has not been provided on general fixed assets, nor has interest been capitalized.

Property, Plant, Equipment and Depreciation - Proprietary Funds

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

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

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 from one year to another. Employees are able to accrue unused sick leave without limitation; however, the Town is only liable to pay an employee who was employed by the Town prior to January 1, 1982, any unused sick leave not to exceed (60) days upon retirement. Vacation and sick leave payments are included in expenditures for governmental fund types when the payments are made to employees; the estimated commitment for compensated absences for governmental funds is reported in the general long-term debt account group.

The Town's policy is to present on an accrual basis in its proprietary funds the amount of earned but unused sick leave estimated to be payable upon retirement.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Reserves and Designations of Equity

Some portions of fund balance and/or retained earnings are reserved to indicate that a portion of equity is legally restricted to a specific future use and is not available for appropriation or expenditure.

Designated portions of fund balance and/or retained earnings indicate tentative future spending plans, which may be changed and are subject to subsequent authorization before expenditures can be made. The Town has made the following reserves and designations of equity: (a) *Reserved for debt service* is that portion of fund balance which will be used for the payment of general long-term debt principal and interest, (b) *Reserved property, repairs and replacement* is that portion of retained earnings to be used for the future acquisition and repairs of property and equipment, and (c) *Designated for subsequent year's expenditures* is that portion of fund balance which has been earmarked to make up the following years' budgets.

Transfers

Transfers between funds are included in the budgets of such funds. In those cases where repayment is expected, the advances are accounted for through the various interfund accounts.

Budget Policy and Budgetary Accounting

A proposed budget is prepared and submitted to the Mayor and Board of Aldermen 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 commencement of the budget year.

The annual operating budget, prepared on the accrual basis, covers the general, special revenue, debt service funds, capital projects and enterprise funds. At the end of the fiscal year, unexpended appropriations automatically lapse. Budget amendments are approved by the Board of Aldermen 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 Board of Aldermen. Accordingly, individual budget comparisons are not presented in this financial report.

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Comparative Total Data

Comparative data for the prior year have been presented in certain accompanying financial statements to provide an understanding of changes in the Town's financial position and operations.

Total Columns on Combined Statements

Total columns on the combined statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

Statement of Cash Flows

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

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.

At year end, the Town's deposits (including demand deposit accounts, certificates of deposit, and restricted cash) totaled \$1,348,157 and the related bank balances were \$1,377,396. The bank balance is categorized as follows:

| | |
|---|--------------------|
| Category 1 - Amount insured by the FDIC | \$ 100,000 |
| Category 2 - Amount collateralized with securities held by the pledging financial institution's trust department in the Town's name | 1,070,230 |
| Investments not subject to categorization: Louisiana Asset Management Pool (LAMP) | <u>207,166</u> |
| Total | <u>\$1,377,396</u> |

Investment by the Town in the LAMP pools are considered unclassified as to credit risk because they are not evidenced by securities that exist in physical or book form.

NOTE 3 - DUE FROM OTHER GOVERNMENTS

Due from other governments at September 30, 2000, consists of the following:

| | |
|--|------------------|
| Parish of Iberville, Louisiana - Sales Tax | \$ 56,224 |
| Local Housing Authority | 16,500 |
| U.S. Department of Justice | <u>11,260</u> |
| Total | <u>\$ 83,984</u> |

NOTE 4 - AD VALOREM TAXES

For the year ended September 30, 2000, taxes of 7.0 mills for the general fund were levied on property with assessed valuations totaling \$3,429,260; taxes levied were \$24,504.

NOTE 5 - FIXED ASSETS

General Fixed Assets

A summary of changes in general fixed assets for the year ended September 30, 2000, is as follows:

| | <u>Beginning of Year</u> | Net <u>Additions (Deletions)</u> | <u>End of Year</u> |
|-----------------------------------|------------------------------|---|------------------------|
| Land | \$ 272,333 | \$ - | \$ 272,333 |
| Buildings and improvements | 1,325,879 | 15,811 | 1,341,690 |
| Improvements other than buildings | 359,170 | - | 359,170 |
| Equipment and vehicles | <u>879,771</u> | <u>(8,648)</u> | <u>871,123</u> |
| Total | <u>\$ 2,837,153</u> | <u>\$ 7,163</u> | <u>\$ 2,844,316</u> |

Proprietary Fund Fixed Assets

A summary of changes in proprietary fund fixed assets for the year ended September 30, 2000, is as follows:

| | <u>Beginning of Year</u> | Net <u>Additions (Deletions)</u> | <u>End of Year</u> |
|-----------------------------------|------------------------------|---|------------------------|
| Land | \$ 40,588 | \$ - | \$ 40,588 |
| Distribution systems | 4,610,433 | 243,869 | 4,854,302 |
| Meters | 71,544 | 5,887 | 77,431 |
| Machinery, equipment and vehicles | 105,786 | 7,885 | 113,671 |
| Construction in progress | <u>150,400</u> | <u>(150,400)</u> | <u>-</u> |
| Total assets | 4,978,751 | <u>\$ 107,241</u> | 5,085,992 |
| Less accumulated depreciation | <u>(1,915,460)</u> | | <u>(2,078,140)</u> |
| Total net | <u>\$ 3,063,291</u> | | <u>\$ 3,007,852</u> |

NOTE 6 - LONG-TERM DEBT

Debt Outstanding

The following is a summary of long-term debt transactions of the Town for the year ended September 30, 2000:

| | <u>Beginning of Year</u> | <u>Additions</u> | <u>Retirements</u> | <u>End of Year</u> |
|-------------------------------|------------------------------|------------------|--------------------|------------------------|
| General | | | | |
| Public improvement bonds | \$ 945,000 | \$ - | \$ 90,000 | \$ 855,000 |
| Certificates of Indebtedness | 253,000 | - | 26,000 | 227,000 |
| Accumulated sick pay benefits | <u>8,410</u> | <u>-</u> | <u>-</u> | <u>8,410</u> |
| | 1,206,410 | - | 116,000 | 1,090,410 |
| Enterprise Fund | | | | |
| Revenue bonds | <u>1,187,904</u> | <u>34,000</u> | <u>36,526</u> | <u>1,185,378</u> |
| Totals | <u>\$ 2,394,314</u> | <u>\$ 34,000</u> | <u>\$ 152,526</u> | <u>\$ 2,275,788</u> |

Long-term debt payable at September 30, 2000, is comprised of the following:

General Long-Term Debt

Public Improvement Bonds

\$1,440,000 Public Improvement Bonds secured by a pledge and dedication of the 2/3% sales and use tax levied and collected by the Parish of Iberville and allocated to the Town, due in annual installments through March 1, 2007; interest varying from 6.2% - 6.5%.

\$ 855,000

Certificates of Indebtedness

\$300,000 Certificates of Indebtedness secured by a pledge and dedication of annual revenues, due in annual installments through June 1, 2007; interest at 6%

227,000

Accumulated Sick Pay Benefits

8,410

Enterprise Fund

Revenue Bonds

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

912,497

NOTE 6 - LONG-TERM DEBT (CONTINUED)

Enterprise Fund (Continued)

Revenue Bonds (Continued)

| | |
|--|---------------------|
| \$98,000 Sewer Revenue Rehabilitation Bonds secured by a pledge and dedication of sewer revenues, due in monthly installments through June 25, 2039; interest at 4.5% | 97,689 |
| \$181,800 advanced on \$230,000 authorized Water Revenue Bonds secured by a pledge and dedication of water revenues, due in monthly installments through March 20, 2038; interest at 4.75% | <u>175,192</u> |
| Total long-term debt | <u>\$ 2,275,788</u> |

Debt Service Requirements to Maturity

The annual requirements to amortize debt outstanding at September 30, 2000, including interest payments of \$987,883, are as follows:

| Year | General Long Term Debt | | Enterprise Fund | | Total |
|-----------|--------------------------|------------------------------|---------------------|---------------------|---------------------|
| | Public Improvement Bonds | Certificates of Indebtedness | Sewer Revenue Bonds | Water Revenue Bonds | |
| 2001 | \$ 151,855 | \$ 40,620 | \$ 74,231 | \$ 12,972 | \$ 279,678 |
| 2002 | 150,448 | 41,000 | 80,980 | 12,972 | 285,400 |
| 2003 | 148,620 | 41,260 | 80,980 | 12,972 | 283,832 |
| 2004 | 151,200 | 40,400 | 80,980 | 12,970 | 285,550 |
| 2005 | 153,075 | 40,480 | 80,980 | 12,972 | 287,507 |
| 2006-2039 | <u>309,175</u> | <u>80,720</u> | <u>1,209,175</u> | <u>234,224</u> | <u>1,833,294</u> |
| | <u>\$ 1,064,373</u> | <u>\$ 284,480</u> | <u>\$ 1,607,326</u> | <u>\$ 299,082</u> | <u>\$ 3,255,261</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/expenditures of the Town only with the passage of time, and they represent fixed and determinable obligations which must be retired from future revenues.

NOTE 6 - LONG-TERM DEBT (CONTINUED)

The following table indicates unmatured interest outstanding at September 30, 2000, and the amounts which can be presumed to be required in future years for retirement of both outstanding debt and interest of the general long-term debt account group which will become due and payable over the remaining life of the various debt issues:

| | Amount to be provided for General Long- Term Debt | Unmatured Interest Coupons | <u>Total</u> |
|---|--|----------------------------------|---------------------|
| Public improvement bonds to be retired from proceeds of sales tax | \$ 632,423 | \$ 209,373 | \$ 841,796 |
| Certificate of Indebtedness to be retired from excess revenues | 211,107 | 57,480 | 268,587 |
| Accumulated sick pay benefits to be retired from excess revenues | <u>8,410</u> | <u>-</u> | <u>8,410</u> |
| Totals | <u>\$ 851,940</u> | <u>\$ 266,853</u> | <u>\$ 1,118,793</u> |

Interest expense for this debt during the year ended September 30, 2000, was \$72,880.

Bond Restrictions

Sales Tax Bonds

Under the terms of the indenture authorizing the issuance of Public Improvement Bonds - Series 1992, proceeds of the 2/3% sales and use tax, collected by the Parish of Iberville, and allocated to the Town, are pledged and dedicated for the establishment and maintenance of the following bond funds:

1. A Public Improvement Bond - Series 1992 Sinking Fund is to be used for the payment of the principal and interest on outstanding bonds as they become due and payable. Monthly payments are to be 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.
2. A Public Improvement Bond - Series 1992 Sales Tax Bond Reserve Fund is to be used solely for the purpose of paying principal and interest on bonds payable from the Bond Sinking Fund, as to which there would otherwise be default. Requirements for establishment of the Fund have been met and no further payments are to be made.

NOTE 6 - LONG-TERM DEBT (CONTINUED)

Certificates of Indebtedness

In accordance with the terms of the indenture authorizing the issuance of the certificates of indebtedness, excess revenues are used for the establishment of the 1997 certificates of indebtedness sinking fund. The sinking fund is used for the payment of principal and interest on outstanding debt as it becomes due and payable. Monthly payments are equal to the sum of one-sixth of interest becoming due on the next interest payment date and one-twelfth of principal becoming due on the next principal payment date.

Sewer Revenue Bonds

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

1. The Sewer System Revenue Fund requires all revenue derived from its operations to be deposited in a bank that is a member of the Federal Deposit Insurance Corporation as long as any of the bonds are outstanding. Required transfers are made on a monthly basis to designated trust accounts. In addition, the Series 1999 Bonds require the use of a separate construction account.
2. The Sewer Revenue Bond Fund requires monthly fund transfers from the Sewer System Revenue Fund to provide payment of the next maturing interest and principal of the revenue bonds.
3. The Sewer Revenue Bond Reserve Fund requires monthly transfers of \$338 until \$80,980 has been accumulated. This fund is restricted to payment of principal and interest in case of default.
4. The Sewer Depreciation and Contingency Fund requires monthly transfers of \$323. The Fund is restricted to payments for unusual or extraordinary maintenance, repairs, replacement, and extensions and improvements that will either enhance its revenue producing capacity or provide improved service. It will also be used to pay principal and interest if there are not sufficient funds in the Sewer Revenue Bond Fund, or Sewer Revenue Bond Reserve Fund. Upon completion of the construction of the improvements financed with the Series 1999 Bonds, the monthly transfer will be \$346.

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

NOTE 6 - LONG-TERM DEBT (CONTINUED)

Water Revenue Bonds

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

1. The Water Revenue Fund requires all revenue derived from the operation of the system be deposited into the Revenue Fund. Required transfers are made on a monthly basis to designated trust accounts.
2. The Water Revenue Bond and Interest Sinking Fund requires monthly transfers from the Water Revenue Fund to provide payment of the next maturing interest and principal of the revenue bonds. The first debt service payment is due April 20, 1999.
3. The Water Revenue Bond Reserve Fund requires monthly transfers of \$46 - \$55 until \$12,972 has been accumulated. This Fund is restricted to payment of principal and interest in case of default.
4. The Water Depreciation and Contingency Fund requires monthly transfers of \$124. The Fund is established to care for extensions, additions, improvements, renewals and replacements necessary to properly operate the system. Such payments into the Fund are to continue over the life of the bonds.

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

NOTE 7 - DEDICATED REVENUES

Proceeds of the Iberville Parish sales and use tax were dedicated to the following purposes as of September 30, 2000:

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.

Consistent with this dedication, transfers from the Sales Tax Fund are being used to retire the Public Improvement Bonds - Series 1992. See Note 6.

NOTE 8 - SEGMENTS OF ENTERPRISE ACTIVITIES

Three services, gas, water, and sewerage, are provided by the Town and are financed by user charges. The significant financial data for the year ended September 30, 2000, for those services are as follows:

| | <u>Gas Utility</u> | <u>Waterworks Utility</u> | <u>Sewerage Utility</u> | <u>Total</u> |
|-------------------------|------------------------|-------------------------------|-----------------------------|--------------|
| Operating revenues | \$ 230,702 | \$ 157,805 | \$ 244,161 | \$ 632,668 |
| Depreciation | 10,500 | 25,404 | 126,776 | 162,680 |
| Operating loss | (2,089) | (11,362) | (13,345) | (26,796) |
| Operating transfers out | (35,000) | - | - | (35,000) |
| Net loss | (28,494) | (11,192) | (58,922) | (98,608) |
| Contributed capital | - | 405,661 | 1,178,727 | 1,584,388 |
| Assets | 278,297 | 763,192 | 2,615,990 | 3,657,479 |
| Property and equipment: | | | | |
| Additions | 3,270 | 7,626 | 96,345 | 107,241 |
| Long-term debt | - | 175,192 | 1,010,186 | 1,185,378 |
| Net Working capital | 119,112 | 137,399 | 106,643 | 363,154 |
| Total equity | 170,738 | 553,175 | 1,576,395 | 2,300,308 |

NOTE 9 - PENSION AND RETIREMENT PLANS

Social Security System

The employees of the Town are covered under the Federal Insurance Contributions Act (Social Security). The Town's contributions were \$39,876 and taxable payroll was \$507,502 for the year ended September 30, 2000.

Municipal Employees' Retirement System of Louisiana

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

All permanent employees working at least 35 hours per week who are paid wholly or in part from Town funds are eligible to participate in the System. Under Plan B, employees who retire at or after age 60 with at least 10 years of creditable service or at or after age 55 with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 2 percent of their final-average salary multiplied for each year of creditable service. Furthermore, employees with at least one year of creditable service but less than 30 years, may take early retirement benefits commencing at or after age 60, with basic benefits reduced 3 percent for each year retirement precedes age 62. In any case, retirement benefits

NOTE 9 - PENSION AND RETIREMENT PLANS (CONTINUED)

paid under Plan B cannot exceed \$70 per month multiplied by total years of creditable service. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above and do not withdraw their employee contributions may retire at the ages specified above and receive the benefit accrued to their date of termination.

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

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

Funding Policy. Under Plan B, members are required by state statute to contribute 5.0 percent of their annual covered salary and the Town is required to contribute at an actuarially determined rate. The current rate was 3.75 - 4.50 percent of annual covered payroll during the year ended September 30, 2000. Contributions to the System also include one-fourth of one percent of the ad valorem taxes shown to be collectible by the tax rolls of each parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the Town are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year.

The Town's contributions to the system under Plan B for the year ended June 30, 2000, was \$11,399.

Municipal Police Employees' Retirement System

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

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

Under the plan, officers who retire at or after age 55 with at least 12 years of creditable service or at or after age 50 with at least 20 years of creditable service or any age with at least 25 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3 and 1/3 percent of their final-average salary multiplied for each year of creditable service not to exceed 100 percent of final salary. The System also provides death and disability benefits. Benefits are established or amended by state statute.

NOTE 9 - PENSION AND RETIREMENT PLANS (CONTINUED)

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Municipal Police Employees' Retirement System, 8401 United Plaza Boulevard, Suite 270, Baton Rouge, Louisiana 70809-7017, or by calling (225) 929-7411.

