



**Town of Homer, Louisiana**

**FINANCIAL STATEMENTS**

**December 31, 2021**



	Page
Independent Auditors’ Report .....	1
<b>Basic Financial Statements</b>	
Statement of Net Position .....	6
Statement of Activities .....	7
Balance Sheet – Governmental Funds.....	8
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position .....	9
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds .....	10
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of Governmental Funds to the Statement of Activities.....	11
Statement of Net Position – Proprietary Funds.....	12
Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Funds.....	13
Statement of Cash Flows – Proprietary Funds.....	14
Notes to Financial Statements.....	15
<b>Required Supplementary Information</b>	
Budgetary Comparison Schedules:	
General Fund (Unaudited).....	41
Police Fund (Unaudited).....	42
Schedule of Employer’s Proportionate Share of Net Pension Liability.....	43
Schedule of Employer’s Contributions to the Plans .....	44
<b>Other Supplementary Information</b>	
Combining Balance Sheet – Non-Major Governmental Funds.....	46
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance – Non-Major Governmental Funds.....	47
Schedule of Compensation Paid to Board of Selectmen .....	48
Schedule of Compensation, Benefits, Reimbursements and Other Payments to or on Behalf of Agency Head.....	49
<b>Reports on Internal Control and Compliance Matters</b>	
Independent Auditors’ Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i> .....	51
Schedule of Findings and Questioned Costs.....	53
Summary Schedule of Prior Year Audit Findings and Questioned Costs .....	57
Corrective Action Plan .....	58



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## **Independent Auditors' Report**

To the Honorable Xanthe Seals, Mayor,  
and Members of the Board of Selectmen  
Town of Homer, Louisiana

### **Qualified Opinions**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Homer, as of and for the year ended December 31, 2021, and the related notes to financial statements, which collectively comprise the Town of Homer's basic financial statements as listed in the table of contents.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinions section of our report, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Homer, as of December 31, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Qualified Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town of Homer, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified and unmodified audit opinions.

### **Matter Giving Rise to the Qualified Opinions**

Management is not allocating sales tax revenues to the various funds in accordance with the authorized ordinances as they were originally passed through legislation. The amounts by which the funds are misstated cannot be determined at this time, as there is no basis for the methodology used in determining the allocations except for historical precedent.

### **Responsibilities of Management for the Financial Statements**

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of Homer's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### **Auditors' Responsibilities for the Audit of the Financial Statements**

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

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town of Homer's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of Homer's ability to continue as a going concern for a reasonable period of time.

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

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the Schedule of Employer's Proportionate Share of Net Pension Liability, Schedule of Employer's Contributions to the Plans, and the budgetary comparison schedules on pages 41 – 44 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

### **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Homer's basic financial statements. The combining non-major fund financial statements; the schedule of compensation paid to the Board of Selectmen; and the schedule of compensation, benefits, reimbursements and other payments to agency head are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining non-major fund financial statements, the schedule of compensation to the Board of Selectmen, and the schedule of compensation benefits, reimbursements and other payments to or on behalf of agency head are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining non-major fund financial statements, the schedule of compensation paid to the Board of Selectmen, and the schedule of compensation, benefits, reimbursements and other payments to or on behalf of agency head are fairly stated in all material respects in relation to the basic financial statements as a whole.

## **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated February 13, 2023, on our consideration of the Town of Homer's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town of Homer's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Homer's internal control over financial reporting and compliance.

*Carr, Riggs & Ingram, L.L.C.*

**Carr, Riggs, & Ingram, LLC**

**Shreveport, Louisiana**

**February 13, 2023**

## **BASIC FINANCIAL STATEMENTS**

**Town of Homer**  
**Statement of Net Position**  
**December 31, 2021**

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 322,776	\$ 81,670	\$ 404,446
Cash and cash equivalents - restricted	-	254,818	254,818
Receivables, net of allowance for uncollectibles	282,990	461,879	744,869
Internal balances	20,000	-	20,000
Other assets	2,130	-	2,130
Capital assets:			
Capital assets not being depreciated	382,848	2,958,022	3,340,870
Capital assets, net of accumulated depreciation	3,152,432	10,438,643	13,591,075
Total assets	<u>4,163,176</u>	<u>14,195,032</u>	<u>18,358,208</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension related	269,915	86,033	355,948
Total deferred outflows of resources	<u>269,915</u>	<u>86,033</u>	<u>355,948</u>
<b>LIABILITIES</b>			
Accounts payable	150,775	151,252	302,027
Payroll and related liabilities	64,968	-	64,968
Accrued liabilities	1,350	-	1,350
Accrued interest payable	4,443	3,119	7,562
Internal balances	-	20,000	20,000
Customer deposits payable	-	121,795	121,795
Non-current liabilities:			
Due within one year	45,212	376,440	421,652
Due in more than one year	150,289	6,717,700	6,867,989
Net pension liability	795,851	224,762	1,020,613
Total liabilities	<u>1,212,888</u>	<u>7,615,068</u>	<u>8,827,956</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension related	410,815	66,479	477,294
Total deferred inflows of resources	<u>410,815</u>	<u>66,479</u>	<u>477,294</u>
<b>NET POSITION</b>			
Net investment in capital assets	3,339,779	6,302,525	9,642,304
Restricted	192,671	133,023	325,694
Unrestricted (deficit)	(723,062)	163,970	(559,092)
<b>Total net position (deficit)</b>	<u>\$ 2,809,388</u>	<u>\$ 6,599,518</u>	<u>\$ 9,408,906</u>

*The accompanying notes are an integral part of these financial statements.*



**Town of Homer**  
**Statement of Activities**  
**For the Year Ended December 31, 2021**

Functions/Programs	Program Revenues			Net (Expenses) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total
					Governmental Activities	Business-type Activities	
Governmental Activities:							
General government	\$ 795,245	\$ 132,252	524,358	\$ -	\$ (138,635)	\$ -	\$ (138,635)
Public safety	1,031,623	56,441	46,500	-	(928,682)	-	(928,682)
Highways and streets	502,205	-	8,285	-	(493,920)	-	(493,920)
Health and welfare	4,046	-	-	-	(4,046)	-	(4,046)
Culture and recreation	151,237	-	-	-	(151,237)	-	(151,237)
Economic development	247,071	8,575	-	-	(238,496)	-	(238,496)
Interest expense	13,555	-	-	-	(13,555)	-	(13,555)
Total governmental activities	<u>2,744,982</u>	<u>197,268</u>	<u>579,143</u>	<u>-</u>	<u>(1,968,571)</u>	<u>-</u>	<u>(1,968,571)</u>
Business-type activities							
Utility operations	1,926,309	1,356,974	112,900	-	-	(456,435)	(456,435)
Total business-type activities	<u>1,926,309</u>	<u>1,356,974</u>	<u>112,900</u>	<u>-</u>	<u>-</u>	<u>(456,435)</u>	<u>(456,435)</u>
Total primary government	<u>\$ 4,671,291</u>	<u>\$ 1,554,242</u>	<u>\$ 692,043</u>	<u>\$ -</u>	<u>\$ (1,968,571)</u>	<u>\$ (456,435)</u>	<u>\$ (2,425,006)</u>
General Revenues:							
Taxes:							
Property taxes					115,443	-	115,443
Sales and use taxes					1,417,413	344,044	1,761,457
Franchise taxes					98,917	-	98,917
Other taxes, penalties and interest					137,205	-	137,205
Unrestricted investment earnings					3,908	8,068	11,976
Other					43,036	19,692	62,728
Transfers					(19,714)	19,714	-
Total general revenues and transfers					<u>1,796,208</u>	<u>391,518</u>	<u>2,187,726</u>
<b>Change in Net Position</b>					(172,363)	(64,917)	(237,280)
Net position at beginning of year					2,981,751	6,664,435	9,646,186
<b>Net position at end of year</b>					<u>\$ 2,809,388</u>	<u>\$ 6,599,518</u>	<u>\$ 9,408,906</u>

*The accompanying notes are an integral part of these financial statements.*

**Town of Homer**  
**Balance Sheet – Governmental Funds**  
**December 31, 2021**

	<u>General</u>	<u>Street</u>	<u>Industrial Development</u>	<u>Police</u>	<u>Fire</u>	<u>Nonmajor</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>							
Cash and cash equivalents	\$ 150,493	\$ -	\$ 95	\$ -	141,550	\$ 30,638	\$ 322,776
Receivables, net	191,073	28,185	-	38,216	7,857	17,659	282,990
Due from other funds	26,805	-	-	-	-	-	26,805
Other assets	2,130	-	-	-	-	-	2,130
Total assets	<u>\$ 370,501</u>	<u>\$ 28,185</u>	<u>\$ 95</u>	<u>\$ 38,216</u>	<u>\$ 149,407</u>	<u>\$ 48,297</u>	<u>\$ 634,701</u>
<b>LIABILITIES</b>							
Liabilities:							
Accounts payable	51,603	15,889	34,543	24,385	4,979	19,376	150,775
Payroll and related liabilities	64,968	-	-	-	-	-	64,968
Accrued liabilities	1,350	-	-	-	-	-	1,350
Due to other funds	-	3,074	-	3,731	-	-	6,805
Total liabilities	<u>117,921</u>	<u>18,963</u>	<u>34,543</u>	<u>28,116</u>	<u>4,979</u>	<u>19,376</u>	<u>223,898</u>
Deferred Inflows - Property taxes	18,713	-	-	-	-	-	18,713
<b>FUND BALANCES</b>							
Restricted fund balances	-	9,222	-	10,100	144,428	28,921	192,671
Unassigned fund balances (deficit)	<u>233,867</u>	<u>-</u>	<u>(34,448)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>199,419</u>
Total fund balance (deficit)	<u>233,867</u>	<u>9,222</u>	<u>(34,448)</u>	<u>10,100</u>	<u>144,428</u>	<u>28,921</u>	<u>392,090</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 370,501</u>	<u>\$ 28,185</u>	<u>\$ 95</u>	<u>\$ 38,216</u>	<u>\$ 149,407</u>	<u>\$ 48,297</u>	<u>\$ 634,701</u>

