



LOUISIANA LEGISLATIVE AUDITOR
DARYL G. PURPERA, CPA, CFE

November 4, 2013

TOWN OF HOMER

Officials of the Claiborne Parish town of Homer have not taken sufficient steps to collect overdue utility bills or cut off service to past-due accounts, leaving the town with 22 percent of its customers at least 60 days past due, according to an audit released Monday by Legislative Auditor Daryl Purpera's office.

The audit, which covered the year ending December 31, 2012, was done by the accounting firm of Marsha O. Millican of Shreveport. The audit contained 13 findings, up from six in 2011. Five of the 2012 findings were unresolved from 2011.

The audit also pointed out that Homer's street fund had a deficit of more than \$59,000 when the year ended and the police fund has a deficit fund balance of more than \$1.28 million.

The audit said that utility services are not cut off "on all customers who do not pay their bills on time." Auditors said they found four customers with balances exceeding \$500 and five with balances of more than \$1,000 but were still receiving water service as of last Dec. 31. "The town is not properly managing utility receivables, resulting in lost revenue," the audit said. "There have been weaknesses in this area of the town's internal control for several years."

The report said the mayor, a member of the town council and six Homer employees had past-due utility balances at the close of the year. The amounts were not given.

In a separate finding, auditors said that Homer does not have an approved travel policy in place. It said the mayor receives both a \$200-a-month allowance to use her own vehicle and gets reimbursed for mileage; and town officials on three occasions "paid for alcohol, which is prohibited by state law."

Auditors also found that the town did not properly document charges to its credit card. Charges for meals and to iTunes had no documentation on how the charges benefitted the town, according to the audit. It also said purchase orders for goods were used but the majority was not signed.

The audit also said that eight town employees receive monthly cell phone or travel allowances, or both, but those totals are not reported as income to the Internal Revenue Service as part of their salaries. Also, the town was late in making payroll tax payments for two quarters and had to pay a \$1,860 penalty.



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Some of the other audit findings included:

- The town did not make monthly payments from its general fund to its industrial development fund to pay down the balance of a loan of more than \$175,600.
- Homer officials do not always pay vendors on time, sometimes incurring late charges.
- The town made disbursements of \$16,200 to various groups without having an agreement with the organizations. The amounts included \$7,000 to the Mayfield Youth Sports Association; \$7,500 to the Claiborne Boys and Girls Club; \$1,200 to the Claiborne Council on Aging Inc.; and \$500 to Claiborne Fireworks.
- Reports and payments for retirement benefits were not paid on time to the Municipal Employees Retirement System or the Municipal Police Retirement System, causing Homer to be assessed late charges.
- Some personnel files examined by auditors lacked job applications, current withholding documents and documentation for pay rates.

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On Twitter: Homer officials not taking sufficient steps to deal with overdue utility bills