Funding Policy. Under the Plan, members are required by state statute to contribute 7.5 percent of their annual covered salary and the Town is required to contribute at an actuarially determined rate. The current rate is 9.0 percent of annual covered payroll. The contribution requirements of plan members and the Town are established and may be amended by state statute. As established by state statute, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year.

The Town's contributions to the system under the Plan for the year ended June 30, 2000, as \$16,570.

NOTE 10 - INTERFUND RECEIVABLE AND PAYABLE BALANCES

Interfund balances at September 30, 2000, were as follows:

| | Interfund | |
|--------------------------|------------------|------------------|
| | Receivable | Payable |
| General Fund | | |
| Gas Utility Fund | \$ 15,658 | \$ - |
| Waterworks Utility Fund | 1,533 | - |
| Sewerage Utility Fund | 18,847 | - |
| Section 8 Fund | 500 | - |
| Sales Tax Fund | | |
| 1992 Sinking Fund | 11,180 | - |
| 1992 Sinking Fund | | |
| Sales Tax Fund | - | 11,180 |
| Section 8 | | |
| General Fund | - | 500 |
| Enterprise Funds | | |
| Gas Utility Fund | | |
| General Fund | - | 15,658 |
| Waterworks Utility Fund | | |
| General Fund | - | 1,533 |
| Sewerage Utility Fund | | |
| General Fund | - | 18,847 |
| | <u>\$ 47,718</u> | <u>\$ 47,718</u> |

NOTE 11 - INTERFUND TRANSFERS

Operating Transfers

Operating transfers for the year ended September 30, 2000, were as follows:

| | Transfers | |
|----------------------------|-------------------|-------------------|
| | In | Out |
| General Fund: | | |
| Sales Tax Fund | \$ 450,000 | \$ - |
| Gas Utility Fund | 35,000 | - |
| Sales Tax Fund: | | |
| General Fund | - | 450,000 |
| 1992 Sinking Fund | - | 141,200 |
| 1997 Sinking Fund | - | 40,800 |
| Debt Service Funds: | | |
| 1992 Sinking Fund | 149,748 | - |
| 1992 Reserve Fund | - | 8,548 |
| 1997 Sinking Fund | 40,800 | - |
| Enterprise Fund: | | |
| Gas Utility fund | - | 35,000 |
| | <u>\$ 675,548</u> | <u>\$ 675,548</u> |

NOTE 12 - COMPENSATION TO GOVERNING BODY

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

| | |
|-------------------|------------------|
| Mayor | |
| Maurice Brown | \$ 9,006 |
| Board of Aldermen | |
| Barbara O'Bear | 4,805 |
| John Desselles | 4,805 |
| Ernest Allen | 4,805 |
| Leonard Johnson | 4,805 |
| Garnell Young | 4,805 |
| | <u>\$ 32,661</u> |

The Town's elected officials terms expire on December 31, 2002.

NOTE 13 - COMMITMENTS AND CONTINGENCIES

Contractual

At September 30, 2000, the Town's commitments resulting from construction and engineering contracts was approximately \$2,000.

NOTE 13 - COMMITMENTS AND CONTINGENCIES (CONTINUED)

Water Revenue Bonds

On September 8, 1997, the Town entered into a loan agreement with the Farmers Home Administration, which authorized the issuance of indebtedness of \$230,000 payable over 40 years at 4.75% per annum. The debt is for the rehabilitation of the Town's water tank and system.

As of September 30, 2000, the Town had received \$181,800 in proceeds from this debt issuance. The remaining balance of \$48,200 is scheduled to be received by the Town during the subsequent fiscal year.

Litigation

A suit arising from operation of the police department has been filed against the Town. The case is covered by insurance; however, the ultimate effect of such litigation cannot be ascertained at this time. It is the opinion of Town management that the ultimate resolution of such litigation will not have a material effect on the financial position of the Town and no accrual has been recorded in the financial statements. The Town is vigorously defending this matter.

The Town is a co-defendant in a suit alleging that a railroad crossing was negligently maintained in the Town that caused an individual to collide with a train. The case is covered by insurance; however, the ultimate effect of such litigation cannot be ascertained at this time. The Town's position is that it breached no duty to the plaintiff. Management believes that the ultimate resolution of the litigation will not have a material effect on the financial position of the Town and no accrual has been recorded in the financial statements.

Various other suits and claims arising in the ordinary course of operations are pending against the Town. The majority of the cases are either covered by insurance or other defenses; however, the ultimate effect of such litigation cannot be ascertained at this time. It is the opinion of the Town's management that the ultimate resolution of such litigation will not have a material effect on the financial position of the Town.

Grants

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

NOTE 13 - COMMITMENTS AND CONTINGENCIES (CONTINUED)

Risk Management

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

NOTE 14 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Expenditures Exceeding Appropriations

For the year ended September 30, 2000, the General Fund had an excess of expenditures over appropriations of approximately \$39,500.

GENERAL FUND

The General Fund is used to
account for all financial resources
except those required to be accounted for
in another fund.

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

BALANCE SHEET

September 30, 2000

| | <u>2000</u> | <u>1999</u> |
|---|----------------------|-----------------------|
| ASSETS | | |
| Cash and cash equivalents | \$ 1,821 | \$ 6,360 |
| Investments, at cost | - | 112,264 |
| Due from other governments | 27,760 | 30,098 |
| Due from other funds | <u>36,538</u> | <u>63,593</u> |
| Total assets | <u>\$ 66,119</u> | <u>\$ 212,315</u> |
| LIABILITIES | | |
| Accounts payable | \$ 26,430 | \$ 94,306 |
| Payroll and related payables | 15,147 | 10,989 |
| Note payable | <u>-</u> | <u>36,000</u> |
| Total liabilities | <u>41,577</u> | <u>141,295</u> |
| FUND BALANCE | | |
| Designated - subsequent year's expenditures | - | 1,550 |
| Undesignated | <u>24,542</u> | <u>69,470</u> |
| Total fund balance | <u>24,542</u> | <u>71,020</u> |
| Total liabilities and fund balance | <u>\$ 66,119</u> | <u>\$ 212,315</u> |

Notes on Exhibit A-6 are an integral part of this statement.

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

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

For the year ended September 30, 2000

| | 2000 | | Variance - favorable (unfavorable) | 1999 Actual |
|--------------------------|-------------------|-------------------|--|-------------------|
| | Budget | Actual | | |
| REVENUES | | | | |
| Taxes | | | | |
| Ad valorem | \$ 25,500 | \$ 24,504 | \$ (996) | \$ 23,862 |
| Public utility franchise | 21,700 | 20,685 | (1,015) | 20,712 |
| Cable T.V. franchise | 5,000 | 3,758 | (1,242) | 5,111 |
| License and permits | 59,000 | 54,674 | (4,326) | 59,101 |
| Intergovernmental | | | | |
| Tobacco | 11,000 | 10,998 | (2) | 10,998 |
| Recreation | 25,000 | - | (25,000) | 52,831 |
| Beer | 5,800 | 6,208 | 408 | 5,855 |
| Video poker | 18,000 | 11,713 | (6,287) | 15,250 |
| Fire insurance | 5,500 | - | (5,500) | 11,407 |
| Local housing authority | 20,000 | 17,221 | (2,779) | 19,934 |
| Grants | 18,000 | 41,211 | 23,211 | 11,436 |
| Fines | 68,000 | 63,635 | (4,365) | 57,088 |
| Other | | | | |
| Lease and royalty | 2,700 | 3,151 | 451 | 5,513 |
| Interest | 500 | - | (500) | 5,175 |
| Insurance proceeds | 18,000 | 24,817 | 6,817 | 43,397 |
| Miscellaneous | 22,000 | 24,421 | 2,421 | 15,550 |
| Total revenues | \$ 325,700 | \$ 306,996 | \$ (18,704) | \$ 363,220 |

(Continued)

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

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

For the year ended September 30, 2000

| | 2000 | | Variance - favorable (unfavorable) | 1999 Actual |
|--|------------------|------------------|--|------------------|
| | Budget | Actual | | |
| EXPENDITURES | | | | |
| General government | \$ 220,350 | \$ 251,848 | \$ (31,498) | \$ 395,007 |
| Public safety | 405,900 | 423,012 | (17,112) | 391,106 |
| Streets and sanitation | 144,500 | 144,978 | (478) | 146,859 |
| Public health | 18,000 | 4,875 | 13,125 | 29,792 |
| Recreation | 10,200 | 13,761 | (3,561) | 79,702 |
| Total expenditures | <u>798,950</u> | <u>838,474</u> | <u>(39,524)</u> | <u>1,042,466</u> |
| Excess of expenditures over revenues | (473,250) | (531,478) | (58,228) | (679,246) |
| OTHER FINANCING SOURCES | | | | |
| Operating transfers in | <u>485,000</u> | <u>485,000</u> | - | <u>653,500</u> |
| Excess (deficiency) of revenues over expenditures and other financing sources | <u>\$ 11,750</u> | <u>(46,478)</u> | <u>\$ (58,228)</u> | <u>(25,746)</u> |
| FUND BALANCE | | | | |
| Beginning of year | | <u>71,020</u> | | <u>96,766</u> |
| End of year | | <u>\$ 24,542</u> | | <u>\$ 71,020</u> |

Notes on Exhibit A-6 are an integral part of this statement.

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

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

For the year ended September 30, 2000

| | 2000 | | Variance - favorable (unfavorable) | 1999 Actual |
|-------------------------------------|------------------|-----------------|--|------------------|
| | Budget | Actual | | |
| GENERAL GOVERNMENT | | | | |
| Salaries | \$ 33,600 | \$ 34,584 | \$ (984) | \$ 31,380 |
| Payroll taxes | 4,000 | 4,387 | (387) | 3,852 |
| Municipal retirement | 1,500 | 1,614 | (114) | 2,113 |
| Employee's insurance | 15,000 | 17,723 | (2,723) | 3,577 |
| Insurance | 27,000 | 35,251 | (8,251) | 39,761 |
| Accounting | 20,000 | 20,123 | (123) | 23,806 |
| Legal | 29,000 | 30,558 | (1,558) | 31,881 |
| General fixed assets | 14,000 | 14,306 | (306) | 150,757 |
| Engineering | 11,000 | 11,150 | (150) | 25,678 |
| Maintenance - building | 4,800 | 4,412 | 388 | 7,316 |
| Publishing | 6,800 | 6,545 | 255 | 6,427 |
| Office supplies | 4,200 | 4,452 | (252) | 2,609 |
| Dues and subscriptions | 2,700 | 2,917 | (217) | 3,700 |
| Coroner | 2,500 | 1,410 | 1,090 | 2,955 |
| Telephone | 7,100 | 7,213 | (113) | 5,650 |
| Travel | 20,400 | 17,779 | 2,621 | 25,271 |
| Printing | 1,500 | 1,405 | 95 | 1,198 |
| Council on Aging | 6,050 | 7,825 | (1,775) | 6,477 |
| Commissioners | 1,500 | 1,375 | 125 | 1,500 |
| Drug testing | 1,000 | 1,030 | (30) | 985 |
| Maintenance contracts | 4,500 | 4,610 | (110) | 2,530 |
| Maintenance - equipment and vehicle | - | 1,784 | (1,784) | - |
| Debt service | - | 3,671 | (3,671) | 1,105 |
| Other | 2,200 | 15,724 | (13,524) | 14,479 |
| | <u>220,350</u> | <u>251,848</u> | <u>(31,498)</u> | <u>395,007</u> |
| RECREATION | | | | |
| Capital outlay | 8,200 | 8,197 | 3 | 71,810 |
| Utilities | 2,000 | 2,854 | (854) | 2,035 |
| Materials and supplies | - | 2,710 | (2,710) | 5,857 |
| | <u>10,200</u> | <u>13,761</u> | <u>(3,561)</u> | <u>79,702</u> |
| PUBLIC HEALTH | | | | |
| | <u>\$ 18,000</u> | <u>\$ 4,875</u> | <u>\$ 13,125</u> | <u>\$ 29,792</u> |

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

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

For the year ended September 30, 2000

| | 2000 | | Variance - favorable (unfavorable) | 1999 Actual |
|-----------------------------|-------------------|-------------------|--|-------------------|
| | Budget | Actual | | |
| PUBLIC SAFETY | | | | |
| Police | | | | |
| Salaries | \$ 234,000 | \$ 243,280 | \$ (9,280) | \$ 236,775 |
| Payroll taxes | 20,000 | 19,259 | 741 | 19,531 |
| Municipal retirement | 12,000 | 18,001 | (6,001) | 17,295 |
| Employee's insurance | 45,000 | 45,494 | (494) | 41,660 |
| General fixed assets | 10,500 | 8,338 | 2,162 | 23,601 |
| Maintenance - vehicle | 8,700 | 17,142 | (8,442) | 8,058 |
| Accounting | 3,600 | 5,669 | (2,069) | - |
| Insurance | 8,000 | 754 | 7,246 | - |
| Field supplies | 1,000 | 5,021 | (4,021) | 4,844 |
| Clothing | 800 | 140 | 660 | 1,407 |
| Printing | 500 | 655 | (155) | 995 |
| Jail house | 5,900 | 6,118 | (218) | 2,329 |
| Drug testing | 300 | 240 | 60 | 292 |
| Maintenance - building | 15,400 | 15,209 | 191 | 519 |
| Vehicle fuel | 13,000 | 14,165 | (1,165) | 9,284 |
| Dues and subscriptions | 200 | 186 | 14 | 159 |
| Travel | 2,000 | 1,956 | 44 | 2,893 |
| Telephone | 3,700 | 3,639 | 61 | 5,985 |
| Maintenance contracts | 600 | 570 | 30 | 509 |
| Other | 4,700 | 4,567 | 133 | 3,512 |
| Total police | 389,900 | 410,403 | (20,503) | 379,648 |
| Volunteer fire | | | | |
| Truck and equipment | 14,200 | 11,384 | 2,816 | 10,106 |
| Vehicle fuel | 1,100 | 881 | 219 | 890 |
| Telephone | 700 | 344 | 356 | 462 |
| Total volunteer fire | 16,000 | 12,609 | 3,391 | 11,458 |
| Total public safety | \$ 405,900 | \$ 423,012 | \$ (17,112) | \$ 391,106 |

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

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

For the year ended September 30, 2000

| | 2000 | | Variance - favorable (unfavorable) | 1999 Actual |
|-------------------------------|-------------------|-------------------|--|---------------------|
| | Budget | Actual | | |
| STREETS AND SANITATION | | | | |
| Salaries | \$ 63,000 | \$ 66,088 | \$ (3,088) | \$ 69,290 |
| Employee's insurance | 14,000 | 12,777 | 1,223 | 15,162 |
| Payroll taxes | 4,700 | 4,889 | (189) | 5,287 |
| Municipal retirement | 1,500 | 839 | 661 | 1,615 |
| Insurance | 5,000 | - | 5,000 | - |
| Maintenance - equipment | 500 | 1,086 | (586) | 1,394 |
| Maintenance - street | 3,500 | 3,550 | (50) | 910 |
| Maintenance - vehicle | 1,000 | 889 | 111 | 2,154 |
| Utilities | 41,000 | 48,887 | (7,887) | 46,045 |
| Vehicle fuel | 2,500 | 2,734 | (234) | 2,225 |
| Chemicals | 2,000 | 1,663 | 337 | 1,064 |
| Drug testing | 300 | 299 | 1 | 100 |
| Other | 5,500 | 1,277 | 4,223 | 1,613 |
| | <u>144,500</u> | <u>144,978</u> | <u>(478)</u> | <u>146,859</u> |
| Total streets and sanitation | | | | |
| | <u>\$ 798,950</u> | <u>\$ 838,474</u> | <u>\$ (39,524)</u> | <u>\$ 1,042,466</u> |
| Total expenses | | | | |

Notes on Exhibit A-6 are an integral part of this statement.