*The accompanying notes are an integral part of these financial statements.*

**Town of Homer**  
**Reconciliation of the Balance Sheet of Governmental Funds to the**  
**Statement of Net Position**  
**December 31, 2021**

Total Fund balances - governmental funds	\$	392,090
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets, net used in governmental activities, net of accumulated depreciation of (\$6,808,533), are not financial resources, therefore, are not reported in the funds.		3,535,280
Unearned revenue from the fund financial statements recognized in the government-wide financial statements		18,713
Deferred items for pension related items are not reported in the fund financial statements:		
Deferred outflows		269,915
Deferred inflows		(410,815)
Accrued interest related to long-term debt is not reported in the fund statements.		(4,443)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the fund statements:		
Net pension liability		(795,851)
Capital leases		(195,501)
		(991,352)
Net position of governmental activities	\$	2,809,388

*The accompanying notes are an integral part of these financial statements.*

**Town of Homer**

**Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds**  
**For the Year Ended December 31, 2021**

	<u>General</u>	<u>Street</u>	<u>Industrial Development</u>	<u>Police</u>	<u>Fire</u>	<u>Nonmajor</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>							
Taxes:							
Ad valorem	\$ 132,021	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 132,021
Sales and use	589,629	229,139	-	361,693	69,078	167,875	1,417,414
Franchise	94,549	-	-	-	-	-	94,549
Other taxes, penalties and interest	118,423	-	-	-	-	18,782	137,205
Licenses and permits	78,255	-	-	-	-	-	78,255
Intergovernmental:							
Federal funds	524,704	-	-	-	-	-	524,704
State funds:							
Fire insurance rebate	-	-	-	-	25,000	-	25,000
Supplemental pay	-	-	-	21,500	-	-	21,500
Other state funds	-	-	-	-	-	-	-
Charges for services	25,313	10,085	-	3,315	50	-	38,763
Fines	-	-	-	54,147	-	-	54,147
Lease income	3,025	-	5,550	-	-	-	8,575
Interest earned	1,289	104	168	161	1,854	333	3,909
Other revenues	13,808	7,200	-	20,510	-	2,539	44,057
Total revenues	<u>1,581,016</u>	<u>246,528</u>	<u>5,718</u>	<u>461,326</u>	<u>95,982</u>	<u>189,529</u>	<u>2,580,099</u>
<b>EXPENDITURES</b>							
Current:							
General government:							
Legislative	24,000	-	-	-	-	-	24,000
Finance and administrative	335,137	-	-	-	-	-	335,137
Other general government	292,415	-	-	-	-	-	292,415
Public safety:							
Department of Motor Vehicles	21,894	-	-	-	-	-	21,894
Police Department	-	-	-	1,006,122	-	-	1,006,122
Fire Department	-	-	-	-	90,647	-	90,647
Highways and streets	-	439,731	-	-	-	-	439,731
Health and welfare	79,046	9,907	-	-	-	-	88,953
Culture and recreation	-	-	-	-	-	96,181	96,181
Economic development	-	-	95,405	-	-	28,046	123,451
Debt service:							
Principal	-	-	-	-	-	33,089	33,089
Interest and other charges	-	-	-	-	-	8,372	8,372
Capital outlay	-	-	78,591	78,280	6,270	-	163,141
Total expenditures	<u>752,492</u>	<u>449,638</u>	<u>173,996</u>	<u>1,084,402</u>	<u>96,917</u>	<u>165,688</u>	<u>2,723,133</u>
Excess (deficiency) of revenues over (under) expenditures	<u>828,524</u>	<u>(203,110)</u>	<u>(168,278)</u>	<u>(623,076)</u>	<u>(935)</u>	<u>23,841</u>	<u>(143,034)</u>
<b>OTHER FINANCING SOURCES (USES)</b>							
Operating transfers in	43,012	186,817	113,070	545,909	-	26,300	915,108
Operating transfers out	(869,008)	-	-	-	-	(65,814)	(934,822)
Proceeds from sale of assets	-	1,000	-	-	-	-	1,000
Capital lease proceeds	-	-	-	44,488	-	-	44,488
Total other financing sources and uses	<u>(825,996)</u>	<u>187,817</u>	<u>113,070</u>	<u>590,397</u>	<u>-</u>	<u>(39,514)</u>	<u>25,774</u>
Net change in fund balances	2,528	(15,293)	(55,208)	(32,679)	(935)	(15,673)	(117,260)
Fund balances as beginning of year	231,339	24,515	20,760	42,779	145,363	44,594	509,350
Fund balances (deficit) at end of year	<u>\$ 233,867</u>	<u>\$ 9,222</u>	<u>\$ (34,448)</u>	<u>\$ 10,100</u>	<u>\$ 144,428</u>	<u>\$ 28,921</u>	<u>\$ 392,090</u>

*The accompanying notes are an integral part of these financial statements.*

**Town of Homer**

**Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund  
Balances of Governmental Funds to the Statement of Activities  
For the Year Ended December 31, 2021**

Net change in fund balances - total governmental funds	\$ (117,260)
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.</p>	
Capital outlay	163,141
Depreciation	(279,285)
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>	
Revenues deferred in the prior year	(30,925)
Revenues deferred in the current year	18,713
Change in accrued interest expense	(4,443)
<p>Payments of long-term debt, including contributions to the retirement systems, are reported as expenditures in governmental funds. However, these amounts are a reduction of long-term liabilities in the Statement of Net Position and are not reflected in the Statement of Activities.</p>	
Proceeds from capital lease	(44,488)
Capital lease payments	38,576
Pension expense (benefit)	111,371
Contributions to pension plan from third parties	(27,763)
Change in net position of governmental activities	<u>\$ (172,363)</u>

*The accompanying notes are an integral part of these financial statements.*

**Town of Homer**  
**Statement of Net Position**  
**Proprietary Funds**  
**December 31, 2021**

	<b>Enterprise Fund</b>
<b>ASSETS</b>	
Current Assets:	
Cash and cash equivalents	\$ 81,670
Receivables, net	461,879
Total current assets	543,549
Noncurrent Assets:	
Restricted:	
Cash and cash equivalents	254,818
Total restricted assets	254,818
Capital Assets, net	
Total capital assets (net of accumulated depreciation)	13,396,665
Total noncurrent assets	13,651,483
Total assets	14,195,032
<b>DEFERRED OUTFLOWS</b>	
Pension related	86,033
<b>LIABILITIES</b>	
Current Liabilities:	
Accounts payable	151,252
Accrued interest	3,119
Due to other funds	20,000
Customer deposits payable	121,795
Current portion of Long-term Liabilities	376,440
Total current liabilities	672,606
Noncurrent Liabilities:	
Noncurrent portion of Long-term Liabilities	6,717,700
Net pension liability	224,762
Total noncurrent liabilities	6,942,462
<b>Total liabilities</b>	<b>7,615,068</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Pension related	66,479
<b>NET POSITION</b>	
Net investment in capital assets	6,302,525
Restricted	133,023
Unrestricted net position (deficit)	163,970
<b>TOTAL NET POSITION</b>	<b>\$ 6,599,518</b>

*The accompanying notes are an integral part of these financial statements.*

**Town of Homer**  
**Statement of Revenues, Expenses, and Changes in Net Position**  
**Proprietary Funds**  
**For the Year Ended December 31, 2021**

	<b>Enterprise Fund</b>
<b>OPERATING REVENUES</b>	
Charges for sales and services	
Water charges	\$ 879,463
Sewer charges	463,735
Garbage charges	13,776
Total operating revenues	1,356,974
<b>OPERATING EXPENSES</b>	
Depreciation expense	452,906
Insurance expense	39,795
Maintenance and repair	119,448
Materials and supplies	41,282
Operating costs	605,334
Professional fees	15,814
Salaries and related benefits	390,965
Utilities	112,488
Total operating expenses	1,778,032
Operating income (loss)	(421,058)
<b>NONOPERATING REVENUES (EXPENSES)</b>	
Sales and use tax	344,044
Intergovernmental revenues	112,900
Interest earned	8,068
Other revenues	19,692
Interest expense	(148,277)
Total nonoperating revenue (expenses)	336,427
Income (loss) before transfers	(84,631)
Transfers in	250,980
Transfers out	(231,266)
Net transfers in (out)	19,714
<b>Change in net position</b>	<b>(64,917)</b>
<b>Net position at beginning of year</b>	<b>6,664,435</b>
<b>Net position at end of year</b>	<b>\$ 6,599,518</b>

*The accompanying notes are an integral part of these financial statements.*

**Town of Homer**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended December 31, 2021**

	<b>Enterprise Fund</b>
<b>Cash flows from operating activities:</b>	
Receipts from customers and users	\$ 1,325,952
Payments to suppliers	(1,248,684)
Payments to employees	(366,819)
<b>Net cash provided by operating activities</b>	<b>(289,551)</b>
<b>Cash flows from noncapital financing activities:</b>	
Transfer from other funds	250,980
Transfer to other funds	(231,266)
Proceeds from sales taxes	344,044
Other receipts	19,692
<b>Net cash provided by noncapital and related financing activities</b>	<b>383,450</b>
<b>Cash flows from capital and related financing activities:</b>	
Proceeds from capital grants	112,900
Purchases of capital assets	(111,671)
Principal paid on capital debt	(352,604)
Interest paid on capital debt	(139,663)
<b>Net cash used by capital and related financing activities</b>	<b>(491,038)</b>
<b>Cash flows from investing activities:</b>	
Interest received	8,068
<b>Net cash provided by investing activities</b>	<b>8,068</b>
Net increase (decrease) in cash and cash equivalents	(389,071)
Cash and cash equivalents, beginning of year	725,559
<b>Cash and cash equivalents, end of year</b>	<b>\$ 336,488</b>
<b>Reconciliation of operating loss to net cash provided by operating activities:</b>	
Operating loss	\$ (421,058)
Adjustments to reconcile operating loss to cash provided by operating activities:	
Depreciation expense	452,906
(Increase) Decrease in accounts receivable	(35,197)
Increase (decrease) in accounts payable	(290,376)
Increase (decrease) in customer deposits	4,174
Total adjustments	131,507
<b>Net cash provided by operating activities</b>	<b>\$ (289,551)</b>

*The accompanying notes are an integral part of these financial statements.*



**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Town of Homer, Louisiana (the “Town”) was incorporated March 13, 1850, and granted a special charter under the provisions of Act No. 11 of the Louisiana Legislature. The Town operates under a Mayor-Selectmen form of government. The Town’s major operations include public safety, streets, recreation, parks, utilities, and general administrative services.