SPECIAL REVENUE FUNDS

**Special Revenue Funds are used to account
for specific revenues
that are legally restricted to
expenditure for specified purposes.**

**TOWN OF WHITE CASTLE, LOUISIANA
SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET**

September 30, 2000

| | Sales Tax | | Total | |
|---|-------------------|------------------|-------------------|-------------------|
| | <u>Fund</u> | <u>Section 8</u> | <u>2000</u> | <u>1999</u> |
| ASSETS | | | | |
| Cash and cash equivalents | \$ 143,968 | \$ 9,499 | \$ 153,467 | \$ 37,877 |
| Investments, at cost | 357,426 | - | 357,426 | 452,613 |
| Due from other funds | 11,180 | - | 11,180 | - |
| Due from other governments | 56,224 | - | 56,224 | 56,037 |
| | <u>568,798</u> | <u>9,499</u> | <u>578,297</u> | <u>546,527</u> |
| Total assets | <u>\$ 568,798</u> | <u>\$ 9,499</u> | <u>\$ 578,297</u> | <u>\$ 546,527</u> |
| LIABILITIES | | | | |
| Due to other funds | \$ - | \$ 500 | \$ 500 | \$ 1,201 |
| Deferred income | - | 8,999 | 8,999 | 13,918 |
| | <u>-</u> | <u>9,499</u> | <u>9,499</u> | <u>15,119</u> |
| Total liabilities | <u>-</u> | <u>9,499</u> | <u>9,499</u> | <u>15,119</u> |
| FUND BALANCE | | | | |
| Designated - subsequent year's expenditures | - | - | - | 57,000 |
| Undesignated | 568,798 | - | 568,798 | 474,408 |
| | <u>568,798</u> | <u>-</u> | <u>568,798</u> | <u>531,408</u> |
| Total fund balance | <u>568,798</u> | <u>-</u> | <u>568,798</u> | <u>531,408</u> |
| Total liabilities and fund balance | <u>\$ 568,798</u> | <u>\$ 9,499</u> | <u>\$ 578,297</u> | <u>\$ 546,527</u> |

Notes on Exhibit A-6 are an integral part of this statement

**TOWN OF WHITE CASTLE, LOUISIANA
SPECIAL REVENUE FUNDS**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES**

For the year ended September 30, 2000

| | Sales Tax | Section 8 | Total | |
|--|-------------------|---------------|-------------------|-------------------|
| | Fund | | 2000 | 1999 |
| REVENUES | | | | |
| Taxes | | | | |
| Iberville Parish sales tax | \$ 651,208 | \$ - | \$ 651,208 | \$ 606,273 |
| Intergovernmental | | | | |
| HUD receipts | - | 43,861 | 43,861 | 41,953 |
| Other | | | | |
| Interest | 18,182 | 310 | 18,492 | 20,870 |
| Total revenues | <u>669,390</u> | <u>44,171</u> | <u>713,561</u> | <u>669,096</u> |
| EXPENDITURES | | | | |
| Public health | | | | |
| Rent and utility assistance | - | 38,905 | 38,905 | 38,237 |
| Administrative | - | 5,266 | 5,266 | 4,072 |
| Total expenditures | <u>-</u> | <u>44,171</u> | <u>44,171</u> | <u>42,309</u> |
| Excess of revenues over expenditures | 669,390 | - | 669,390 | 626,787 |
| OTHER FINANCING USES | | | | |
| Operating transfers out | <u>(632,000)</u> | <u>-</u> | <u>(632,000)</u> | <u>(799,800)</u> |
| Excess (deficiency) of revenues over expenditures and other financing uses | 37,390 | - | 37,390 | (173,013) |
| FUND BALANCE | | | | |
| Beginning of year | <u>531,408</u> | <u>-</u> | <u>531,408</u> | <u>704,421</u> |
| End of year | <u>\$ 568,798</u> | <u>\$ -</u> | <u>\$ 568,798</u> | <u>\$ 531,408</u> |

Notes on Exhibit A-6 are an integral part of this statement.

**TOWN OF WHITE CASTLE, LOUISIANA
SALES TAX FUND**

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

For the year ended September 30, 2000

| | 2000 | | Variance - favorable (unfavorable) | 1999 Actual |
|--|------------|------------|--|----------------|
| | Budget | Actual | | |
| REVENUES | | | | |
| Taxes | | | | |
| Iberville Parish sales tax | \$ 645,000 | \$ 651,208 | \$ 6,208 | \$ 606,273 |
| Other | | | | |
| Interest | 25,000 | 18,182 | (6,818) | 20,514 |
| Total revenues | 670,000 | 669,390 | (610) | 626,787 |
| OTHER FINANCING USES | | | | |
| Operating transfers out | (632,000) | (632,000) | - | (799,800) |
| Excess (deficiency) of revenues over other financing uses | \$ 38,000 | 37,390 | \$ (610) | (173,013) |
| FUND BALANCE | | | | |
| Beginning of year | | 531,408 | | 704,421 |
| End of year | | \$ 568,798 | | \$ 531,408 |

Notes on Exhibit A-6 are an integral part of this statement.

TOWN OF WHITE CASTLE, LOUISIANA
SECTION 8

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

For the year ended September 30, 2000

| | <u>2000</u> | | Variance - favorable (unfavorable) | 1999 Actual |
|---|---------------|---------------|---|------------------------|
| | <u>Budget</u> | <u>Actual</u> | | |
| REVENUES | | | | |
| Intergovernmental | | | | |
| HUD receipts | \$ 59,859 | \$ 43,861 | \$ (15,998) | \$ 41,953 |
| Other | | | | |
| Interest | - | 310 | 310 | 356 |
| Total revenues | <u>59,859</u> | <u>44,171</u> | <u>(15,688)</u> | <u>42,309</u> |
| EXPENDITURES | | | | |
| Public health | | | | |
| Rent and utility assistance | 52,260 | 38,905 | 13,355 | 38,237 |
| Administrative | 6,099 | 5,266 | 833 | 4,072 |
| Audit | 1,500 | - | 1,500 | - |
| Total expenditures | <u>59,859</u> | <u>44,171</u> | <u>15,688</u> | <u>42,309</u> |
| Excess of revenues over expenditures | <u>\$ -</u> | <u>-</u> | <u>\$ -</u> | <u>-</u> |
| FUND BALANCE | | | | |
| Beginning of year | | - | | - |
| End of year | | <u>\$ -</u> | | <u>\$ -</u> |

Notes on Exhibit A-6 are an integral part of this statement.

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 and interest.**

**TOWN OF WHITE CASTLE, LOUISIANA
DEBT SERVICE FUNDS**

COMBINING BALANCE SHEET

September 30, 2000

| | Public Improvement Bonds Sales Tax Bonds | | Certificates of Indebtedness | Total | |
|---|---|----------------------|---------------------------------|-------------------|-------------------|
| | 1992 Sinking Fund | 1992 Reserve Fund | 1997 Sinking Fund | 2000 | 1999 |
| ASSETS | | | | | |
| Cash and cash equivalents | \$ 89,757 | \$ - | \$ 15,893 | \$ 105,650 | \$ 93,554 |
| Investments, at cost | - | 144,000 | - | 144,000 | 144,000 |
| Due from other funds | - | - | - | - | 701 |
| Total assets | \$ 89,757 | \$ 144,000 | \$ 15,893 | \$ 249,650 | \$ 238,255 |
| LIABILITIES | | | | | |
| Due to other funds | \$ 11,180 | \$ - | \$ - | \$ 11,180 | \$ - |
| FUND BALANCE | | | | | |
| Reserved - debt service | 78,577 | 144,000 | 15,893 | 238,470 | 238,255 |
| Total liabilities and fund balance | \$ 89,757 | \$ 144,000 | \$ 15,893 | \$ 249,650 | \$ 238,255 |

Notes on Exhibit A-6 are an integral part of this statement

**TOWN OF WHITE CASTLE, LOUISIANA
DEBT SERVICE FUNDS**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES**

For the year ended September 30, 2000

| | Public Improvement Bonds Sales Tax Bonds | | Certificates of Indebtedness | Total | |
|--|---|----------------------|---------------------------------|------------|------------|
| | 1992 Sinking Fund | 1992 Reserve Fund | 1997 Sinking Fund | 2000 | 1999 |
| REVENUES | | | | | |
| Other | | | | | |
| Interest | \$ - | \$ 8,548 | \$ 677 | \$ 9,225 | \$ 9,128 |
| EXPENDITURES | | | | | |
| Debt service | | | | | |
| Principal retirement | 90,000 | - | 26,000 | 116,000 | 109,000 |
| Interest and fiscal charges | 59,827 | - | 15,183 | 75,010 | 80,166 |
| Total expenditures | 149,827 | - | 41,183 | 191,010 | 189,166 |
| Excess (deficiency) of revenues over expenditures | (149,827) | 8,548 | (40,506) | (181,785) | (180,038) |
| OTHER FINANCINGS SOURCES (USES) | | | | | |
| Operating transfers in | 149,748 | - | 40,800 | 190,548 | 199,825 |
| Operating transfers out | - | (8,548) | - | (8,548) | (8,525) |
| Total other financing sources (uses) | 149,748 | (8,548) | 40,800 | 182,000 | 191,300 |
| Excess (deficiency) of revenues over expenditures and other financing sources (uses) | (79) | - | 294 | 215 | 11,262 |
| FUND BALANCE | | | | | |
| Beginning of year | 78,656 | 144,000 | 15,599 | 238,255 | 226,993 |
| End of year | \$ 78,577 | \$ 144,000 | \$ 15,893 | \$ 238,470 | \$ 238,255 |

Notes on Exhibit A-6 are an integral part of this statement

PROPRIETARY (ENTERPRISE) FUNDS

Proprietary (Enterprise) Funds are used to account for operations that are similar to private business enterprises. The intent is that the costs of providing services to the general public on a continuing basis be financed through user charges.

**TOWN OF WHITE CASTLE, LOUISIANA
ENTERPRISE FUNDS**

COMBINING BALANCE SHEET

September 30, 2000

| | Gas | | Waterworks | | Sewerage | | Total | |
|--------------------------------|-------------------|-------------------|---------------------|---------------------|---------------------|------|--------------|------|
| | Utility Fund | 2000 | Utility Fund | 2000 | Utility Fund | 2000 | Utility Fund | 2000 |
| ASSETS | | | | | | | | |
| CURRENT ASSETS | | | | | | | | |
| Cash and cash equivalents | \$ 62,813 | \$ 13,452 | \$ 19,663 | \$ 95,928 | \$ 128,765 | | | |
| Investments, at cost | 102,815 | 118,721 | 121,038 | 342,574 | 435,123 | | | |
| Accounts receivable, net | 19,965 | 16,007 | 24,327 | 60,299 | 44,885 | | | |
| Prepaid insurance | - | - | - | - | 5,814 | | | |
| Inventories, at cost | 1,730 | 1,805 | - | 3,535 | 3,534 | | | |
| Total current assets | 187,323 | 149,985 | 165,028 | 502,336 | 618,121 | | | |
| RESTRICTED ASSETS, cash | | | | | | | | |
| | 39,264 | 54,671 | 53,356 | 147,291 | 125,591 | | | |
| FIXED ASSETS, net | 51,710 | 558,536 | 2,397,606 | 3,007,852 | 3,063,291 | | | |
| Total assets | \$ 278,297 | \$ 763,192 | \$ 2,615,990 | \$ 3,657,479 | \$ 3,807,003 | | | |

LIABILITIES

CURRENT

| | | | | | |
|-----------------------------------|-----------|----------|----------|-----------|------------|
| Accounts payable | \$ 33,941 | \$ 4,112 | \$ 9,397 | \$ 47,450 | \$ 174,999 |
| Payroll and related payables | 16,427 | 999 | 619 | 18,045 | 16,184 |
| Due to other funds | 15,658 | 1,533 | 18,847 | 36,038 | 63,093 |
| Other accrued liabilities | 2,185 | 1,189 | 546 | 3,920 | 4,369 |
| Current portion of long-term debt | - | 4,753 | 28,976 | 33,729 | 34,541 |

Total current liabilities

| | | | | | |
|--|--------|--------|--------|---------|---------|
| | 68,211 | 12,586 | 58,385 | 139,182 | 293,186 |
|--|--------|--------|--------|---------|---------|

Payable from restricted assets

| | | | | | |
|-------------------|--------|--------|---|--------|--------|
| Customer deposits | 39,348 | 26,992 | - | 66,340 | 65,538 |
|-------------------|--------|--------|---|--------|--------|

Long-term debt

| | | | | | |
|--|---|---------|---------|-----------|-----------|
| | - | 170,439 | 981,210 | 1,151,649 | 1,153,363 |
|--|---|---------|---------|-----------|-----------|

Total liabilities

| | | | | | |
|--|---------|---------|-----------|-----------|-----------|
| | 107,559 | 210,017 | 1,039,595 | 1,357,171 | 1,512,087 |
|--|---------|---------|-----------|-----------|-----------|

CAPITAL

CONTRIBUTIONS

| | | | | | |
|--------------------|---|---------|---------|-----------|---------|
| From municipality | - | 289,161 | - | 289,161 | 289,161 |
| From parish | - | - | 240,952 | 240,952 | 250,817 |
| From federal grant | - | 116,500 | 937,775 | 1,054,275 | 987,823 |

RETAINED EARNINGS

| | | | | | |
|--|---------|---------|---------|---------|---------|
| Reserved - debt extinguishment | - | 1,496 | 26,447 | 27,943 | 23,228 |
| Reserved - property, repairs and replacement | - | 9,930 | 26,909 | 36,839 | 31,295 |
| Designated - subsequent year's expenditures | - | - | - | - | 710 |
| Unreserved | 170,738 | 136,088 | 344,312 | 651,138 | 711,882 |

Total capital

| | | | | | |
|--|---------|---------|-----------|-----------|-----------|
| | 170,738 | 553,175 | 1,576,395 | 2,300,308 | 2,294,916 |
|--|---------|---------|-----------|-----------|-----------|

Total liabilities and capital

| | | | | | |
|--|------------|------------|--------------|--------------|--------------|
| | \$ 278,297 | \$ 763,192 | \$ 2,615,990 | \$ 3,657,479 | \$ 3,807,003 |
|--|------------|------------|--------------|--------------|--------------|

**TOWN OF WHITE CASTLE, LOUISIANA
ENTERPRISE FUNDS**

**COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN RETAINED EARNINGS**

For the year ended September 30, 2000

| | Gas | Waterworks | Sewerage | Total | |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|
| | Utility Fund | Utility Fund | Utility Fund | 2000 | 1999 |
| OPERATING REVENUES | | | | | |
| Charges for services | \$ 208,809 | \$ 156,353 | \$ 244,132 | \$ 609,294 | \$ 535,440 |
| Penalties | 21,075 | - | - | 21,075 | 18,899 |
| Other | 818 | 1,452 | 29 | 2,299 | 4,171 |
| Total operating revenues | <u>230,702</u> | <u>157,805</u> | <u>244,161</u> | <u>632,668</u> | <u>558,510</u> |
| OPERATING EXPENSES | | | | | |
| Gas | 92,594 | - | - | 92,594 | 80,381 |
| Depreciation | 10,500 | 25,404 | 126,776 | 162,680 | 150,508 |
| Field | 69,392 | 87,374 | 64,399 | 221,165 | 229,587 |
| Administration | 60,305 | 56,389 | 66,331 | 183,025 | 172,622 |
| Total operating expenses | <u>232,791</u> | <u>169,167</u> | <u>257,506</u> | <u>659,464</u> | <u>633,098</u> |
| Operating loss | <u>(2,089)</u> | <u>(11,362)</u> | <u>(13,345)</u> | <u>(26,796)</u> | <u>(74,588)</u> |
| NON-OPERATING | | | | | |
| Interest income | 8,595 | 8,515 | 9,424 | 26,534 | 23,853 |
| Interest expense | - | (8,345) | (55,001) | (63,346) | (56,338) |
| Total non-operating | <u>8,595</u> | <u>170</u> | <u>(45,577)</u> | <u>(36,812)</u> | <u>(32,485)</u> |
| Income (loss) before operating transfers | 6,506 | (11,192) | (58,922) | (63,608) | (107,073) |
| OPERATING TRANSFERS | | | | | |
| Operating transfers out | <u>(35,000)</u> | <u>-</u> | <u>-</u> | <u>(35,000)</u> | <u>(45,000)</u> |
| Net loss | (28,494) | (11,192) | (58,922) | (98,608) | (152,073) |
| Depreciation transferred to contributed capital | - | - | 47,413 | 47,413 | 44,233 |
| Net decrease in retained earnings | (28,494) | (11,192) | (11,509) | (51,195) | (107,840) |
| RETAINED EARNINGS | | | | | |
| Beginning balance | <u>199,232</u> | <u>158,706</u> | <u>409,177</u> | <u>767,115</u> | <u>874,955</u> |
| Ending balance | <u>\$ 170,738</u> | <u>\$ 147,514</u> | <u>\$ 397,668</u> | <u>\$ 715,920</u> | <u>\$ 767,115</u> |

Notes on Exhibit A-6 are an integral part of this statement

**TOWN OF WHITE CASTLE, LOUISIANA
ENTERPRISE FUNDS**

COMBINING STATEMENT OF CASH FLOWS

For the year ended September 30, 2000

| | Gas Utility Fund | Waterworks Utility Fund | Sewerage Utility Fund | Totals |
|---|------------------------|-------------------------------|-----------------------------|-------------------|
| | 2000 | 2000 | 2000 | 1999 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | |
| Operating loss | \$ (2,089) | \$ (11,362) | \$ (13,345) | \$ (74,588) |
| Adjustments to operating loss: | | | | |
| Depreciation | 10,500 | 25,404 | 126,776 | 150,508 |
| Change in operating assets and liabilities: | | | | |
| Accounts receivable | (3,816) | (3,580) | (8,018) | 7,475 |
| Customer deposits | 192 | 610 | - | 834 |
| Prepaid insurance | 1,938 | 1,938 | 1,938 | (5,815) |
| Accounts payable and accrued expenses | 8,528 | 545 | 2,881 | (13,779) |
| Net cash provided (used) by operating activities | <u>15,253</u> | <u>13,555</u> | <u>110,232</u> | <u>64,635</u> |
| CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES | | | | |
| Due to other funds | (5,733) | (19,318) | (2,004) | 40,959 |
| Operating transfers out | <u>(35,000)</u> | <u>-</u> | <u>-</u> | <u>(45,000)</u> |
| Net cash used by non-capital financing activities | <u>(40,733)</u> | <u>(19,318)</u> | <u>(2,004)</u> | <u>(4,041)</u> |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | | | |
| Contributed capital | - | - | 104,000 | - |
| Acquisition and construction of capital assets | (3,270) | (7,626) | (234,437) | (122,066) |
| Interest expense | - | (8,345) | (55,001) | (56,338) |
| Proceeds from water revenue bonds | - | 8,000 | - | 54,000 |
| Repayment of water revenue bonds | - | (4,627) | - | (1,981) |
| Proceeds from sewer revenue bonds | - | - | 26,000 | 72,000 |
| Repayment of sewer revenue bonds | - | - | (31,899) | (27,681) |
| Net cash used by capital activities | <u>(3,270)</u> | <u>(12,598)</u> | <u>(191,337)</u> | <u>(82,066)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | |
| Sale (purchase) of certificate of deposit | 73,916 | 22,720 | (4,087) | 28,636 |
| Interest income | <u>8,595</u> | <u>8,515</u> | <u>9,424</u> | <u>23,853</u> |
| Net cash provided (used) by investing activities | <u>82,511</u> | <u>31,235</u> | <u>5,337</u> | <u>52,489</u> |
| Increase (decrease) in cash | 53,761 | 12,874 | (77,772) | 31,017 |
| CASH AND CASH EQUIVALENTS, including restricted cash | | | | |
| Beginning of period | <u>48,316</u> | <u>55,249</u> | <u>150,791</u> | <u>223,339</u> |
| End of period | <u>\$ 102,077</u> | <u>\$ 68,123</u> | <u>\$ 73,019</u> | <u>\$ 254,356</u> |

**TOWN OF WHITE CASTLE, LOUISIANA
ENTERPRISE FUNDS**

COMBINING STATEMENT OF OPERATING EXPENSES

For the year ended September 30, 2000

| EXPENSE | Gas | Waterworks | Sewerage | Total | |
|--------------------------|--------------|--------------|--------------|------------|------------|
| | Utility Fund | Utility Fund | Utility Fund | 2000 | 1999 |
| Gas | \$ 92,594 | \$ - | \$ - | \$ 92,594 | \$ 80,381 |
| Depreciation | 10,500 | 25,404 | 126,776 | 162,680 | 150,508 |
| Field | | | | | |
| Salaries | 54,753 | 48,928 | 24,489 | 128,170 | 131,372 |
| Payroll taxes | 4,923 | 4,687 | 2,777 | 12,387 | 12,662 |
| Municipal retirement | 2,570 | 2,794 | 2,152 | 7,516 | 6,323 |
| Employees' insurance | - | - | 4,470 | 4,470 | 4,986 |
| Maintenance - equipment | - | 269 | 5,023 | 5,292 | 18,256 |
| Chemical | 3,948 | 17,113 | 3,966 | 25,027 | 23,164 |
| Field supplies | 800 | 6,933 | 2,783 | 10,516 | 18,785 |
| Uncollectible | - | 2,802 | - | 2,802 | 1,425 |
| Oxidation pond | - | - | 1,120 | 1,120 | 1,205 |
| Engineering | 1,259 | 3,092 | 17,314 | 21,665 | 7,205 |
| Drug testing | 140 | 66 | - | 206 | 307 |
| Other | 999 | 690 | 305 | 1,994 | 3,897 |
| Total field | 69,392 | 87,374 | 64,399 | 221,165 | 229,587 |
| Administration | | | | | |
| Salaries | 12,360 | 12,000 | 12,000 | 36,360 | 36,360 |
| Employee benefits | 9,935 | 7,160 | - | 17,095 | 15,450 |
| Insurance | 14,547 | 14,807 | 13,686 | 43,040 | 33,851 |
| Office supplies | 2,292 | 433 | 480 | 3,205 | 2,165 |
| Uncollectible | 3,103 | - | 1,871 | 4,974 | 3,670 |
| Computer service | 29 | 29 | 29 | 87 | 1,995 |
| Utilities | 1,461 | 7,433 | 21,891 | 30,785 | 30,785 |
| Telephone | 1,756 | 1,806 | 2,491 | 6,053 | 5,775 |
| Fuel | 1,533 | - | 131 | 1,664 | 1,250 |
| Printing | 1,520 | 125 | - | 1,645 | 132 |
| Dues and subscriptions | 15 | 150 | 146 | 311 | 150 |
| Travel | - | - | 849 | 849 | 1,612 |
| Vehicle maintenance | 759 | 1,492 | 1,703 | 3,954 | 13,805 |
| Professional | 10,995 | 10,954 | 11,054 | 33,003 | 25,622 |
| Total administration | 60,305 | 56,389 | 66,331 | 183,025 | 172,622 |
| Total operating expenses | \$ 232,791 | \$ 169,167 | \$ 257,506 | \$ 659,464 | \$ 633,098 |

Notes on Exhibit A-6 are an integral part of this statement

GENERAL LONG-TERM DEBT ACCOUNT GROUP

This account group is used to account for unmatured general long-term liabilities of the Town except for those in the proprietary funds.

TOWN OF WHITE CASTLE, LOUISIANA
COMBINING STATEMENT OF GENERAL LONG-TERM DEBT

September 30, 2000

| | Public | | Totals | |
|--|-------------------------|---------------------|-----------------|---------------------|
| | Improvement Bond | Certificates | 2000 | 1999 |
| | Sales Tax | of | Sick Pay | Benefits |
| | Bonds - 1992 | Indebtedness | 2000 | 1999 |
| AMOUNT AVAILABLE AND TO BE PROVIDED FOR THE PAYMENT OF GENERAL LONG-TERM DEBT | | | | |
| Amount available in debt service funds for debt retirement | \$ 222,577 | \$ 15,893 | \$ - | \$ 238,470 |
| Amount to be provided for general long-term debt | <u>632,423</u> | <u>211,107</u> | <u>8,410</u> | <u>968,155</u> |
| Total available and to be provided | <u>\$ 855,000</u> | <u>\$ 227,000</u> | <u>\$ 8,410</u> | <u>\$ 1,090,410</u> |
| GENERAL LONG-TERM DEBT PAYABLE | | | | |
| Bond payable, certificates of indebtedness and accrued sick pay benefits | <u>\$ 855,000</u> | <u>\$ 227,000</u> | <u>\$ 8,410</u> | <u>\$ 1,206,410</u> |

Notes on Exhibit A-6 are an integral part of this statement.

SUPPLEMENTARY FINANCIAL INFORMATION

TOWN OF WHITE CASTLE, LOUISIANA
SCHEDULE OF SUPPLEMENTARY INFORMATION
SEWERAGE CUSTOMERS

September 30, 2000
(Without Audit)

Records maintained by the Town of White Castle indicated the number of residential and commercial users for both water and sewer systems at September 30, 2000 were as follows:

| | <u>Water</u> | <u>Sewer</u> |
|-------------|--------------|--------------|
| Residential | 734 | 729 |
| Commercial | 74 | 74 |

At September 30, 2000, the Town was charging a \$7.50 base fee with \$2.10 for each thousand gallons consumed for water usage. In addition, an \$11.75 base fee with \$1.40 for each thousand gallons treated was charged as a sewerage fee.

At September 30, 2000, the aging of accounts receivable for the Enterprise Funds was as follows:

| | |
|--------------|------------------|
| Current | \$ 48,635 |
| 31-60 days | 6,434 |
| 61-90 days | 1,961 |
| Over 90 days | <u>3,269</u> |
| | <u>\$ 60,299</u> |

During the fiscal year ended September 30, 2000, the Town processed 354,800 gallons of sludge through the sewer treatment system.

TOWN OF WHITE CASTLE, LOUISIANA
SCHEDULE OF INSURANCE IN FORCE

September 30, 2000
(Without Audit)

| Issuer | Kind of Insurance | Property Covered/Address | Insurance | Expiration Date |
|--|--|--------------------------------------|-----------------------|--------------------|
| LA Municipal Risk Management Agent | Automobile | 14 Automobiles | \$ 500,000 | May 1, 2001 |
| | Commercial General Liability | Premises Ops, General | 500,000 | May 1, 2001 |
| | | Products & Completed Ops | 500,000 | May 1, 2001 |
| | | Medical Payments | 10,000/per accident | May 1, 2001 |
| | | Fire Legal Liability | 50,000/per occurrence | May 1, 2001 |
| | | Law enforcement liability | Enforcement officers | 500,000 |
| | Public officials' errors & omissions liability | Public officials' errors & omissions | 500,000 | May 1, 2001 |
| | Worker's Compensation | Eligible employees | statutory | May 1, 2001 |
| Allstate Insurance | Commercial Property | Sewage plant, 31540 Hwy 405 | 860,000 | October 10, 2001 |
| | | Computers | 7,800 | October 10, 2001 |
| | Fire and extended coverage | ICM Building, 33060 Bowie St. | 47,800 | October 10, 2001 |
| | | ICM Building contents | 5,000 | |
| | | Water tower, 33060 Bowie St. | 197,820 | October 10, 2001 |
| | | Water treatment building | 45,000 | |
| | Fire and extended coverage | Contents | 65,000 | |
| | | Shed | 1,000 | |
| | Fire and extended coverage | Town Hall / Fire Station | | |
| | | 32535 Bowie St. | 200,000 | October 10, 2001 |
| | Fire and extended coverage | Contents | 43,500 | |
| | | Jail house, 32535 Rear Bowie | 100,000 | October 10, 2001 |
| | Fire and extended coverage | Jail house contents | 30,000 | |
| | | Fire station 32055 Hwy 405 | 69,300 | October 10, 2001 |
| Fire and extended coverage | Fire station contents | 5,000 | | |
| | Council on Aging Building | | | |
| Fire and extended coverage | 55050 Latino St | 124,000 | October 10, 2001 | |
| | Contents | 10,000 | | |
| Fire and extended coverage | Building, 32515 Bowie St. | 300,000 | October 10, 2001 | |
| | Contents | 25,000 | | |
| Fire and extended coverage | Sewage station, 54940 Cambre St. | 70,000 | October 10, 2001 | |
| Fire and extended coverage | Sewage station, 33440 Bowie St. | 95,000 | October 10, 2001 | |
| Fire and extended coverage | Sewage station, 34050 Bowie St. | 35,000 | October 10, 2001 | |
| Commercial inland marine | Gas generator | 52,000 | October 10, 2001 | |
| | Radio tower with antenna | 9,300 | | |
| | Diesel generator | 10,000 | | |
| Commercial property | Community Center, 32635 Bowie St. | 360,000 | October 10, 2001 | |
| Daigle Insurance | Named employees bond | Employees | 92,000 | August 18, 2001 |
| | Public employee honesty bond | Alderman | 25,000 | September 13, 2001 |
| | Commercial bonds | Police | 10,000 | June 10, 2002 |

SPECIAL INDEPENDENT AUDITORS' REPORTS



**REPORT ON COMPLIANCE AND INTERNAL CONTROL OVER
FINANCIAL REPORTING BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

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

We have audited the general purpose and the combining, individual fund and account groups financial statements of the **TOWN OF WHITE CASTLE, LOUISIANA**, as of and for the year ended September 30, 2000, and have issued our report thereon dated December 15, 2000. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the **TOWN OF WHITE CASTLE, LOUISIANA**'s general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the **TOWN OF WHITE CASTLE, LOUISIANA**'s internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting, that, in our judgment, could adversely affect the entity's ability to record, process, summarize and report financial data consistent with the assertions of management in the general purpose financial statements. Reportable conditions are described in the accompanying schedule of findings and questioned costs as item 2000-1, 2000-2, 2000-3, and 2000-4.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, the reportable conditions described in the schedule of findings and questioned costs involving internal control over financial reporting are also considered to be material weaknesses as defined above.

This report is intended solely for the information and use of management, the Board of Aldermen, and the Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties.

Faucek + Winkler LLC

Certified Public Accountants

Baton Rouge, Louisiana
December 15, 2000

TOWN OF WHITE CASTLE, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the year ended September 30, 2000

1) Summary of Auditors' Results:

- A) The type of report issued on the general purpose financial statements: **Unqualified opinion**
- B) Reportable conditions in internal control were disclosed by the audit of Financial Statements: **2000-1, 2000-2, 2000-3, and 2000-4**
Material weaknesses: **See reportable conditions above.**
- C) Noncompliance that is material to the general purpose financial statements: **None**
- D) Findings relating to the financial statements reported in accordance with Government Auditing Standards: **None**

2000-1: SEGREGATION OF DUTIES

Observation: There is not sufficient segregation of duties to have effective internal control. The finding results from the small size of the administrative staff of the Town. These limitations allow no opportunity for meaningful segregation of duties.

Recommendation: No action recommended.

Management's corrective action plan: We concur with the finding.

2000-2: FINES

Observation: The Town's police department collects funds associated with fines. As collected, the funds are forwarded to the Town's administration department for deposit. The Town's police department maintains documentation to support the receipt of these funds. Based on our review of fine collection documentation, we discovered that the fine program accounting system used by the Police Department did not include all fine collections deposited in the Town's bank account; accordingly, the automated fine program system was incomplete.

During the year ended September 30, 1999, the Town enacted a resolution that required the collection of fines solely by the Chief of Police's secretary and prohibited the collection of fines partially or by cash payments. The policy was adhered to after the violations were reported to the Mayor and Board in February 2000.

Recommendation: We recommend that fine assessment and collection records be maintained accurately by utilizing computer software in place, to include the preparation of monthly revenue reconciliation to reported amounts in the financial statements, ticket issuance records, and outstanding fines for appropriate collection measures.

Management's corrective action plan: A new secretary for the Chief of Police was hired in July 2000 to replace the previous employee. The new secretary is actively utilizing computer software in place to account for the activity associated with accounting for traffic ticket issuance, assessment and collection. Management believes, with the new secretary hired, that the finding will be resolved during the fiscal year ended September 30, 2001.

Secondly, the Town made vast strides during 2000 in resolving various findings concerning this matter. As a result, management is vigorously pursuing the ultimate resolution of this matter.

2000-3: THEFT LOSS

Observation: During the year ended September 30, 2000, the Town experienced a theft of funds from the collection of electricity payments for a utility company. The Town acted as an agent for collection and deposited funds daily into a designated bank account as required in the agency agreement. Additionally, the utility company would electronically obtain the funds within a three-day period. Collections were reported to the utility company on a daily basis. The total theft amounted to approximately \$10,900.

Upon discovery by management of the Town, it contacted law enforcement officials with an arrest subsequently made. The Town is pursuing a conviction of the utility clerk. In addition, the Town has received reimbursement from its insurance carrier for the stolen funds.

Recommendation: We recommend the Town enhance monitoring and reconciliation procedures relating to the processing of electricity payments to include review of daily bank deposits, reports and monthly bank statement by the Town Clerk.

Additionally, we recommend that bank deposits relating to these receipts be delivered along with other Town deposits. The employee responsible for preparation of the bank deposit should not deliver the deposit to the bank.

Management's corrective action plan: Management has implemented the internal control procedures as recommended. This matter is considered resolved.

2000-4: UTILITY ACCOUNTS RECEIVABLE

Observation: During our review of balances owed to the Town from customers receiving utility services, we noted that approximately \$10,000 was in excess of 30 days old, which is about 17% of outstanding accounts receivable. In addition, one utility employee owed approximately \$700 for utility services received.

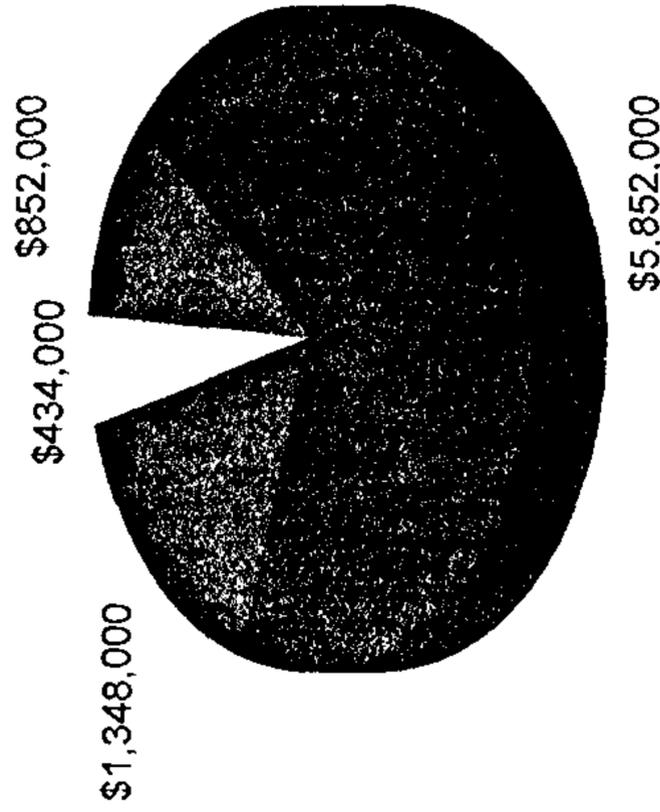
Recommendation: The Town has a policy relating to the collection of accounts receivable from utility services. We recommend that the Town adhere to the enacted policy. In addition, an aged accounts receivable report should be reviewed by the Town clerk and Mayor to identify customers with balances in arrears. Finally, the balance owed by the utility employee should be collected immediately, and employee receivable balances be reviewed monthly.