The accompanying basic financial statements of the Town of Homer have been prepared in conformity with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB).

The basic financial statements present the financial position and results of operations of the various funds by the Town and the cash flows of the proprietary fund as of and for the year ended December 31, 2021.

***Reporting Entity***

GASB Statement No. 14 established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the Town of Homer is considered a primary government, since it is a special purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. As used in GASB Statement No. 14, fiscally independent means that the Town of Homer, may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bond debt.

***Government-wide and Fund Financial Statements***

The financial transactions of the Town are recorded in individual funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balance accounts that includes its assets, liabilities, fund equity, revenues, and expenditures/expenses. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained with legal and managerial requirements.

The Town uses the following fund categories and fund types:

***Governmental Funds***

Governmental funds account for the Town’s general government activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of general fixed assets, and the servicing of long-term debt.

Governmental funds are divided into major and nonmajor funds. Major funds are funds that meet certain dollar tests of their assets, liabilities, revenues and expenditures. Major funds are larger, more significant funds. Nonmajor funds are the governmental funds that do not meet the dollar test for major funds.

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Government-wide and Fund Financial Statements (Continued)***

*Measurement Focus, Basis of Accounting and Financial Statement Presentation*

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Property taxes, sales taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measureable and available only when cash is received by the Town.

*Government-Wide Financial Statements (GWFS)*

The Statement of Net Position and the Statement of Activities displays information about the reporting government as a whole. Fiduciary funds are not included in the GWFS.

The Statement of Net Position and the Statement of Activities were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Non-exchange transactions are recognized when the Town has an enforceable legal claim to the revenues, expenses, gains, losses, assets and liabilities.

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Government-wide and Fund Financial Statements (Continued)***

*Fund Financial Statements*

The Town reports the following major governmental funds:

The General Fund is the Town's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Streets Special Revenue Fund accounts for a sales tax levied for the purpose of maintaining streets.

The Industrial Development Fund accounts for sales taxes and grants for the purpose of developing industry in the Town.

The Police Fund accounts for the operations of the police department financed by sales taxes, grants, fines, and transfers from the General Fund.

The Fire Fund accounts for the operations of the fire department financed by sales taxes, grants, and transfers from the General Fund.

The Town reports one proprietary fund, which is an enterprise fund that accounts for the operations of the water system, sewer system, and garbage services for the Town.

The Town reports the following nonmajor governmental funds:

The Town has three nonmajor Special Revenue funds. For a description of these funds, see the Nonmajor Funds section of this report.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds reported in the fund financial statements are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and liabilities are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

Governmental funds reported in the fund financial statements are accounted for on the modified accrual basis of accounting. Governmental fund revenues are recognized in the accounting period in which they become susceptible to accrual – that is when they become both measurable and available to pay current period liabilities. Such revenue items include ad valorem, sales and use taxes and federal and state entitlements. Ad valorem taxes are considered measurable in the calendar year of the tax levy. Ad valorem taxes are considered available because they are substantially collected within 60 days subsequent to year end.

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Government-wide and Fund Financial Statements (Continued)***

Sales taxes are considered measurable and available when collected by the vendors. Revenue from state and Federal grants are recorded when the reimbursable expenditure have been incurred.

Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as fund liabilities when due or when amounts have been accumulated in the Debt Service Funds for payments to be made early in the following year.

***Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position / Fund Balance***

***Cash and Cash Equivalents***

Cash and cash equivalents include amounts in interest-bearing demand deposits.

Interest earned on balances maintained in the pooled bank account was distributed to the individual funds based on the cash balance maintained by the unrestricted participating fund during the year.

***Receivables***

Property taxes attach as an enforceable lien on property as of December 31. Taxes are levied by the Town in September or October, are actually billed in November or December. Billed taxes become delinquent on January 1 of the following year. Revenues from ad valorem taxes are budgeted in the year they are billed. Property taxes are collected by the Sheriff using the assessed value determined by the assessor of Claiborne Parish.

***Interfund Activities and Transactions***

During the course of operations, numerous transactions occur between individual funds for services rendered. These receivables and payables are classified as Interfund balances on the fund financial statements balance sheet.

Interfund activity is reported as loans, reimbursements, or transfers. Loans are reported as interfund balances as receivables and/or payables as appropriate and are subject to elimination upon consolidation. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental funds are netted as part of the reconciliation to the Government-wide financial statements.

***Restricted Assets***

Restricted assets represent primarily cash held separately and restricted according to bond indenture agreements. Cash held for water customer meter deposits is also reported as restricted.

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Capital Assets***

Capital assets, which include property, plant, equipment and infrastructure assets, are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Infrastructure acquired or constructed after the implementation of GASB Statement No. 34 is reported. Capital assets are recorded as expenditures in each fund and capitalized at the government-wide level; capital assets of business-type activities are reported in the Enterprise Fund. The cost of normal maintenance and repairs that do not add to the value of the assets or materially extend an assets' lives are not capitalized. For reporting purposes, the Town defines capital assets as follows:

- Land is an inexhaustible asset with no capitalization threshold and an unlimited useful life; therefore, it is not depreciated.
- Buildings are permanent structures erected above ground, while improvements are major repairs, renovations, or additions that increase the future service potential of the asset. Leasehold improvements are improvements made by the lessee of leased property. They are depreciated principally using the straight-line method with an estimated useful life typically between 10 to 40 years for structures and improvements and 20 years for depreciable land improvements. Leasehold improvements are depreciated using the straight-line method with an estimated useful life depending on the terms of the lease. Construction in progress is not depreciated.
- Movable property (furniture, equipment, and vehicles) consists of assets that are not fixed or stationary in nature. The straight-line method of depreciation is used, which divides the historical cost by the estimated useful life of the asset, generally 5 to 10 years.
- Infrastructure assets are roads, bridges, tunnels, drainage systems, water and sewer system, dams, and lighting systems. Infrastructure is depreciated using the straight-line method with an estimated useful life of 40 years.
- Donated capital assets are recorded at their estimated fair value at the date of donation.

The Town maintains a threshold level of \$1,000 or more for capitalizing assets.

***Compensated Absences***

Employees of the Town earn vacation leave depending upon their length of service. Employees may not accumulate and carry forward days of vacation beyond the end of each calendar year except in cases of emergency. All vacation and compensatory leave are expected to be liquidated with expendable financial resources and thus is considered short-term and recognized as a liability as appropriate.

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Long-Term Obligations***

In the government-wide financial statements, long-term obligations are reported as liabilities in the applicable governmental or business-type activities. In the fund financial statements, proprietary fund long-term obligations are reported as liabilities in the proprietary fund type statement of net position. Individual funds have been used to liquidate other long-term liabilities such as compensated absences, claims and litigation payable, etc.

Bond premiums and discounts, as well as issuance cost, are deferred and amortized over the life of the bonds. In accordance with paragraph 16 of the Accounting Principles Opinion No. 21, unamortized balances of premiums and discounts are netted against the outstanding balance of the related bonds payable.

***Deferred Outflows/Inflows of Resources***

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

The Town has one item that qualifies for reporting as deferred outflows of resources, the deferred outflows related to pensions, reported in the government-wide funds statements of net position. The deferred outflows related to pensions are an aggregate of items related to pensions as calculated in accordance with GASB Codification Section P20: Pension Activities – Reporting for Benefits Provided through Trusts That Meet Specified Criteria. The deferred outflows related to pensions will be recognized as either pension expense or a reduction in the net pension liability in future reporting years.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

The Town has two items that qualify for reporting as deferred inflows of resources. The deferred inflows related to pensions are an aggregate of items related to pensions as calculated in accordance with GASB Codification Section P20: Pension Activities – Reporting for Benefits Provided Through Trusts That Meet Specified Criteria. The deferred inflows related to pensions and other postemployment benefits will be recognized as a reduction to pension expense in future reporting years. At the governmental fund level, revenues that have been billed but not yet collected are reported as unavailable revenues. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Pensions***

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position, and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

***Fund Balance Classifications and Net Position***

GASB 54 requires the fund balance amounts to be reported within the fund balance categories as follows:

Nonspendable fund balance are amounts that cannot be spent because they are either (a) not in a spendable form or (b) legally or contractually required to be maintained intact.

Restricted fund balances represent resources restricted by tax ordinances or by local, state or Federal grant regulations for future use and are, therefore, not available for future appropriation or expenditure.

Committed fund balances indicate the Town's tentative plans for the use of financial resources in a future period. Fund balance commitments are made by Council approved resolutions.

Assigned fund balances are those determined by the Mayor and Treasurer, under authority given under a resolution of the Council, as needed for the payment of future commitment.

Unassigned fund balance is the residual classification for the General Fund.

The Town has no nonspendable, committed, or assigned fund balances as of December 31, 2021.

Sometimes the Town will make expenditures for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as *restricted*, *committed*, *assigned*, and *unassigned* fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied.

It is the Town's practice to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Furthermore, when the components of *unrestricted* fund balance can be used for the same purpose, *committed* fund balance is depleted first, followed by *assigned* fund balance. *Unassigned* fund balance is applied last.

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Use of Estimates***

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make various estimates. Actual results could differ from those estimates.

***Elimination and Reclassifications***

In the process of aggregating data for the statement of net position and the statement of activities, some amounts reported as interfund activity and balances in the funds were eliminated or reclassified. Interfund receivables and payables were eliminated to minimize the “grossing up” effect on assets and liabilities within the governmental activities column.