Management's corrective action plan: During August 2000, management of the Town began pursuing balances owed from its utility customers. Such efforts have reduced a number of balances in arrears. Management intends to vigorously pursue the remaining balances owed. Any uncollected customer balances will result in either a payment arrangement or disconnection from utility services, which is a component of the Town's utility service collection policy.

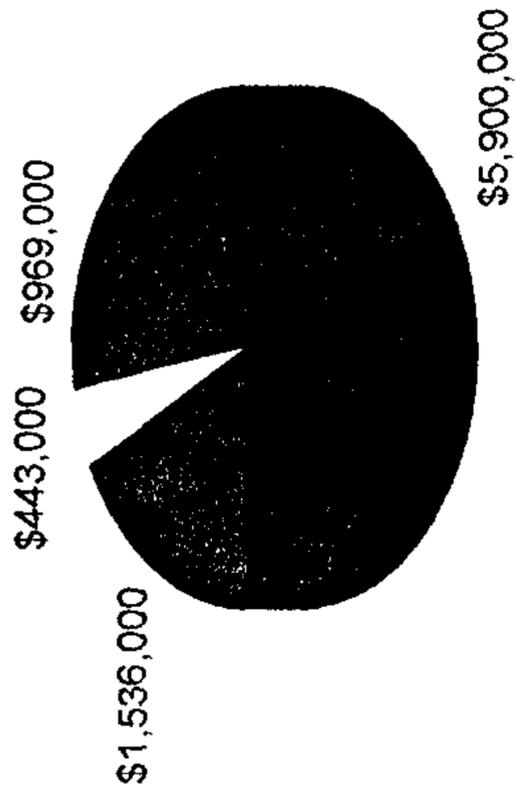
STATISTICAL INFORMATION

TOWN OF WHITE CASTLE, LOUISIANA

TOTAL ASSETS



SEPTEMBER 30, 2000



SEPTEMBER 30, 1999

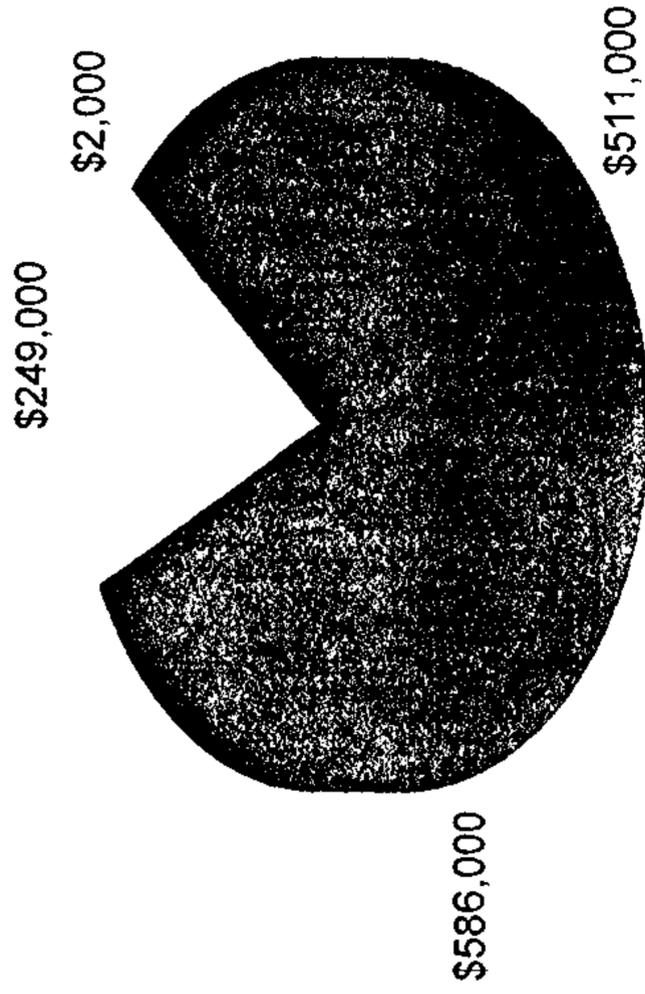
| | |
|--------------------------------------|---|
| <p>■ FIXED ASSETS</p> <p>■ OTHER</p> | <p>■ CASH & INVESTMENTS</p> <p>■ UNFUNDED DEBT RETIREMENT</p> |
|--------------------------------------|---|

TOTAL ASSETS = \$ 8,486,000

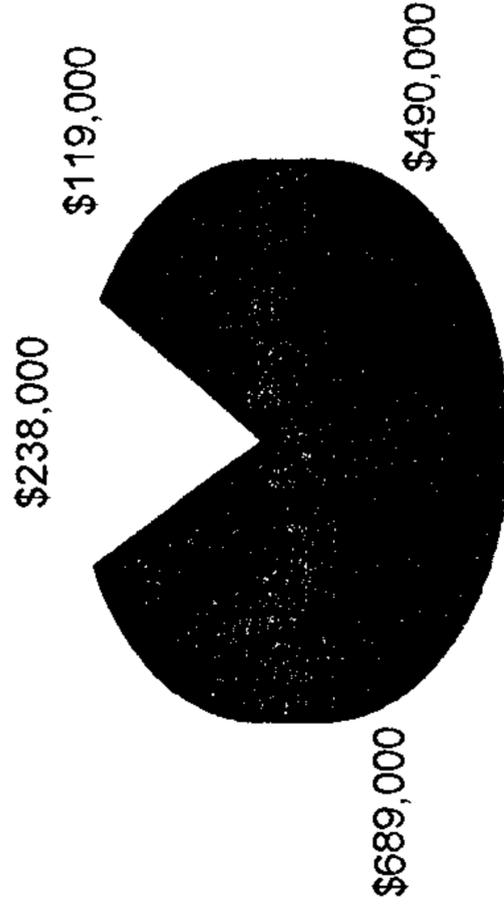
TOTAL ASSETS = \$ 8,848,000

TOWN OF WHITE CASTLE, LOUISIANA

CASH AND INVESTMENTS



SEPTEMBER 30, 2000



SEPTEMBER 30, 1999

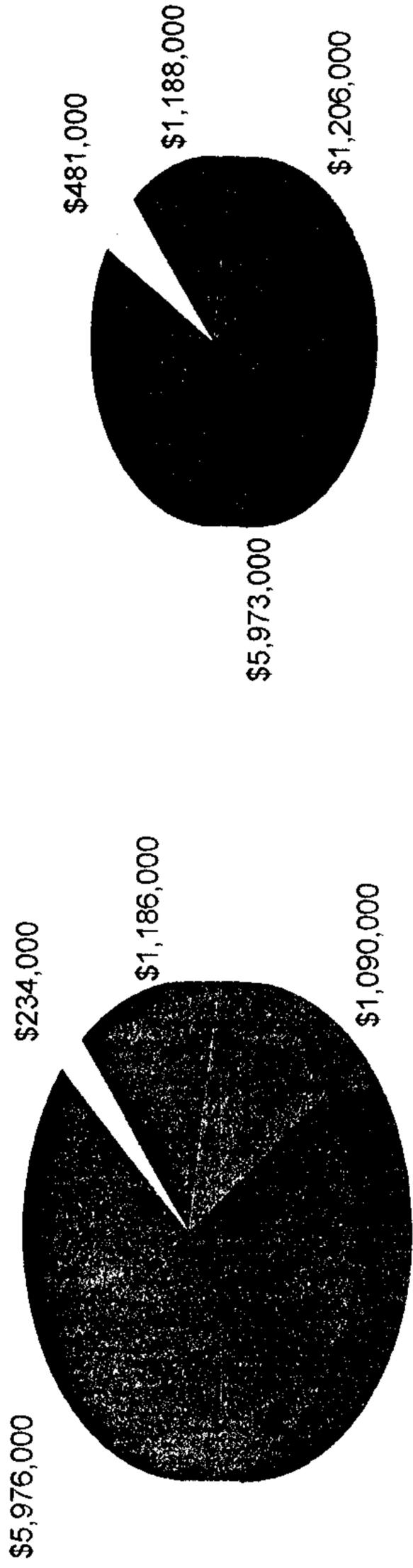
- GENERAL
- SPECIAL REVENUE
- ENTERPRISE
- DEBT SERVICE

TOTAL CASH & INVESTMENTS = \$ 1,348,000

TOTAL CASH & INVESTMENTS = \$ 1,536,000

TOWN OF WHITE CASTLE, LOUISIANA

LIABILITIES AND FUND EQUITY



SEPTEMBER 30, 2000

SEPTEMBER 30, 1999

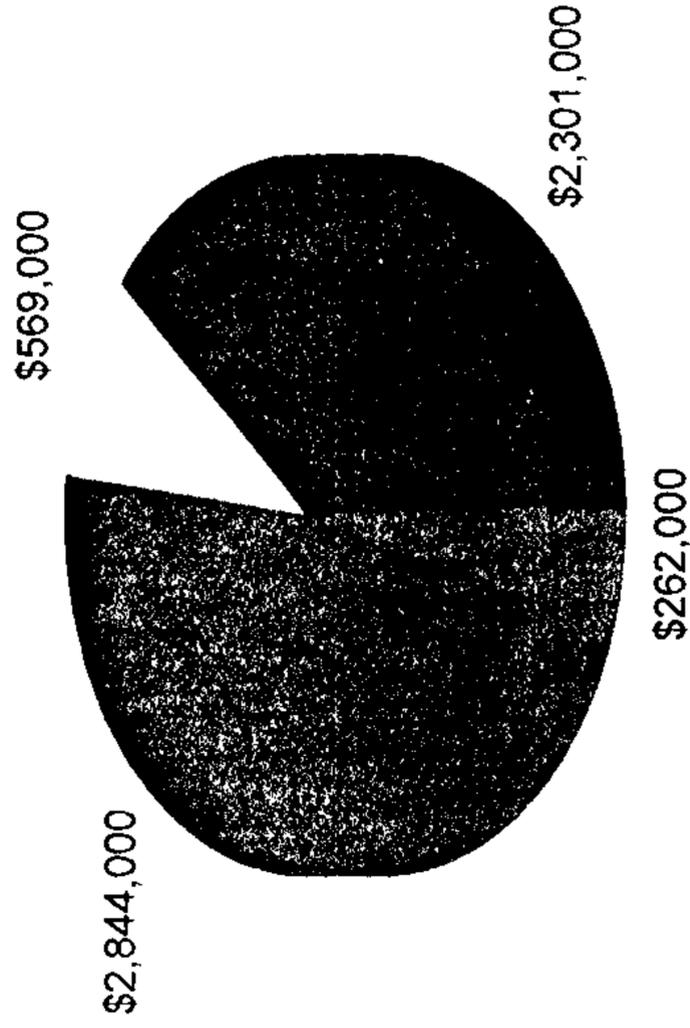
| | |
|---------------------|-----------------------------|
| CURRENT LIABILITIES | ■ SEWER AND WATER REV BONDS |
| ■ GEN LT DEBT | ■ FUND EQUITY |

TOTAL LIABILITIES = \$ 2,510,000
 TOTAL FUND EQUITY = \$ 5,976,000

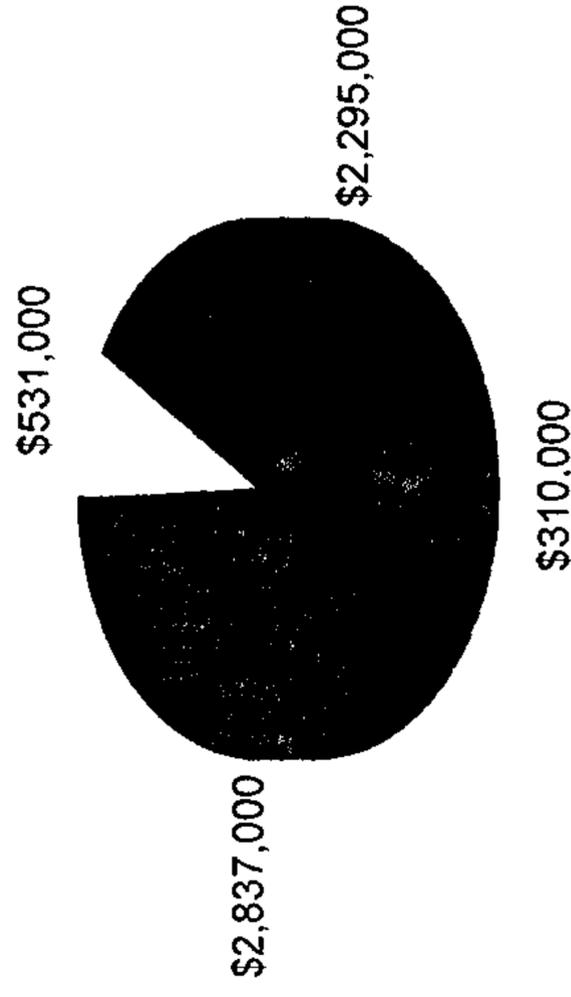
TOTAL LIABILITIES = \$ 2,875,000
 TOTAL FUND EQUITY = \$ 5,973,000

TOWN OF WHITE CASTLE, LOUISIANA

FUND EQUITY



SEPTEMBER 30, 2000



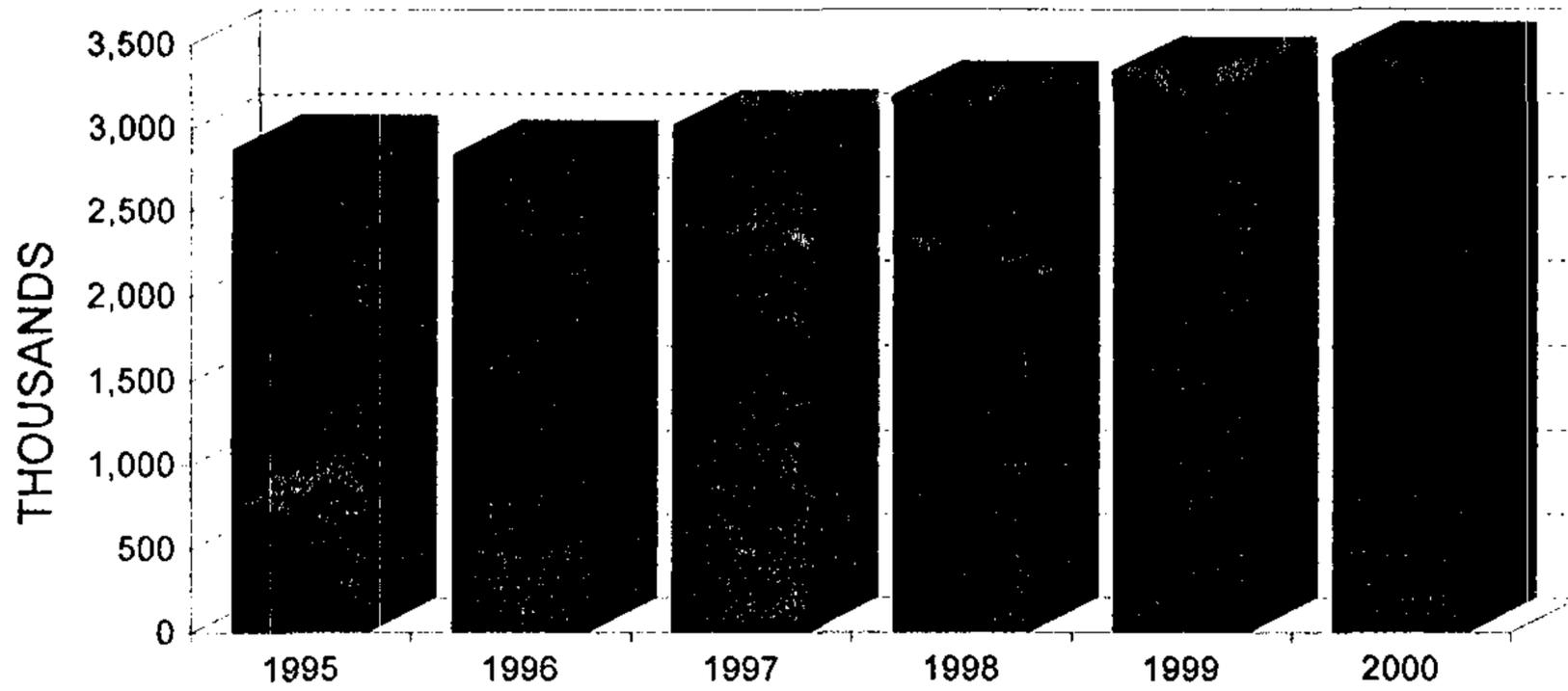
SEPTEMBER 30, 1999

- | | |
|--|---|
| <ul style="list-style-type: none"> ■ ENTERPRISE ■ GEN FIXED ASSETS | <ul style="list-style-type: none"> ■ DEBT SERVICE AND GENERAL ■ SPECIAL REVENUE |
|--|---|