***Subsequent Events***

Management has evaluated subsequent events through the date that the financial statements were available to be issued, February 13, 2023. See Note 14 for relevant disclosures. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

***Adopted Accounting Pronouncements***

The Governmental Accounting Standards Board has issued statements that have been adopted by the Town of Homer:

In June 2020, the GASB issued GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*. The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. This statement did not have an impact on the financial statements as the Town does not have any component units.



**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Adopted Accounting Pronouncements (Continued)***

In October 2021, GASB issued Statement No. 98, *The Annual Comprehensive Financial Reporting*. This Statement establishes the term annual comprehensive financial report and its acronym ACFR. That new term and acronym replace instances of comprehensive annual financial report and its acronym in generally accepted accounting principles for state and local governments. This Statement was developed in response to concerns raised by stakeholders that the common pronunciation of the acronym for comprehensive annual financial report sounds like a profoundly objectionable racial slur. This Statement's introduction of the new term is founded on a commitment to promoting inclusiveness. This statement did not have an impact on the financial statements as the Town does not present an *Annual Comprehensive Financial Report*.

The Governmental Accounting Standards Board has issued statements that will become effective in future years. These statements are as follows:

***Future Accounting Pronouncements***

GASB Statement No. 87, *Leases*, establishes improved guidance to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this Statement are effective for reporting periods beginning after December 15, 2021.

In May 2019, the GASB Statement No. 91, *Conduit Debt Obligations* was issued. The primary objectives of this statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by the issuers and associated with conduit debt obligations; and improving required note disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2021.

In January 2020, GASB Statement No. 92, *Omnibus 2020* was issued. The requirements of this Statement will enhance comparability in the application of accounting and financial reporting requirements and will improve the consistency of authoritative literature. More comparable reporting will improve the usefulness of information for users of state and government financial statements. The requirements of this statement are effective periods beginning after June 15, 2021. Earlier application is encouraged and is permitted by topic.

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Future Accounting Pronouncements (Continued)***

In March 2020, GASB issued Statement No. 93, *Replacement of Interbank Offered Rates*. The exceptions to the existing provisions for hedge accounting termination and lease modifications in this Statement will reduce the cost of the accounting and financial reporting ramifications of replacing Interbank Offered Rates with other referenced rates. The reliability and relevance of reporting information will be maintained by requiring that agreements that effectively maintain an existing hedging arrangement continue to be accounted for in the same manner as before the replacement of a reference rate. As a result, this Statement will preserve the consistency and comparability of reporting hedging derivative instruments and leases after governments amend or replace agreements to replace an Interbank Offered Rate. The requirements of this Statement are effective for periods beginning after June 15, 2021.

In March 2020, GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The requirements of this Statement will improve financial reporting by establishing the definitions of PPPs and APAs and providing uniform guidance on accounting and financial reporting for transactions that meet those definitions. That uniform guidance will provide more relevant and reliable information for the financial statement user and create greater consistency in practice. This Statement will enhance the decision usefulness of a government's financial statements by requiring governments to report assets and liabilities related to PPPs consistently and to disclose important information about PPP transactions. The required disclosures will allow users to understand the scale and important aspects of a government's PPPs and evaluate a government's future obligations and assets resulting from PPPs. The requirements of this Statement are effective for reporting periods beginning after June 15, 2022.

In May 2020, GASB issues Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset – an intangible asset – and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation cost of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on standards established in Statement No. 87, *Leases*, as amended. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter.

The Town is evaluating the requirements of the above statements and the impact on financial reporting.

**Town of Homer**  
**Notes to Financial Statements**  
**December 31, 2021**

**NOTE 2: CASH AND CASH EQUIVALENTS**

Custodial credit risk is the risk that, in the event of a bank failure, the Town’s deposits may not be returned to it. The Town’s policy to ensure that there is no exposure to this risk is to require each financial institution to pledge its own securities to cover any amount in excess of Federal Depository Insurance Coverage. The policy is not a formal written policy. Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within ten days of being notified by the Town that the fiscal agent bank has failed to pay deposited funds upon demand.

At December 31, 2021, the Town has cash and cash equivalents as follows:

	Town Book Balances	Bank Balances
Cash on deposit	\$ 658,764	\$ 654,885
Petty cash	500	-
Total cash and cash equivalents	\$ 659,264	\$ 654,885
Federal Depository Insurance Coverage		\$ 250,000
Pledged Securities		808,711
Total collateral for deposits		\$ 1,058,711

As of December 31, 2021, all deposits were collateralized in accordance with statute.

**NOTE 3: RECEIVABLES**

The following is a summary of receivables at December 31, 2021:

	Taxes and Licenses	Accounts Receivable	Intergovernmental	Other	Net Receivables
General	\$ 187,585	\$ -	\$ -	\$ 3,488	\$ 191,073
Street	24,885	-	3,300	-	28,185
Police	38,216	-	-	-	38,216
Fire	7,857	-	-	-	7,857
Nonmajor	17,659	-	-	-	17,659
Enterprise	32,103	429,776	-	-	461,879
Total	\$ 308,305	\$ 429,776	\$ 3,300	\$ 3,488	\$ 744,869

**Town of Homer**  
**Notes to Financial Statements**  
**December 31, 2021**

**NOTE 4: CAPITAL ASSETS**

A schedule of changes in capital assets for the year ended December 31, 2021, follows:

	<u>Beginning Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Governmental activities:</b>				
<b>Capital assets not being depreciated:</b>				
Land	\$ 135,743	\$ 42,570	\$ -	\$ 178,313
Construction in progress	204,535	-	-	204,535
Total capital assets not being depreciated	<u>340,278</u>	<u>42,570</u>	<u>-</u>	<u>382,848</u>
<b>Capital assets being depreciated:</b>				
Infrastructure	3,330,717	-	-	3,330,717
Land improvements	4,084,458	-	-	4,084,458
Buildings	971,033	-	-	971,033
Building improvements	324,784	-	-	324,784
Furniture and equipment	566,935	42,291	-	609,226
Vehicles	574,459	78,288	12,000	640,747
Total capital assets being depreciated	<u>9,852,386</u>	<u>120,579</u>	<u>12,000</u>	<u>9,960,965</u>
<b>Less accumulated depreciation for:</b>				
Infrastructure	2,583,967	68,848	-	2,652,815
Land improvements	2,205,667	90,714	-	2,296,381
Buildings	748,863	14,819	-	763,682
Building improvements	130,329	12,953	-	143,282
Furniture and equipment	362,793	59,823	-	422,616
Vehicles	509,629	32,128	12,000	529,757
Total accumulated depreciation	<u>6,541,248</u>	<u>279,285</u>	<u>12,000</u>	<u>6,808,533</u>
Total capital assets being depreciated, net	<u>3,311,138</u>	<u>(158,706)</u>	<u>-</u>	<u>3,152,432</u>
Governmental activities, capital assets, net	<u>\$ 3,651,416</u>	<u>\$ (116,136)</u>	<u>\$ -</u>	<u>\$ 3,535,280</u>

**Town of Homer**  
**Notes to Financial Statements**  
**December 31, 2021**

**NOTE 4: CAPITAL ASSETS (Continued)**

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Business-type activities:</b>				
<b>Capital assets not being depreciated:</b>				
Land	\$ 13,330	\$ -	\$ -	\$ 13,330
Construction in progress	9,811,234	113,007	6,979,549	2,944,692
Total capital assets not being depreciated	<u>9,824,564</u>	<u>113,007</u>	<u>6,979,549</u>	<u>2,958,022</u>
<b>Capital assets being depreciated:</b>				
Infrastructure	12,429,103	6,979,549	-	19,408,652
Buildings	127,367	-	-	127,367
Furniture and equipment	124,845	-	-	124,845
Vehicles	352,832	-	-	352,832
Total capital assets being depreciated	<u>13,034,147</u>	<u>6,979,549</u>	<u>-</u>	<u>20,013,696</u>
<b>Less accumulated depreciation for:</b>				
Infrastructure	8,679,047	412,753	-	9,091,800
Buildings	127,367	-	-	127,367
Furniture and equipment	96,554	6,549	-	103,103
Vehicles	219,179	33,604	-	252,783
Total accumulated depreciation	<u>9,122,147</u>	<u>452,906</u>	<u>-</u>	<u>9,575,053</u>
Total capital assets being depreciated, net	<u>3,912,000</u>	<u>6,526,643</u>	<u>-</u>	<u>10,438,643</u>
Business-type activities, capital assets, net	<u>\$13,736,564</u>	<u>\$6,639,650</u>	<u>\$6,979,549</u>	<u>\$13,396,665</u>

Depreciation expense was charged as follows for governmental activities:

<b>Governmental activities:</b>	
General government	\$ 14,201
Public safety	46,723
Highways and streets	43,892
Culture and recreation	53,048
Economic development	121,421
Total depreciation expense	<u>\$ 279,285</u>

Depreciation expense of \$452,906 was charged to utility operations for business-type activities on the statement of activities for the year ended December 31, 2021.

**Town of Homer**  
**Notes to Financial Statements**  
**December 31, 2021**

**NOTE 5: INTERFUND BALANCES AND TRANSFERS**

As of December 31, 2021, the Enterprise fund had an interfund balance of \$20,000 that was owed to the General fund for reimbursement of a vehicle purchase. The Streets Fund and the Police Fund had balances owed to the General Fund in the amounts of \$3,074 and \$3,731, respectively.

The composition of interfund transfers for the year ended December 31, 2021, is as follows:

		<b>Transfers out</b>				Total
		General	Enterprise	Contingency	Hotel	
Transfers in	General	\$ -	\$ 25,812	\$ 5,600	\$ 11,600	\$ 43,012
	Street	128,802	39,001	19,014	-	186,817
	Industrial Development	105,470	-	7,600	-	113,070
	Police	380,156	165,753	-	-	545,909
	Recreation	1,000	-	10,000	-	11,000
	Hotel	11,600	700	3,000	-	15,300
	Enterprise	241,980	-	9,000	-	250,980
	Total	<u>\$ 869,008</u>	<u>\$ 231,266</u>	<u>\$ 54,214</u>	<u>\$ 11,600</u>	<u>\$ 1,166,088</u>

Interfund transfers include unrestricted amounts transferred to subsidize other funds.

**NOTE 6: LONG-TERM OBLIGATIONS**

Long-term obligation activity for the year ended December 31, 2021, follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Governmental activities:</b>					
Capital leases	\$ 189,589	\$ 44,488	\$ (38,576)	\$ 195,501	\$ 45,212
Net pension liability	1,201,360	-	(405,509)	795,851	-
Total governmental activities	<u>\$ 1,390,949</u>	<u>\$ 44,488</u>	<u>\$ (444,085)</u>	<u>\$ 991,352</u>	<u>\$ 45,212</u>
<b>Business-type activities:</b>					
Revenue Bonds - 2013 Issue	\$ 1,665,000	-	\$ (105,000)	\$ 1,560,000	\$ 110,000
LDEQ Revolving Loan	1,877,703	-	(136,000)	1,741,703	123,000
LDHH Revolving Loan	1,909,041	-	(99,000)	1,810,041	105,000
Utility Revenue Notes, Series 2018 (USDA)	1,995,000	-	(12,604)	1,982,396	38,440
Net pension liability	309,428	-	(84,666)	224,762	-
Total business-type activities	<u>\$ 7,756,172</u>	<u>\$ -</u>	<u>\$ (437,270)</u>	<u>\$ 7,318,902</u>	<u>\$ 376,440</u>

**Town of Homer**  
**Notes to Financial Statements**  
**December 31, 2021**

**NOTE 6: LONG-TERM OBLIGATIONS (Continued)**

Annual debt service requirements for long-term debt are as follows:

Principle Requirements	2013 Revenue Bonds	USDA Revenue Bonds	LDEQ Revolving Loan	LDHH Revolving Notes	Capital Leases
2022	\$ 110,000	\$ 38,440	\$ 123,000	\$ 105,000	\$ 45,212
2023	110,000	39,258	124,000	110,000	47,122
2024	115,000	39,842	125,000	115,000	49,114
2025	120,000	40,436	127,000	120,000	29,444
2026	125,000	41,038	128,000	125,000	24,609
2027-2031	675,000	214,543	657,000	700,000	-
2032-2036	305,000	231,005	457,703	535,041	-
2037-2041	-	248,730	-	-	-
2042-2046	-	267,814	-	-	-
2047-2051	-	288,364	-	-	-
2052-2056	-	310,489	-	-	-
2057-2061	-	222,436	-	-	-
Total	<u>\$ 1,560,000</u>	<u>\$ 1,982,395</u>	<u>\$ 1,741,703</u>	<u>\$ 1,810,041</u>	<u>\$ 195,501</u>

Interest Requirements	2013 Revenue Bonds	USDA Revenue Bonds	LDEQ Revolving Loan	LDHH Revolving Notes	Capital Leases
2022	50,700	\$ 29,312	7,863	\$ 53,219	\$ 8,109
2023	47,125	28,494	7,318	49,974	6,199
2024	43,550	27,910	6,760	46,582	4,207
2025	39,813	27,316	6,198	43,042	2,174
2026	35,913	26,714	5,626	39,354	1,080
2027-2031	117,001	124,217	19,394	136,296	-
2032-2036	14,951	107,755	3,580	27,617	-
2037-2041	-	90,030	-	-	-
2042-2046	-	70,946	-	-	-
2047-2051	-	50,396	-	-	-
2052-2056	-	28,271	-	-	-
2057-2061	-	5,725	-	-	-
Total	<u>\$ 349,053</u>	<u>\$ 617,086</u>	<u>\$ 56,739</u>	<u>\$ 396,084</u>	<u>\$ 21,769</u>

Total Future Debt Requirements	2013 Revenue Bonds	USDA Revenue Bonds	LDEQ Revolving Loan	LDHH Revolving Notes	Capital Leases
2022	\$ 160,700	\$ 67,752	\$ 130,863	\$ 158,219	\$ 53,321
2023	157,125	67,752	131,318	159,974	53,321
2024	158,550	67,752	131,760	161,582	53,321
2025	159,813	67,752	133,198	163,042	31,618
2026	160,913	67,752	133,626	164,354	25,689
2027-2031	792,001	338,760	676,394	836,296	-
2032-2036	319,951	338,760	461,283	562,658	-
2037-2041	-	338,760	-	-	-
2042-2046	-	338,760	-	-	-
2047-2051	-	338,760	-	-	-
2052-2056	-	338,760	-	-	-
2057-2061	-	228,161	-	-	-
Total	<u>\$ 1,909,053</u>	<u>\$ 2,599,481</u>	<u>\$ 1,798,442</u>	<u>\$ 2,206,125</u>	<u>\$ 217,270</u>

Interest expense for governmental activities and business-type activities for the year ended December 31, 2021, totaled \$9,112 and \$148,277, respectively.

**NOTE 7: FUND BALANCE AND NET POSITION**

All fund balances include sales and use taxes, which are restricted. Restricted net position is restricted for cash held for customer meter deposits and debt service requirements.

**NOTE 8: RETIREMENT SYSTEMS**

***Municipal Employees' Retirement System of Louisiana***

The Town of Homer contributes to the Municipal Employees' Retirement System of Louisiana (MERSLA), which is a cost-sharing multiple employer defined benefit pension plan. MERSLA 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 A.

All permanent employees working at least 35 hours per week who are not covered by another pension plan and are paid wholly or in part from municipal funds and all elected municipal officials are eligible to participate in the Plan.

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

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

Eligibility for retirement of Plan A members hired on or after January 1, 2013, is as follows:

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

Generally, the monthly amount of the retirement shall consist of an amount equal to 3% of the employee's final compensation multiplied by his or her years of creditable service. However, under certain conditions as outlined in the statutes, the benefits are limited to specified amounts. MERSLA also provides death and disability benefits. Benefits are established or amended by state statute.

MERSLA issues an annual publicly available financial report that includes financial statements and required supplementary information for MERSLA. The report may be obtained by writing to Municipal Employees' Retirement System of Louisiana, 7937 Office Park Boulevard, Baton Rouge, Louisiana 70809, or by calling (225) 925-4810, or by visiting their website [www.mersla.com](http://www.mersla.com).



**NOTE 8: RETIREMENT SYSTEMS (Continued)**

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

*Contributions*

According to state statute, contribution requirements for all employers are actuarially determined each year. For the year ended December 31, 2021, the actual employer contribution rate was 27.75% for Plan A, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. In accordance with state statute, MERSLA receives ad valorem taxes and state revenue sharing funds. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities but are not considered special funding situations.

Under Plan A, members are required by state statute to contribute 9.50% of their annual covered salary. The contributions are deducted from the employee's wages or salary and remitted by the Town to MERSLA monthly. The Town's contributions to MERSLA under Plan A for the year ended December 31, 2021 were \$132,792.

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

Net pension liability at December 31, 2021, is comprised of the Town's proportionate share of the net pension liability relating to MERSLA. The total pension liability, used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2021. The Town's proportion of the net pension liability for MERSLA was based on the Town's required contributions in proportion to the total required contributions for all participating employers, actuarially determined. As of the most recent measurement date, the Town's proportion for MERSLA and the change in proportion from the prior measurement date are as follows:

Proportion (amount) of net pension liability	\$	595,789
Proportion (%) of net pension liability		0.214197%
 Increase / decrease from prior measurement date		 0.00245%
		 <b><u>Proportionate Share</u></b>
Total Pension Liability	\$	2,685,787
Plan Fiduciary Net Position		2,089,998
Total Collective Net Pension Liability	\$	<u>595,789</u>

For the year ended December 31, 2021, the Town recognized pension expense of \$87,656.

**NOTE 8: RETIREMENT SYSTEMS (Continued)**

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

At December 31, 2021, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Change in investment earnings	\$ -	\$ 167,865
Change of assumptions	21,772	-
Change in proportion and difference in contributions	134,026	1,543
Change in experience	215	6,812
Employer contributions	72,041	-
Total	<u>\$ 228,054</u>	<u>\$ 176,220</u>

Town contributions subsequent to the measurement date of \$72,041 are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the subsequent fiscal period. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ended December 31,</u>	<u>Amount</u>
2022	\$ 80,178
2023	\$ 226
2024	\$ (43,788)
2025	\$ (56,823)

***Actuarial Methods and Assumptions***

The net pension liability was measured as the portion of the present value of projected benefit payments to be provided through the pension plan to current active and inactive employees that is attributed to those employees' past periods of service, less the amount of the pension plan's fiduciary net position.

The actuarial assumptions used in the June 30, 2021 valuation were based on the assumptions used in the June 30, 2021 actuarial funding valuation, and were based on the results on the results of an actuarial experience study for the period July 1, 2014 – June 30, 2019. In cases where benefit structures were changed after the study period, assumptions were based on estimates of future experience.

**NOTE 8: RETIREMENT SYSTEMS (Continued)**

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

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2021 are as follows:

Valuation Date	June 30, 2021
Actuarial Cost Method	Entry Age Normal Cost
Expected Remaining Service Lives	2021 - 3 years 2020 - 3 years 2019 - 4 years 2018 - 4 years
Investment Rate of Return	6.850%, net of investment expense (was 6.950% in 2020)
Inflation Rate	2.5%
Salary Increases	Vary from 6.4% in the first four years of service to 4.5% after 4 years
Cost of Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost-of-living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees.
Mortality	PubG-2010(B) Healthy Retiree Table for annuitants and beneficiaries and employees. PubNS-2010(B) Disabled Retiree Table with the full generational MP2018 scale.

The best estimates of the arithmetic nominal rates of return for each major asset class included in the MERSLA's target allocation as of June 30, 2021 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Rates of Return</u> <u>Long Term Expected</u> <u>Portfolio Real Rate</u> <u>of Return</u>
Public equity	53.00%	2.33%
Public fixed income	38.00%	1.67%
Alternatives	9.00%	0.40%
System Total	<u>100.00%</u>	4.40%
Inflation		<u>2.60%</u>
Expected nominal return		<u>7.00%</u>

The discount rate used to measure the total pension liability was 6.850%, changed from 6.950% in 2020. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by PRSAC taking into consideration the recommendation of MERSLA's actuary. Based on those assumptions, MERSLA's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**NOTE 8: RETIREMENT SYSTEMS (Continued)**

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

***Sensitivity to Changes in Discount Rate***

The following presents the net pension liability the Town calculated using the discount rate, as well as what the Town's net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate as of December 31, 2021.