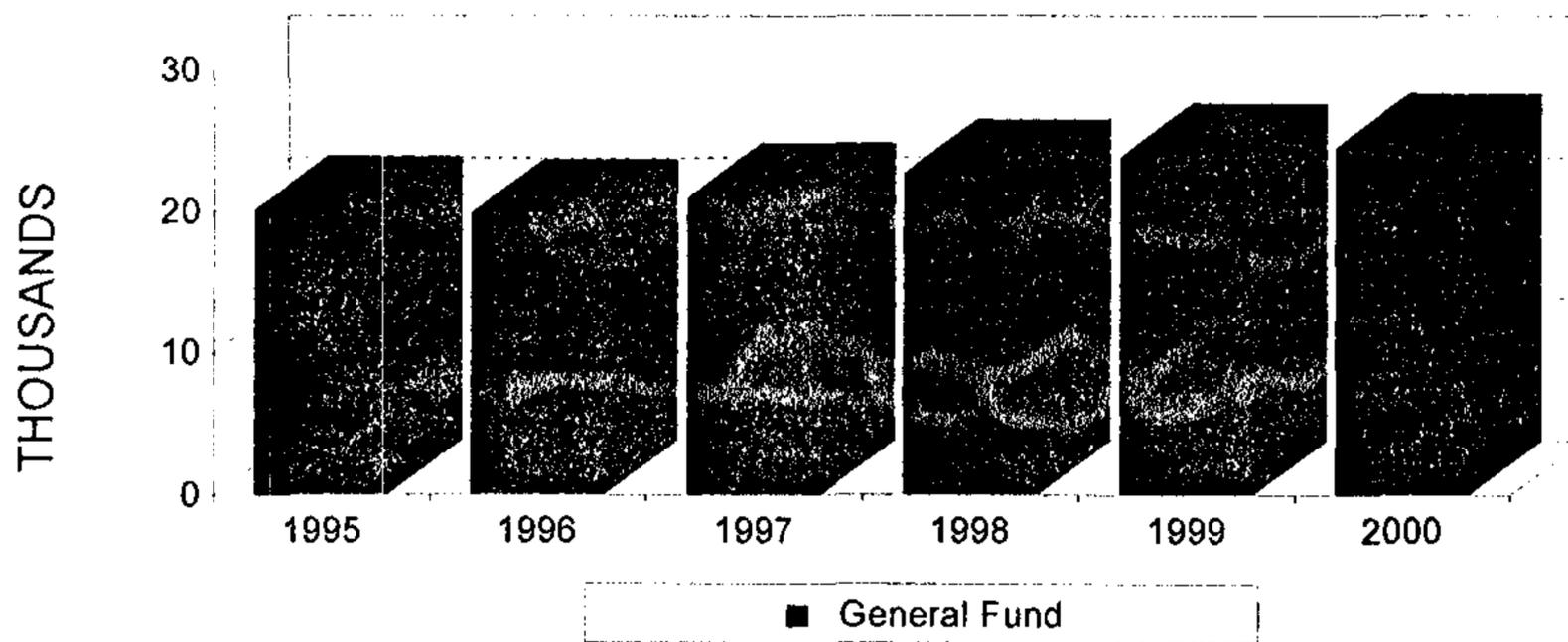
TOTAL FUND EQUITY = \$ 5,976,000

TOTAL FUND EQUITY = \$ 5,973,000

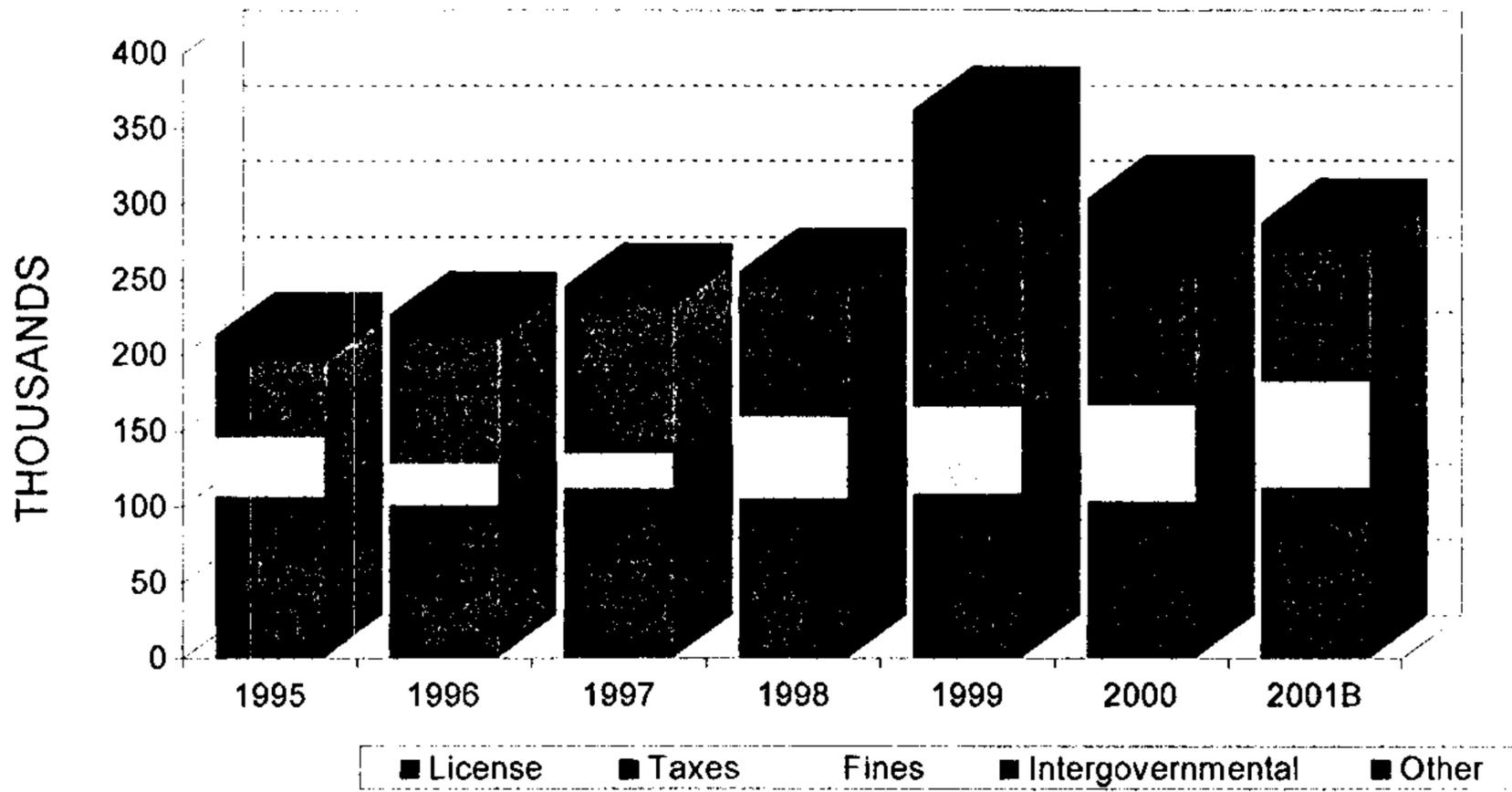
TAXABLE ASSESSED VALUE OF PROPERTY TOWN OF WHITE CASTLE, LOUISIANA



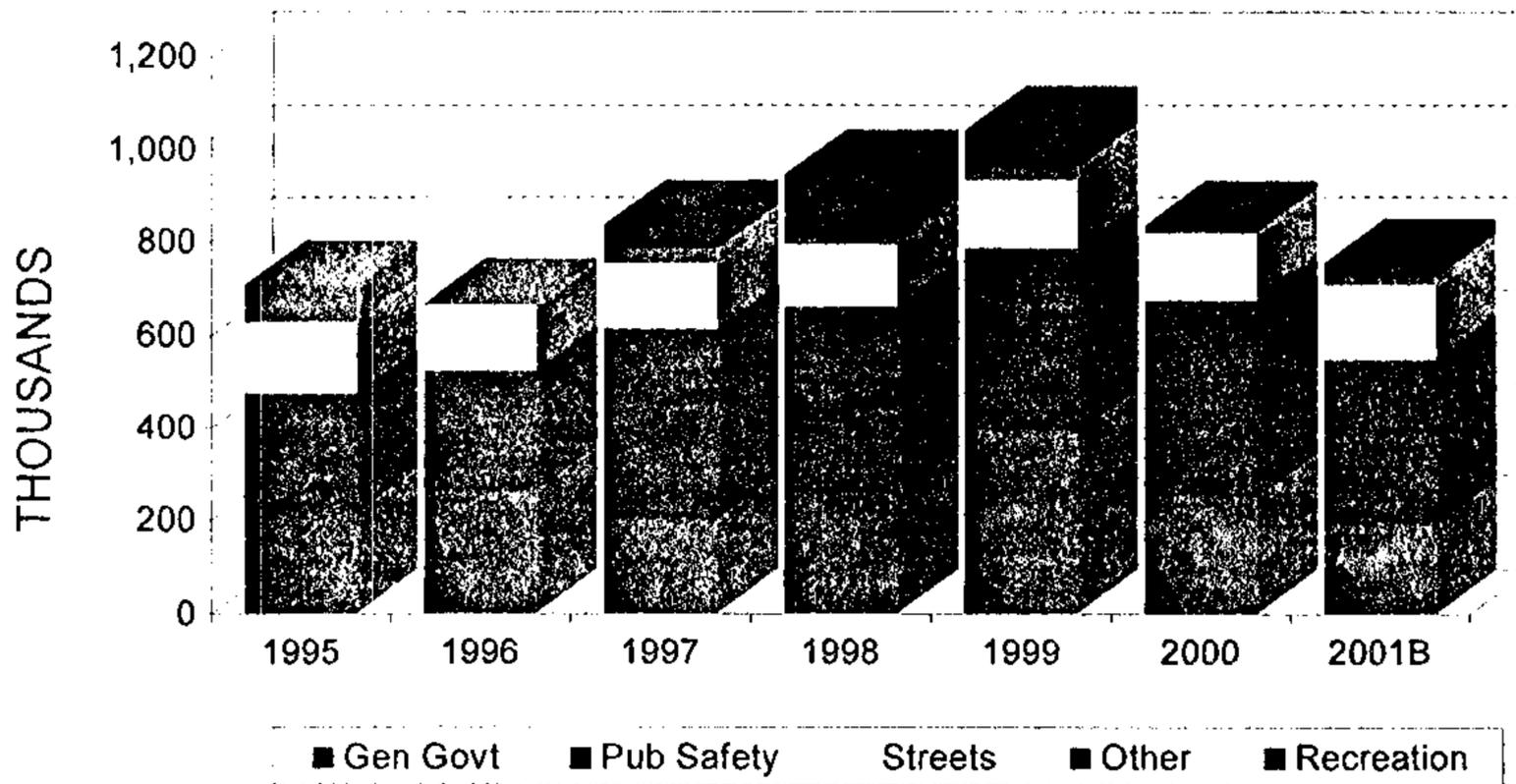
PROPERTY TAXES - ASSESSED TOWN OF WHITE CASTLE, LOUISIANA



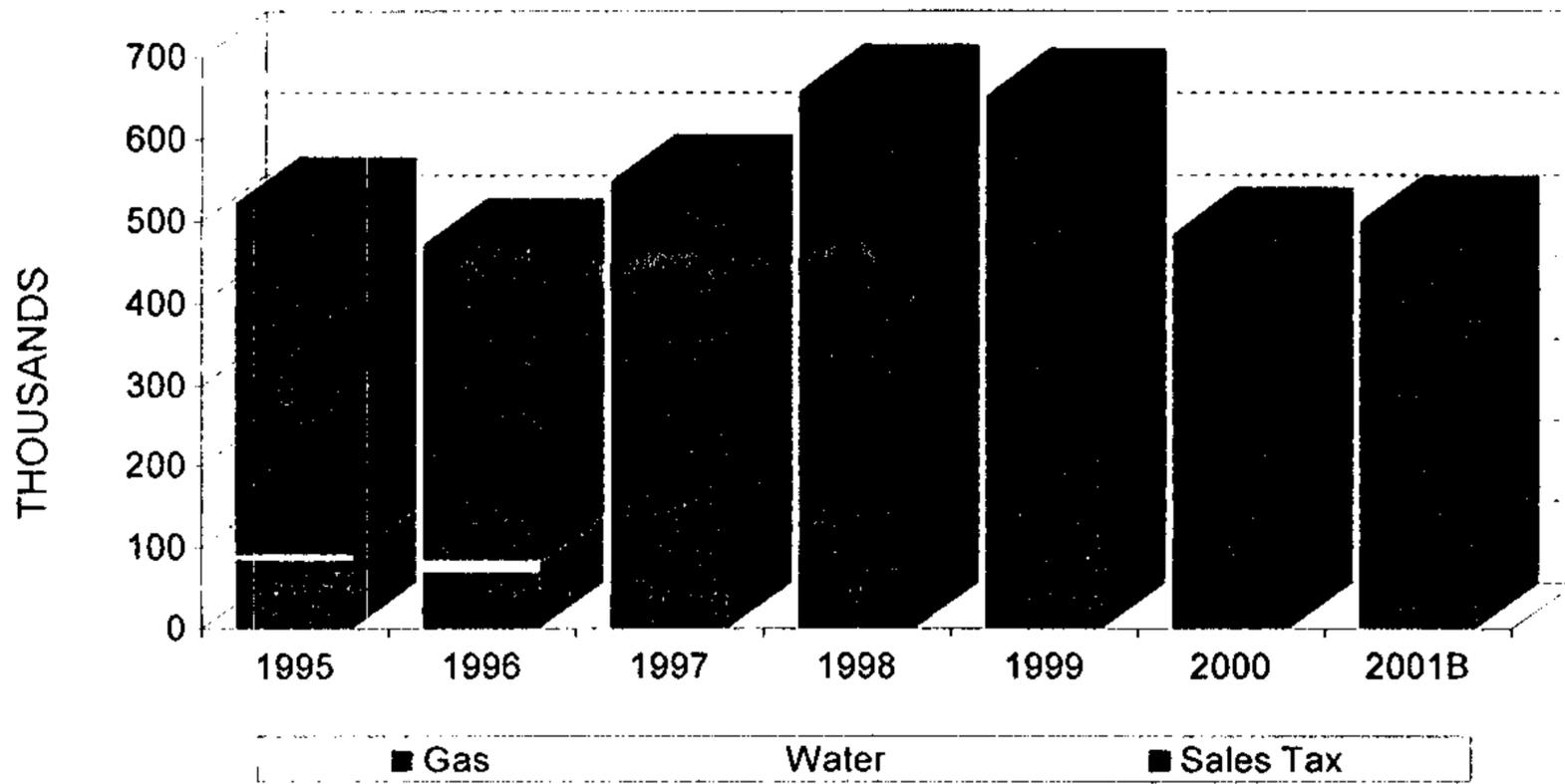
GENERAL FUND REVENUES TOWN OF WHITE CASTLE, LOUISIANA