	<b>1% Decrease</b>	<b>Current Discount Rate</b>	<b>1% Increase</b>
	<b>5.850%</b>	<b>6.850%</b>	<b>7.850%</b>
Net pension liability	\$ 882,395	\$ 595,789	\$ 353,712

***Municipal Police Employees' Retirement System of Louisiana***

***Plan Description***

The Town of Homer contributes to the Municipal Police Employees' Retirement System of Louisiana (MPERS) which is a cost-sharing multiple employer defined benefit pension plan. Membership in MPERS is mandatory for all full-time police officers employed by a municipality of the State of Louisiana and engaged in law enforcement, empowered to make arrest, providing he or she does not have to pay social security and providing he or she meets the statutory criteria.

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

1. Any age with 25 years of creditable service;
2. Age 50 with a minimum of twenty or more years of creditable service;
3. Age 55 with a minimum of twelve or more years of creditable service;
4. After 20 years of creditable service at any age, with an actuarially reduced benefit from age 55.

The monthly amount of benefits are 3 1/3% of their average final compensation (employee's average monthly earnings during the highest 36 consecutive or joined months if service was interrupted) per number of years of creditable service not to exceed 100% of final salary.

**NOTE 8: RETIREMENT SYSTEMS (Continued)**

***Municipal Police Employees' Retirement System of Louisiana (Continued)***

Eligibility for retirement for members hired on or after January 1, 2013 is as follows:

**Hazardous Duty**

1. Any age with 25 years of creditable service;
2. Age 55 with twelve or more years of creditable service;
3. After 20 years of creditable service at any age, with an actuarially reduced benefit from age 55.

**Non-hazardous Duty**

1. Any age with 30 years of creditable service;
2. Age 55 with 25 or more years of creditable service;
3. Age 60 with 10 or more years of creditable service;
4. After 20 years of creditable service at any age, with an actuarially reduced benefit from age 55.

The benefit rates are 3% and 2.5%, respectively, of average final compensation (average monthly earnings during the highest 60 consecutive months or joined months if service was interrupted) per number of years of creditable service not to exceed 100% of final salary. MPERS also provides death and disability benefits. Benefits are established or amended by state statute.

MPERS issues an annual publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to the Municipal Police Employees' Retirement System of Louisiana, 7722 Office Park Boulevard, Suite 200, Baton Rouge, Louisiana 70809, or by calling (225) 929-7411, or by visiting their website [www.lampers.org](http://www.lampers.org).

***Contributions***

Contributions for all members and employers are established by state statute and may be amended by state statute when necessary. MPERS employee members hired prior to January 1, 2013, contributed 10.0% of earned compensation of the year ended December 31, 2021. For the same members, employer contributions were 32.25%. All employees hired on or after January 1, 2013, become members of either the Hazardous Duty Sub-plan, or the Non-hazardous Duty Sub-plan. Employee and employer contribution rates for the Hazardous Duty Sub-plan are the same as for those hired prior to January 1, 2013. For employees belonging to the Non-hazardous Duty Sub-plan, the contribution rate was 8.0%, and the employer rate was 32.25%. Earned compensation in the MPERS system excludes certain overtime, but includes state supplemental pay. The Town's contribution to MPERS for the year ended December 31, 2021 was \$70,541.

Non-employer contributions are recognized as revenue during the year ended December 31, 2021, and were excluded from pension expense. Non-employer contributions received by the System for the Town during the plan year ended June 30, 2021 were \$17,810.

**NOTE 8: RETIREMENT SYSTEMS (Continued)**

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

Net pension liability at December 31, 2021, is comprised of the Town's proportionate share of the net pension liability relating to MPERS. The total pension liability, used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2021. The Town's proportion of the net pension liability for MPERS was based on the Town's required contributions in proportion to the total required contributions for all participating employers, actuarially determined. As of the most recent measurement date, the Town's proportion for MPERS and the change in proportion from the prior measurement date are as follows:

Proportion (amount) of net pension liability	\$	424,824
Proportion (%) of net pension liability		0.079696%
Increase / decrease from prior measurement date		0.00498%
		<b><u>Proportionate Share</u></b>
Total Pension Liability	\$	2,669,838
Plan Fiduciary Net Position		<u>2,245,014</u>
Total Collective Net Pension Liability	\$	<u><u>424,824</u></u>

For the year ended December 31, 2021, the Town recognized pension expense (benefit) of (\$108,197). At December 31, 2021, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>
Change in investment earnings	\$ -	\$ 198,359
Change of assumptions	47,047	12,118
Change in proportion and difference in contributions	45,824	77,078
Change in experience	-	13,083
Employer contributions	35,024	-
Total	<u>\$ 127,895</u>	<u>\$ 300,638</u>

Town contributions subsequent to the measurement date of \$35,024 are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the subsequent fiscal period. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b><u>Year ended December 31,</u></b>	<b><u>Amount</u></b>
2022	\$ (45,192)
2023	\$ (64,715)
2024	\$ (29,519)
2025	\$ (68,341)

**NOTE 8: RETIREMENT SYSTEMS (Continued)**

***Municipal Police Employees' Retirement System of Louisiana (Continued)***

***Actuarial Methods and Assumptions***

The net pension liability was measured as the portion of the present value of projected benefit payments to be provided through the pension plan to current active and inactive employees that is attributed to those employees' past periods of service, less the amount of the pension plan's fiduciary net position.

The actuarial assumptions used in the June 30, 2021 valuation were based on the assumptions used in the June 30, 2020 actuarial funding valuation, and were based on the results on the results of an actuarial experience study for the period July 1, 2014 – June 30, 2019. In cases where benefit structures were changed after the study period, assumptions were based on estimates of future experience.

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2021 are as follows:

Valuation Date	June 30, 2021
Actuarial Cost Method	Entry Age Normal Cost
Expected Remaining Service Lives	2021 - 4 years 2020 - 4 years 2019 - 4 years 2018 - 4 years
Investment Rate of Return	6.750%, net of investment expense (was 6.950% in 2020)
Inflation Rate	2.5%
Salary Increases	Vary from 12.30% in the first two years of service to 4.70% after 2 years
Cost of Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost-of-living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees.
Mortality	The Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Healthy Retirees multiplied by 115% for males and 125% for females, each with full generational projection using MP 2019 scale was used for employees, annuitant and beneficiaries, and disabled annuitants.

The best estimates of the arithmetic nominal rates of return for each major asset class included in the MPERS' target allocation as of June 30, 2021 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Rates of Return</u> <u>Long Term Expected</u> <u>Portfolio Real Rate</u> <u>of Return</u>
Equity	55.50%	3.47%
Fixed Income	30.50%	0.60%
Alternatives	14.00%	1.01%
System Total	<u>100.00%</u>	<u>5.08%</u>
Inflation		<u>2.22%</u>
Expected nominal return		<u>7.30%</u>

**NOTE 8: RETIREMENT SYSTEMS (Continued)**

***Municipal Police Employees' Retirement System of Louisiana (Continued)***

The discount rate used to measure the total pension liability was 6.750%, changed from 6.950% in 2020. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by PRSAC taking into consideration the recommendation of MPERS' actuary. Based on those assumptions, MPERS' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

***Sensitivity to Changes in Discount Rate***

The following presents the net pension liability the Town calculated using the discount rate, as well as what the Town's net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate as of December 31, 2021.

	<b>1% Decrease</b> <b>5.750%</b>	<b>Current</b> <b>Discount</b> <b>Rate 6.750%</b>	<b>1% Increase</b> <b>7.750%</b>
Net pension liability	\$ 740,400	\$ 424,824	\$ 161,423

**NOTE 9: ON-BEHALF PAYMENTS**

Certain employees in the Town's police department receive supplemental pay from the State of Louisiana. In accordance with GASB Statement No. 24, the Town has recorded revenues and expenditures for these payments in the General Fund. Revenues under this arrangement totaled \$21,500. The related expenditures of \$21,500 are included in expenditures in the Police Fund.

**NOTE 10: COMMITMENTS AND CONTINGENCIES**

At December 31, 2021, the Town has multiple water and sewer projects in progress which are being funded by a combination of loans and grants. The combined total of contracts connected with the projects exceeds six million dollars. Estimated remaining balances on the contracts is approximately \$125,000.

At December 31, 2021, the Town is involved in several lawsuits which are being handled by the Town Attorney and attorneys retained by the Town's insurance company. The suits are in various stages in the court systems. Legal counsel did not estimate potential liability. Management expects any losses to be covered by insurance.



**NOTE 11: RISK MANAGEMENT**

The Town is exposed to various risks of loss relating to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees, and natural disasters. These risks are covered by commercial insurance purchased from independent third parties.

**NOTE 12: STEWARDSHIP**

For the year ended December 31, 2021, for the sum of expenditures and other uses, actual amounts exceeded budget amounts in the following funds:

<b>Fund</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Unfavorable Variance</b>
Street	\$ 298,000	\$ 452,032	\$ (154,032)
Industrial Development	\$ 58,124	\$ 153,428	\$ (95,304)
Fire	\$ 75,300	\$ 96,916	\$ (21,616)
Tourism	\$ 24,000	\$ 39,645	\$ (15,645)
Contingency	\$ 35,000	\$ 54,214	\$ (19,214)

**NOTE 13: FUND BALANCE**

The Industrial Development fund had a deficit fund balance of \$34,448. This fund deficit will be satisfied with future revenues of the fund and/or through transfers from the General Fund.

**NOTE 14: SUBSEQUENT EVENTS**

Management has evaluated subsequent events through February 13, 2023, the date on which the financial statements were available to be issued. In March 2022, a litigation case from April 2019 was tried and judgment rendered against the Town of Homer in the amount of \$177,270, which was paid by the Town’s insurance carrier. The water and sewerage construction projects that were outstanding as of December 31, 2021 have been completed and placed in service in June 2022.

**REQUIRED SUPPLEMENTARY INFORMATION**

**Town of Homer**  
**Budgetary Comparison Schedule**  
**General Fund (Unaudited)**  
**For the Year Ended December 31, 2021**

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues:				
Taxes	\$ 822,500	\$ 822,500	\$ 934,622	\$ 112,122
Licenses and permits	70,100	70,100	78,255	8,155
Intergovernmental revenues	1,500	1,500	524,704	523,204
Charges for services	500	500	25,313	24,813
Lease income	6,000	6,000	3,025	(2,975)
Interest earned	2,950	2,950	1,289	(1,661)
Other revenues	49,450	49,450	13,808	7,200
Total revenues	953,000	953,000	1,581,016	670,858
Expenditures:				
Current:				
General government				
Legislative	24,000	24,000	24,000	-
Finance and administrative	233,645	233,645	335,137	101,492
Other general government	231,650	231,650	292,415	60,765
Public safety	-	-	21,894	21,894
Health and welfare	-	-	79,046	79,046
Culture and recreation	-	-	-	-
Total expenditures	489,295	489,295	752,492	263,197
Excess (deficiency) of revenues over expenditures	463,705	463,705	828,524	407,661
Other sources (uses):				
Operating transfers in	-	-	43,012	43,012
Operating transfers out	(578,762)	(578,762)	(869,008)	(290,246)
Total other sources (uses)	(578,762)	(578,762)	(825,996)	(247,234)
Net change in fund balance	(115,057)	(115,057)	2,528	160,427
Fund balance at beginning of year	231,339	231,339	231,339	24,515
Fund balance at end of year	\$ 116,282	\$ 116,282	\$ 233,867	\$ 184,942

**Town of Homer**  
**Budgetary Comparison Schedule**  
**Police Fund (Unaudited)**  
**For the Year Ended December 31, 2021**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget Favorable (Unfavorable)</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues:</b>				
Intergovernmental revenues	\$ 358,492	\$ 358,492	\$ 383,193	\$ 24,701
Charges for services	-	-	3,315	3,315
Fines	106,989	106,989	54,147	(52,842)
Interest earned	150	150	161	11
Other revenues	84,000	84,000	20,510	(63,490)
<b>Total revenues</b>	<b>549,631</b>	<b>549,631</b>	<b>461,326</b>	<b>(88,305)</b>
<b>Expenditures:</b>				
<b>Current</b>				
<b>Public Safety:</b>				
Police Department	911,466	911,466	1,006,122	94,656
Capital outlay	16,000	16,000	78,280	62,280
<b>Total expenditures</b>	<b>927,466</b>	<b>927,466</b>	<b>1,084,402</b>	<b>156,936</b>
 Excess (deficiency) of revenues over expenditures	 <u>(377,835)</u>	 <u>(377,835)</u>	 <u>(623,076)</u>	 <u>(245,241)</u>
 <b>Other sources (uses):</b>				
Operating transfers in	426,762	426,762	545,909	119,147
Capital lease proceeds	-	-	44,488	44,488
<b>Total other sources (uses)</b>	<b>426,762</b>	<b>426,762</b>	<b>590,397</b>	<b>163,635</b>
 Net change in fund balance	 48,927	 48,927	 (32,679)	 (81,606)
Fund balance at beginning of year	42,779	42,779	42,779	-
<b>Fund balance at end of year</b>	<b>\$ 91,706</b>	<b>\$ 91,706</b>	<b>\$ 10,100</b>	<b>\$ (81,606)</b>

**Town of Homer**  
**Schedule of Employer's Proportionate Share of the Net Pension Liability**  
**December 31, 2021**

Fiscal Year *	Employer Proportion of the Net Pension Liability (Asset)	Employer Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered Payroll	Employer's Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
Municipal Employees' Retirement System of Louisiana					
2021	0.214197%	\$ 595,789	\$ 742,130	80.28%	64.26%
2020	0.189716%	\$ 820,220	\$ 599,899	136.73%	64.52%
2019	0.132815%	\$ 554,989	\$ 538,443	103.07%	64.68%
2018	0.096060%	\$ 397,754	\$ 491,922	80.86%	63.94%
2017	0.094659%	\$ 395,999	\$ 492,063	80.48%	62.49%
2016	0.109265%	\$ 447,846	\$ 507,542	88.24%	62.11%
2015	0.115336%	\$ 411,998	\$ 533,229	77.26%	66.18%
Municipal Police Employees' Retirement System					
2021	0.079696%	\$ 424,824	\$ 433,986	97.89%	84.09%
2020	0.074718%	\$ 690,568	\$ 470,815	146.68%	70.95%
2019	0.091785%	\$ 833,562	\$ 485,851	171.57%	71.01%
2018	0.085106%	\$ 719,491	\$ 408,662	176.06%	71.89%
2017	0.108586%	\$ 948,002	\$ 397,754	238.34%	70.08%
2016	0.075859%	\$ 711,013	\$ 372,838	190.70%	66.04%
2015	0.065685%	\$ 514,573	\$ 343,753	149.69%	66.04%

\* The amounts presented have a measurement date of June 30

This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

**Town of Homer**  
**Schedule of Employer Contributions to the Plans**  
**For the Year Ended December 31, 2021**

Year *	Contractually Required Contributions	Contributions in Relation to Contractual Required Contributions	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a % of Covered Payroll
Municipal Employees' Retirement System of Louisiana					
2021	\$ 126,656	\$ 126,656	\$ -	\$ 742,130	17.07%
2020	\$ 101,665	\$ 101,665	\$ -	\$ 599,899	16.95%
2019	\$ 65,008	\$ 65,008	\$ -	\$ 538,443	12.07%
2018	\$ 43,598	\$ 43,598	\$ -	\$ 491,922	8.86%
2017	\$ 39,265	\$ 39,265	\$ -	\$ 492,063	7.98%
2016	\$ 39,048	\$ 39,048	\$ -	\$ 507,542	7.69%
2015	\$ 39,286	\$ 39,286	\$ -	\$ 533,229	7.37%
Municipal Police Employees' Retirement System					
2021	\$ 82,068	\$ 82,068	\$ -	\$ 433,986	18.91%
2020	\$ 79,091	\$ 79,091	\$ -	\$ 470,815	16.80%
2019	\$ 92,536	\$ 92,536	\$ -	\$ 485,851	19.05%
2018	\$ 77,307	\$ 77,307	\$ -	\$ 408,662	18.92%
2017	\$ 102,991	\$ 102,991	\$ -	\$ 397,754	25.89%
2016	\$ 62,751	\$ 62,751	\$ -	\$ 372,838	16.83%
2015	\$ 55,388	\$ 55,388	\$ -	\$ 343,753	16.11%

\* The amounts presented have a measurement date of June 30

This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

**OTHER SUPPLEMENTARY INFORMATION**

**Town of Homer**  
**Non-Major Governmental Funds – Combining Balance Sheet**  
**December 31, 2021**

	<u>Recreation</u>	<u>Contingency</u>	<u>Tourism</u>	<u>Total Nonmajor Governmental Funds</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 21,610	\$ 4,178	\$ 4,850	\$ 30,638
Receivables, net	12,286	5,373	-	17,659
Total assets	<u>\$ 33,896</u>	<u>\$ 9,551</u>	<u>\$ 4,850</u>	<u>\$ 48,297</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	\$ 17,158	\$ -	\$ 2,218	\$ 19,376
Total liabilities	<u>17,158</u>	<u>-</u>	<u>2,218</u>	<u>19,376</u>
Fund balance:				
Restricted fund balances	16,738	9,551	2,632	28,921
Total fund balance:	<u>16,738</u>	<u>9,551</u>	<u>2,632</u>	<u>28,921</u>
Total liabilities and fund balance:	<u>\$ 33,896</u>	<u>\$ 9,551</u>	<u>\$ 4,850</u>	<u>\$ 48,297</u>



**Town of Homer**

**Non-Major Governmental Funds – Combining Statement of Revenues,  
Expenditures, and Changes in Fund Balances  
For the Year Ended December 31, 2021**

	<u>Recreation</u>	<u>Contingency</u>	<u>Tourism</u>	<u>Total Nonmajor Governmental Funds</u>
<b>REVENUES</b>				
Taxes:				
Sales and use	\$ 115,695	\$ 52,180	\$ -	\$ 167,875
Other taxes, penalties and interest	-	-	18,782	18,782
Interest earned	217	78	38	333
Other revenues	2,539	-	-	2,539
Total revenues	<u>118,451</u>	<u>52,258</u>	<u>18,820</u>	<u>189,529</u>
<b>EXPENDITURES</b>				
Current:				
Culture and recreation	96,181	-	-	96,181
Economic development	-	-	28,046	28,046
Debt service:				
Principal	33,089	-	-	33,089
Interest expense	8,372	-	-	8,372
Total expenditures	<u>137,642</u>	<u>-</u>	<u>28,046</u>	<u>165,688</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(19,191)</u>	<u>52,258</u>	<u>(9,226)</u>	<u>23,841</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating Transfers in	11,000	-	15,300	26,300
Operating Transfers out	-	(54,214)	(11,600)	(65,814)
Total other financing sources and uses	<u>11,000</u>	<u>(54,214)</u>	<u>3,700</u>	<u>(39,514)</u>
Net change in fund balances	(8,191)	(1,956)	(5,526)	(15,673)
Fund balances at beginning of year	24,929	11,507	8,158	44,594
Fund balances at end of year	<u>\$ 16,738</u>	<u>\$ 9,551</u>	<u>\$ 2,632</u>	<u>\$ 28,921</u>

**Town of Homer**  
**Schedule of Compensation to Board of Selectmen**  
**For the Year Ended December 31, 2021**

Verletha Adams	\$ 4,800
Linda Hardaway	4,800
Patricia Jenkins	4,800
Keldron L. Johnston	4,800
Johnny West	4,800
Total	<u>\$ 24,000</u>

**Town of Homer**

**Schedule of Compensation, Benefits, Reimbursements and Other Payments to or  
on Behalf of Agency Head  
For the Year Ended December 31, 2021**

Dr. Xanthe Y. Seals, Mayor

Salary	\$ 50,000
Retirement	14,160
Payroll Taxes	725
Insurance	7,774
Travel Meals	224
Travel Mileage	1,003
Total	<u>\$ 73,886</u>

**REPORTS ON INTERNAL CONTROL AND COMPLIANCE MATTERS**



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**Independent Auditors' Report on Internal Control Over  
Financial Reporting and on Compliance and Other Matters  
Based on an Audit of Financial Statements Performed  
in Accordance with *Government Auditing Standards***

To the Honorable Xanthe Seals, Mayor,  
and Members of the Board of Selectmen  
Town of Homer, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Homer, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Town of Homer's basic financial statements and have issued our report thereon dated February 13, 2023.