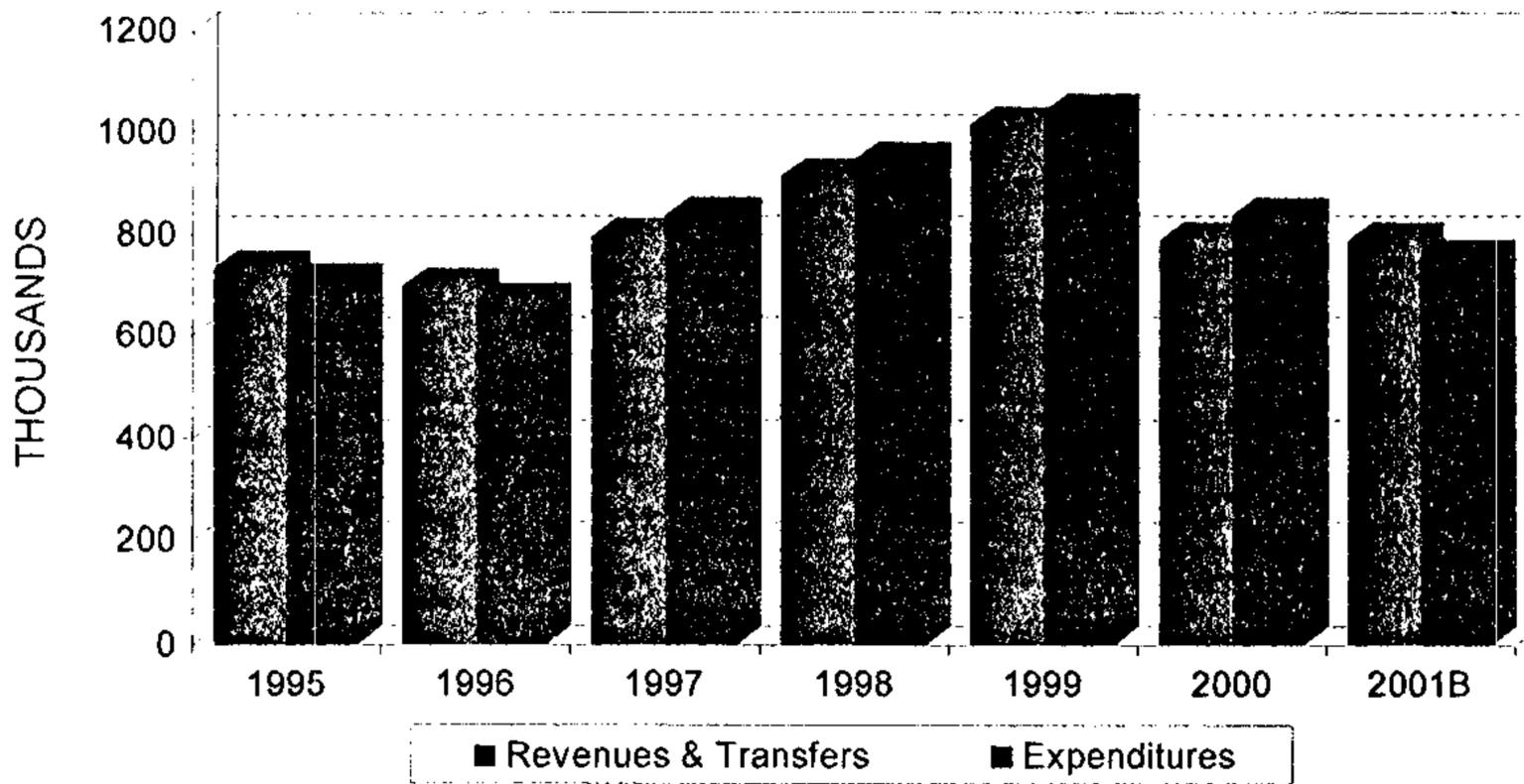
GENERAL FUND EXPENDITURES TOWN OF WHITE CASTLE, LOUISIANA



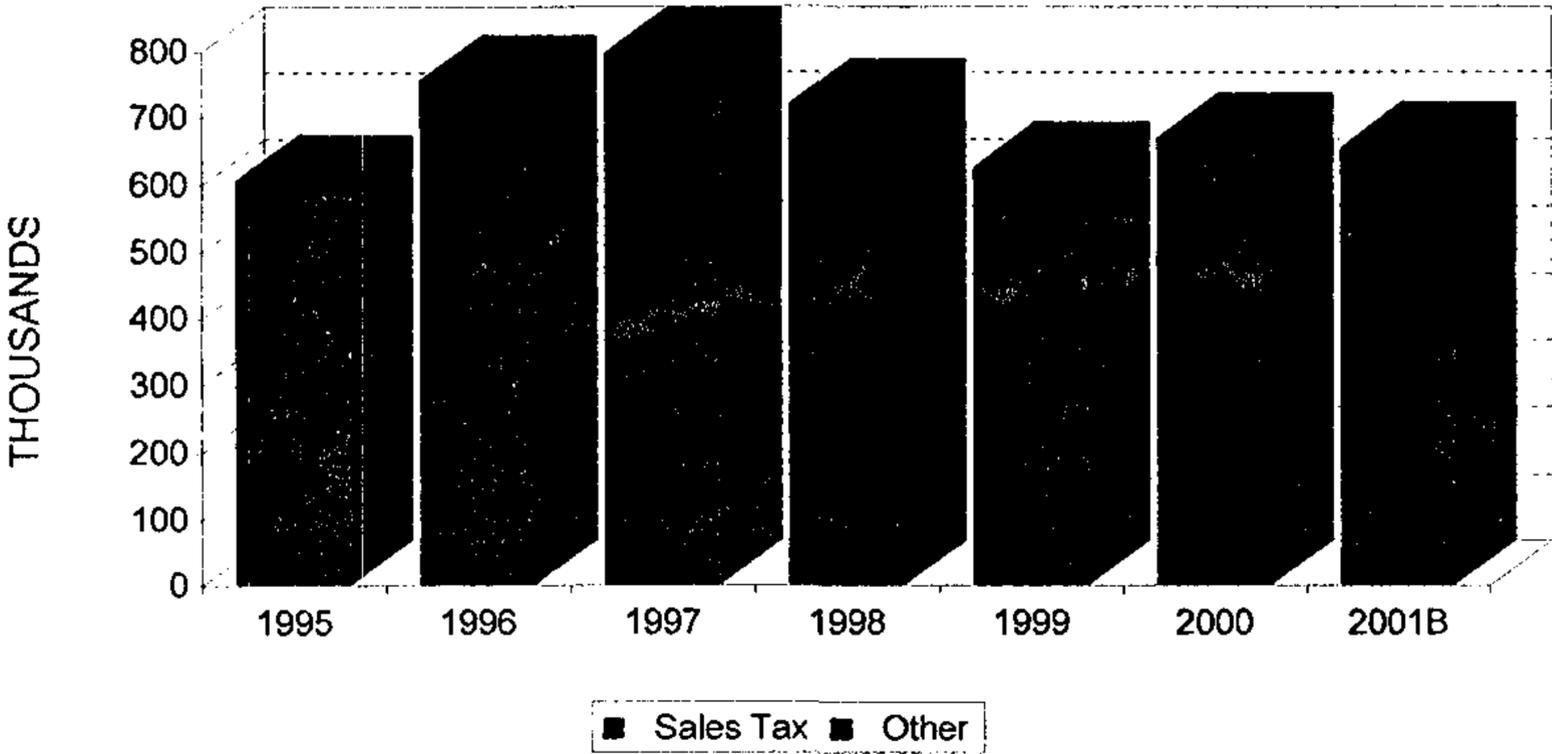
TRANSFERS TO GENERAL FUND TOWN OF WHITE CASTLE, LOUISIANA



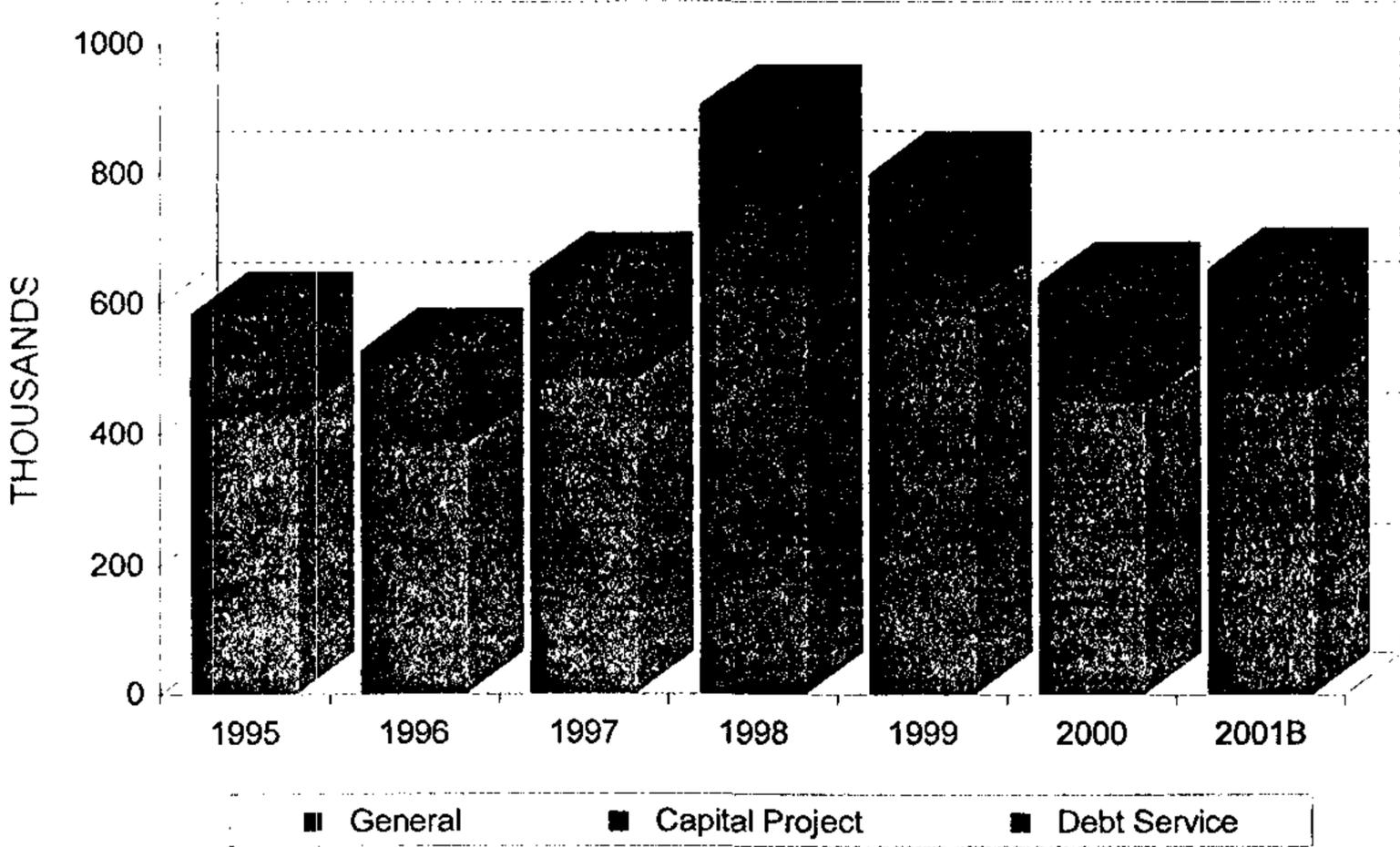
GENERAL FUND INFLOWS & OUTFLOWS TOWN OF WHITE CASTLE, LOUISIANA



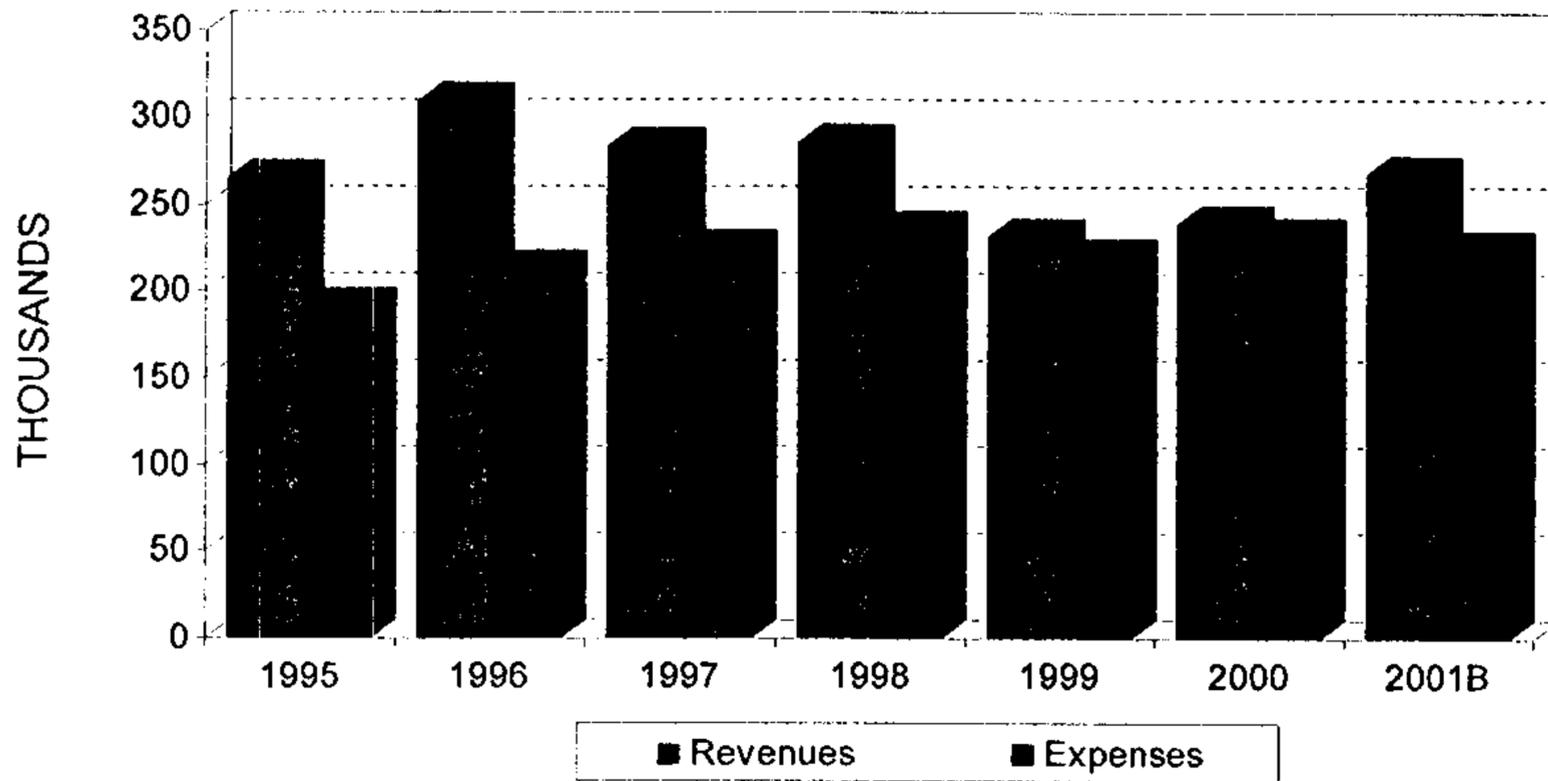
SALES TAX REVENUES TOWN OF WHITE CASTLE, LOUISIANA



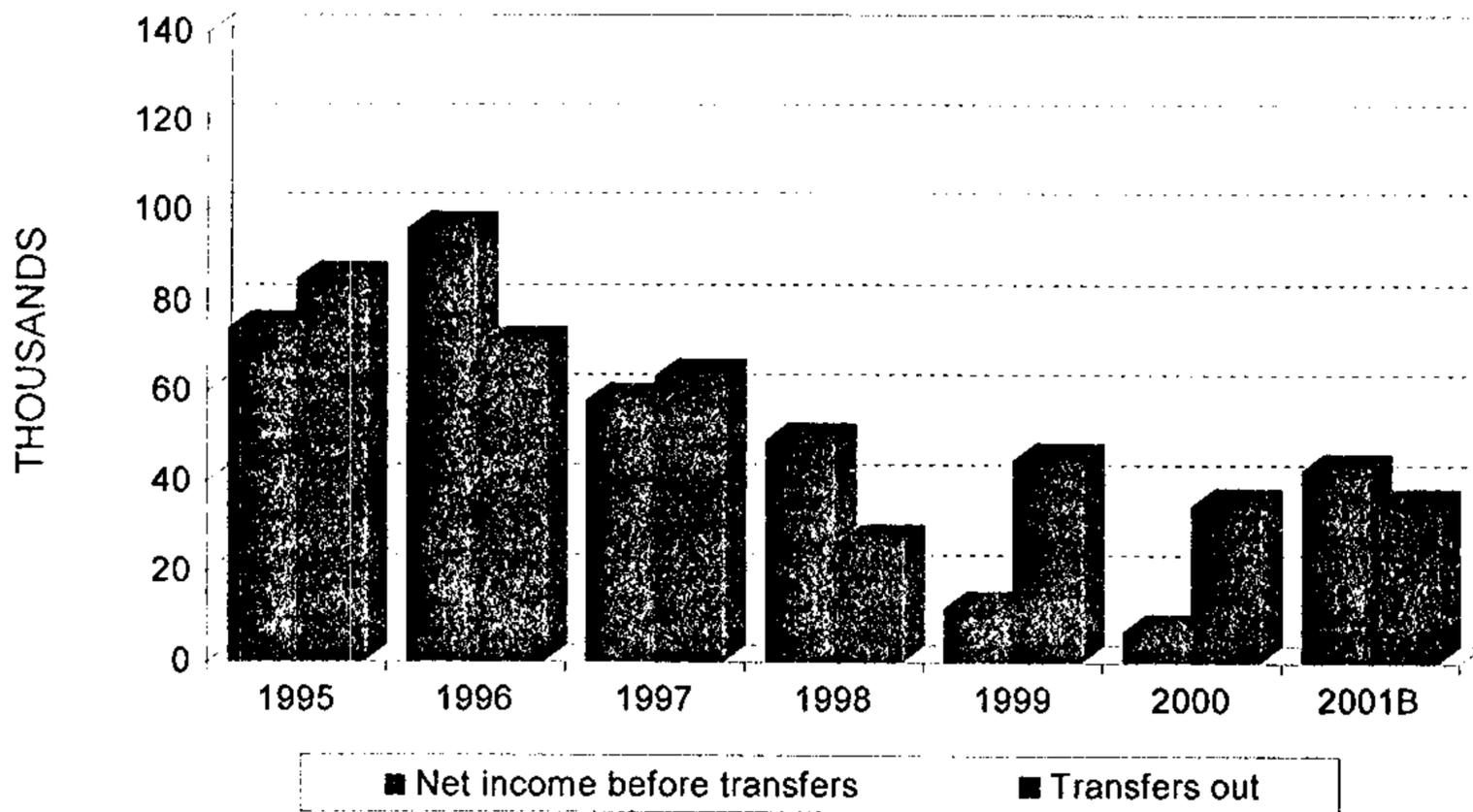
SALES TAX TRANSFERS OUT TOWN OF WHITE CASTLE, LOUISIANA



GAS FUND REVENUES & EXPENSES TOWN OF WHITE CASTLE, LOUISIANA

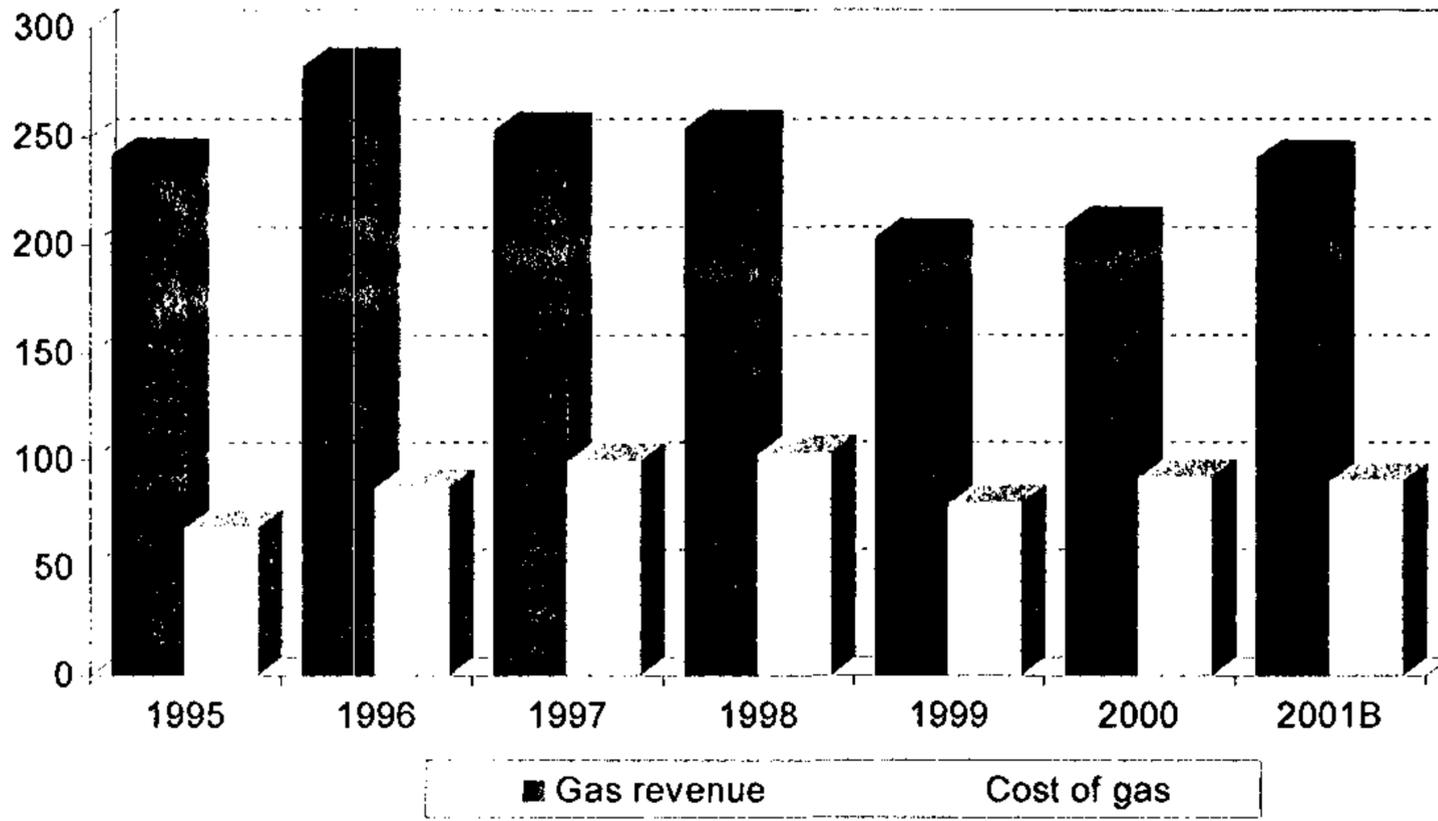


GAS FUND NET INCOME & TRANSFERS TOWN OF WHITE CASTLE, LOUISIANA

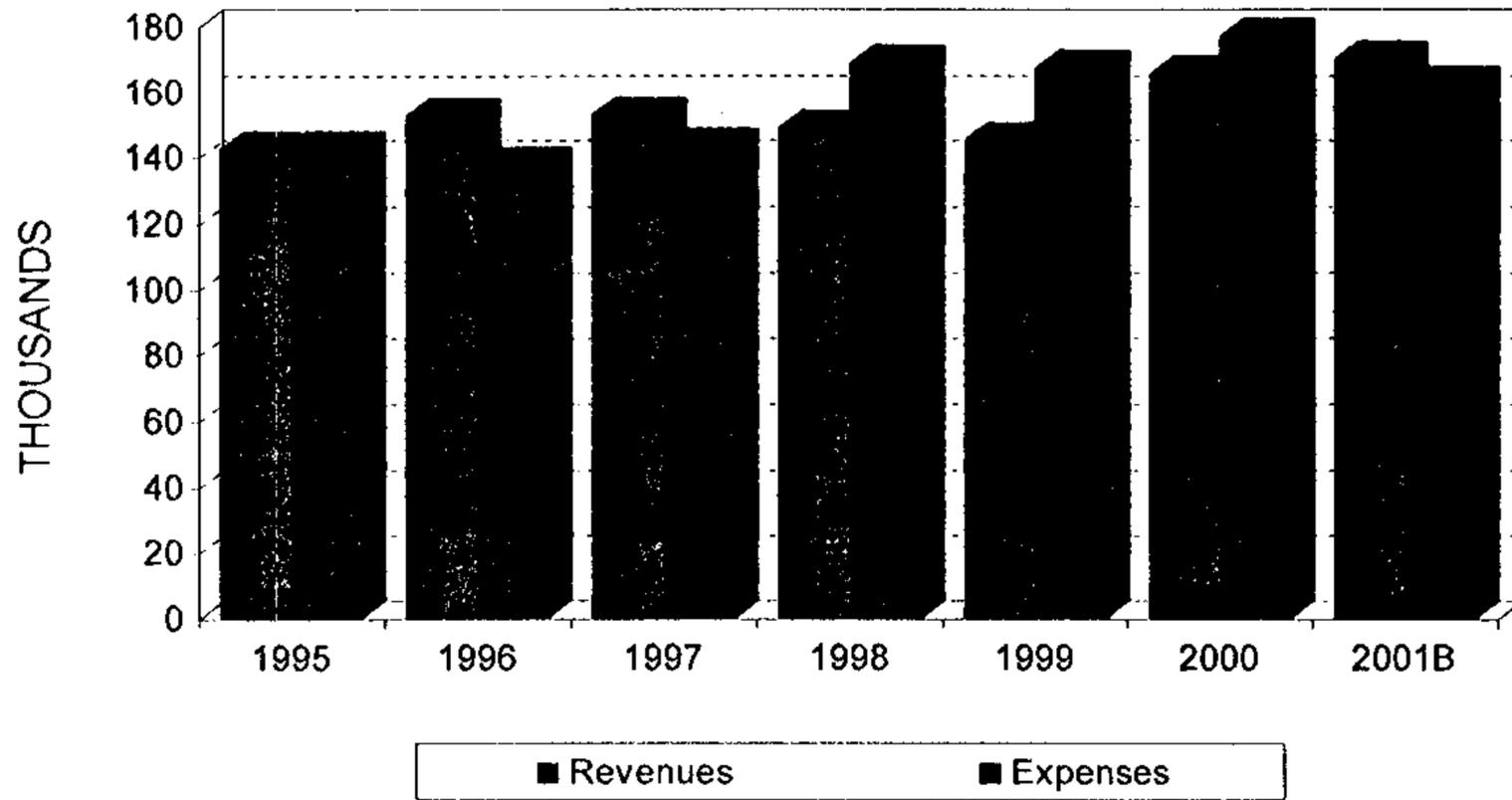


GAS REVENUE & COST OF GAS

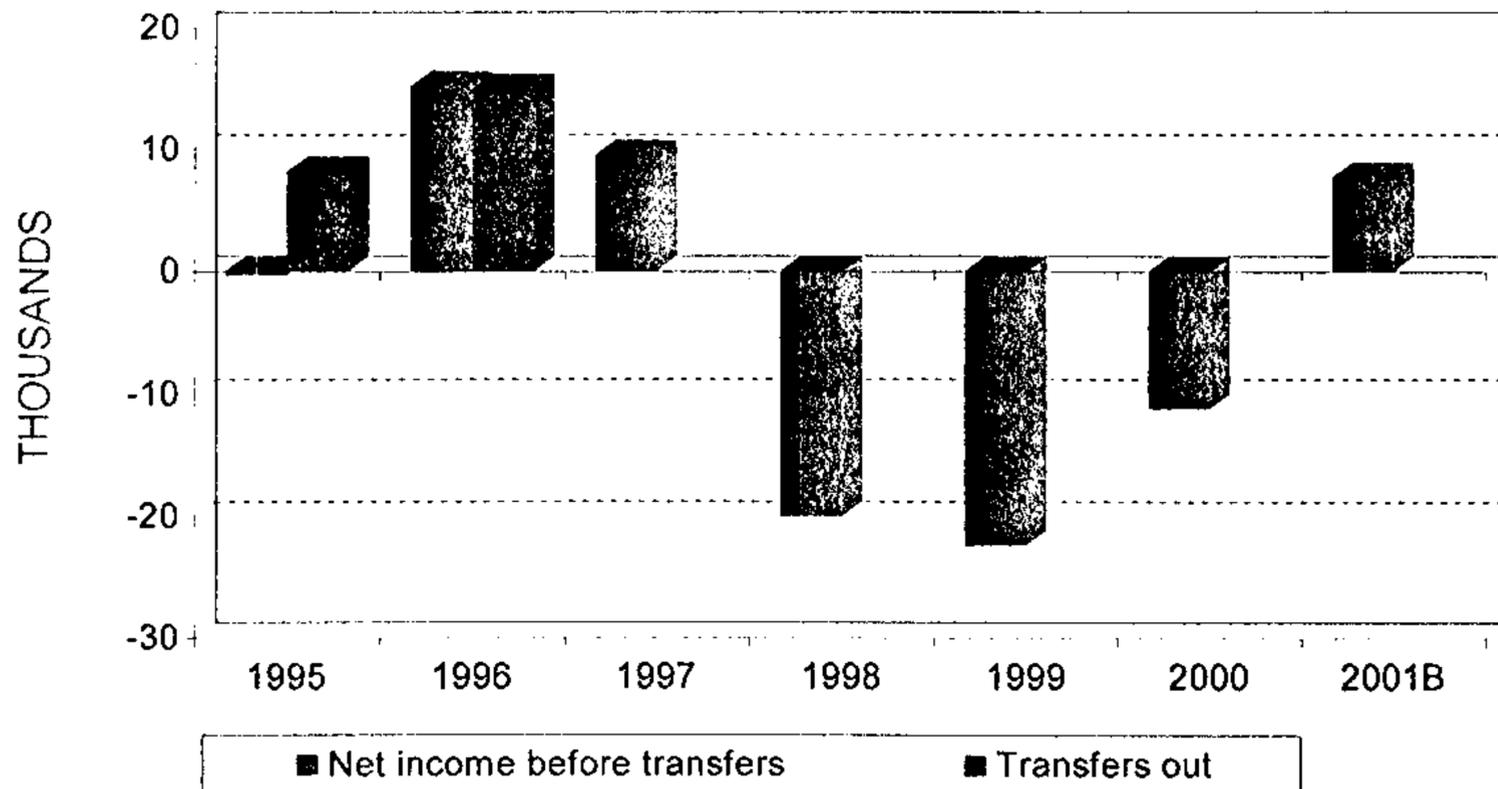
TOWN OF WHITE CASTLE, LOUISIANA



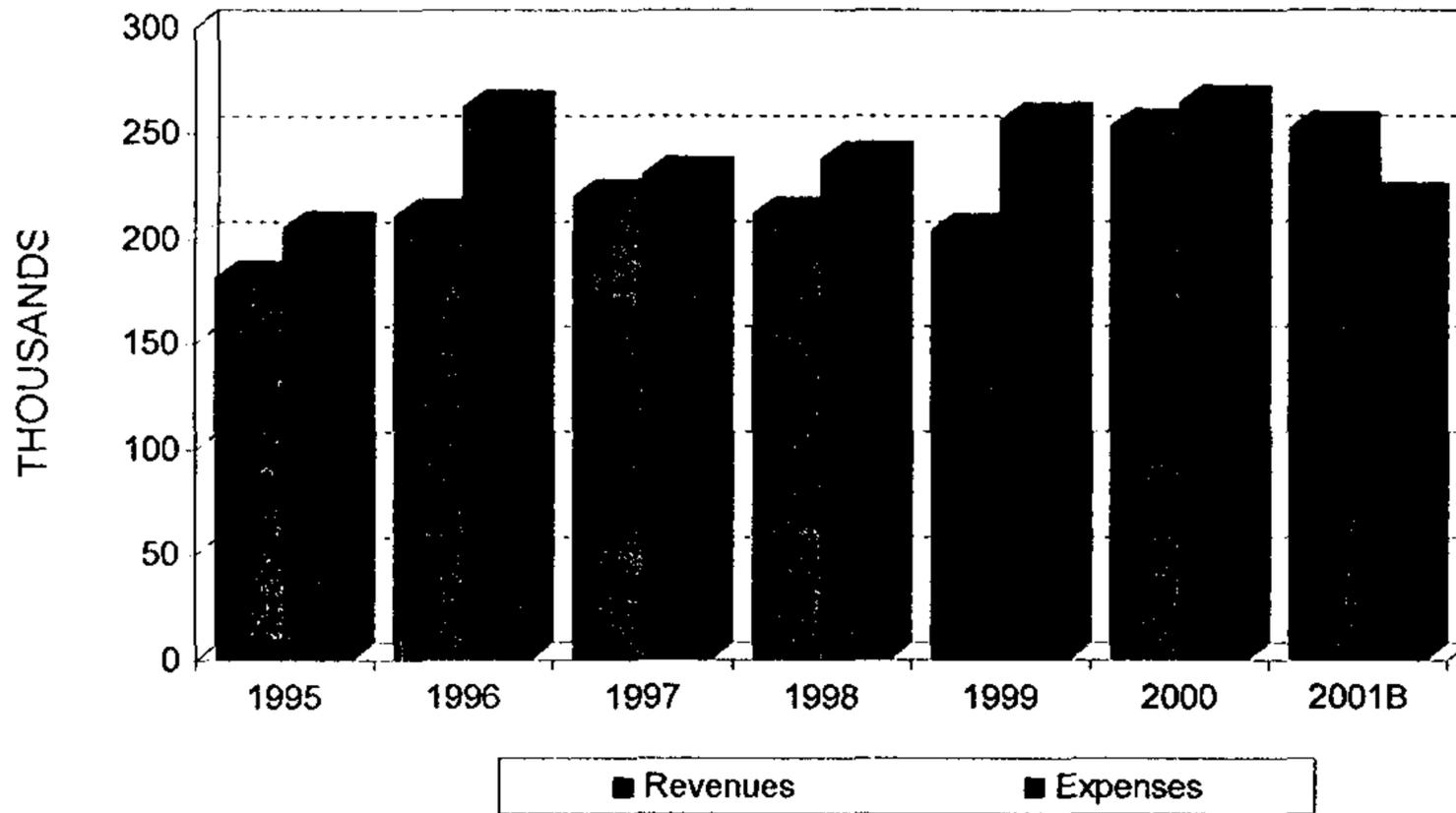
WATER FUND REVENUES & EXPENSES TOWN OF WHITE CASTLE, LOUISIANA



WATER FUND NET INCOME & TRANSFERS OUT TOWN OF WHITE CASTLE, LOUISIANA



SEWER FUND REVENUES & EXPENSES TOWN OF WHITE CASTLE, LOUISIANA



SEWER FUND NET INCOME & TRANSFERS OUT TOWN OF WHITE CASTLE, LOUISIANA