**Report on Internal Control over Financial Reporting**

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2021-002 and 2021-003 that we consider to be material weaknesses.

## **Report on Compliance and Other Matters**

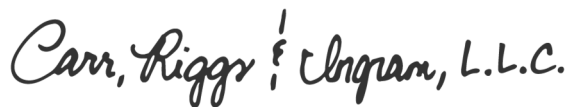
As part of obtaining reasonable assurance about whether the Town of Homer's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items 2021-001, 2021-004 and 2021-005.

## **Town of Homer's Response to Findings**

*Government Auditing Standards* requires the auditor to perform limited procedures on the Town of Homer's responses to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The Town of Homer's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Although the intended use of these reports may be limited, under Louisiana Revised Statute 24:513, this report is distributed by the Office of the Louisiana Legislative Auditor as a public document.



Carr, Riggs & Ingram, LLC

Shreveport, Louisiana

February 13, 2023

**Town of Homer**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended December 31, 2021**

**Section I - Summary of Auditors' Results**

**Financial Statements**

The auditors' report expresses a qualified opinion on the financial statements in accordance with GAAP.

**Internal control over financial reporting:**

- Material weaknesses identified? \_\_\_X\_\_\_ yes    \_\_\_ no
- Significant deficiency(ies) identified that are not considered to be material weaknesses? \_\_\_ yes    \_\_\_X\_\_\_ none reported
- Noncompliance material to the financial statements noted? \_\_\_ yes    \_\_\_X\_\_\_ no

**Federal Awards – Not Applicable**

**Section II – Financial Statement Findings Reported in Accordance with Government Auditing Standards**

**2021-001      Timely Filing of Audit Report**

**Entity-Wide or Program/Department Specific:** This finding is entity-wide.

**Criteria or Specific Requirement:** Louisiana Revised Statute 24:513 requires that the Town prepare and submit its annual audited financial statements to the Louisiana Legislative Auditor within six months of the Town's fiscal year end.

**Condition:** The Town was not able to submit its audited financial statements to the Louisiana Legislative Auditor by the required deadline.

**Effect:** Noncompliance with Louisiana Revised Statute 24:513.

**Cause:** The Town's audit for the year ended December 31, 2021 did not start until the reporting deadline had passed.

**Recommendation:** We recommend the Town take necessary steps to ensure that future audits will be completed and submitted to the Louisiana Legislative auditor within the prescribed time period.

**Views of responsible officials and corrective action plan:** The Town will take the necessary steps to implement a process to ensure that all future audits are submitted to the LA Legislative Auditor in a timely manner.

**Town of Homer**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended December 31, 2021**

**2021-002      Lack of Internal Controls / Account Balances / Adjustments / Reconciliations**

**Entity-Wide or Program/Department Specific:** This finding is entity-wide.

**Criteria or Specific Requirement:** Internal controls over financial reporting should be designed to provide reasonable assurance regarding management's assertions of financial statement transactions and balances for the reporting period.

**Condition:** Financial accounts were not properly reconciled and a significant number of material audit adjustments were required.

**Effect:** The Town is at an increased risk of material misstatement or potential fraud due to a lack of internal controls.

**Cause:** The Town does not have the resources available to provide for proper segregation of duties and a proper internal control structure to ensure transactions and balances are appropriate.

**Recommendation:** We recommend the Town implement additional procedures to ensure appropriate financial and transactional reporting.

**Views of responsible officials and corrective action plan:** The Town will implement procedures to ensure adequate internal controls of financial reporting and account balances are properly recorded at year-end.

**2021-003      Sales Tax Allocations**

**Entity-Wide or Program/Department Specific:** This finding is entity-wide.

**Criteria or Specific Requirement:** All revenues of the individual funds should be in accordance with the ordinances as written and properly supported by Town Council determinations.

**Condition:** Sales tax allocations between each of the funds as direct by sales tax ordinances passed in 1971, 1986, and 2015 do not appear to be in accordance with the sales tax ordinances as they were originally written and passed by the voters. No revisions to the allocation methodology has occurred and/or changes have been proposed to the sales tax ordinances.

**Effect:** Revenues of the individual funds may be materially misstated, which has the potential to affect fund balances.

**Cause:** The Town is using a sales tax allocation spreadsheet developed by prior financial consultants, used by prior administrations, but there is a lack of supporting documentation to reconcile to the sales tax ordinances as passed by the voters.

**Recommendation:** We recommend the Town conduct a study on the sales tax ordinances and develop an allocation method that is in accordance with the ordinances as originally written, then any unassigned amounts may be properly allocated in accordance with Town Council's approval.



**Town of Homer**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended December 31, 2021**

**Views of responsible officials and corrective action plan:** The Town will review sales tax ordinances and develop an allocation method that is in accordance with ordinances to ensure that allocations are distributed properly in accordance with Town Council approval.

**2021-004      Tax remittances**

**Entity-Wide or Program/Department Specific:** This finding is entity-wide.

**Criteria or Specific Requirement:** Louisiana Revised Statute 47:1602 requires taxpayers to timely remit to the Department of Revenue the total amount of tax withholdings that is due on a return that has been filed.

**Condition:** Tax returns and remittances for Louisiana payroll withholding and Louisiana sales tax for the 3<sup>rd</sup> quarter were not filed and made to the State of Louisiana in a timely manner.

**Effect:** Noncompliance with Louisiana Revised Statute 47:1602 and subject to penalties and interest.

**Cause:** The Town did not remit the 3<sup>rd</sup> payroll and sales taxes until January 2022.

**Recommendation:** We recommend the Town take the necessary steps to timely file all required payroll and sales tax returns and remit all taxes and fees to the appropriately agencies in a timely manner.

**Views of responsible officials and corrective action plan:** The Town will implement procedures to ensure that all taxes are remitted to the State of Louisiana in a timely manner.

**2021-005      Incentive Pay**

**Entity-Wide or Program/Department Specific:** American Rescue Plan.

**Criteria or Specific Requirement:** Louisiana Attorney General issued Opinion 21-0101 that states elected officials, such as a mayor or council member, would not be considered essential worker/front-line employees under the Interim Final Rule and potentially not eligible to receive compensation under the American Rescue Plan.

**Condition:** The Town paid funds from the American Rescue Plan to elected officials as additional compensation.

**Effect:** Potential noncompliance with allowable use of federal funds.

**Cause:** The Town considered elected officials to be essential employees of the Town in the determine of the payments to employees under the American Rescue Plan.

**Town of Homer**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended December 31, 2021**

**Recommendation:** We recommend the Town inquire of federal sources regarding the allowable uses of federal funds to ensure compliance.

**Questioned Costs:** \$12,000

**Views of responsible officials and corrective action plan:** The Town will not extend any future funds received from the American Rescue Plan to elected officials as additional compensation and will reimburse the questioned costs to the American Rescue Plan Account.

***Section III – Federal Award Findings and Responses***

Not Applicable

**Town of Homer**  
**Summary Schedule of Prior Year Audit Findings and Questioned Costs**  
**For the Year Ended December 31, 2021**

**Section II – Financial Statement Findings Reported in Accordance with *Governmental Auditing Standards***

2020-001 Timely Filing of Audit Report

Status: See Finding 2021-001

2020-002 Lack of Internal Controls / Account Balances / Adjustments / Reconciliations

Status: See Finding 2021-002

2020-003 Sales Tax Allocations

Status: See Finding 2021-003

**Section III – Federal Award Findings and Responses**

2020-004 Written Policies

Status: Unresolved.

2020-005 Financial Reporting

Status: Resolved

Shenika Wright  
Town Clerk



Dr. Xanthe Y. Seals, Mayor

Lori Graham  
Town Attorney

**Corrective Action Plan  
For the Year Ended December 31, 2021**

**Section II – Financial Statement Findings Reported in Accordance with Government Auditing Standards**

**2021-001 Timely Filing of Audit Report**

**Entity-Wide or Program/Department Specific:** This finding is entity-wide

**Condition:** The Town was not able to submit its audited financial statements to the Louisiana Legislative Auditor by the required deadline.

**Corrective Action Plan:** The Town will take the necessary steps to implement a process to ensure that all future audits are submitted to the LA Legislative Auditor in a timely manner.

**Person Responsible for Corrective Action:** Shenovia Harris, Town Treasurer

**Anticipated Completion Date:** FYE December 31, 2022

**2021-002 Lack of Internal Controls / Account Balances / Adjustments / Reconciliations**

**Entity-Wide or Program/Department Specific:** This finding is entity-wide

**Condition:** Financial accounts were not properly reconciled and a significant number of material audit adjustments were required.

**Corrective Action Plan:** The Town will implement procedures to ensure adequate internal controls of financial reporting and account balances are properly recorded at year-end.

**Person Responsible for Corrective Action:** Shenovia Harris, Town Treasurer

**Anticipated Completion Date:** FYE December 31, 2022

**2021-003      Sales Tax Allocations**

**Entity-Wide or Program/Department Specific:** This finding is entity-wide

**Condition:** Sales tax allocations between each of the funds as direct by sales tax ordinances passed in 1971, 1986, and 2015 do not appear to be in accordance with the sales tax ordinances as they were originally written and passed by the voters. No revisions to the allocation methodology has occurred and/or changes have been proposed to the sales tax ordinances.

**Corrective Action Plan:** The Town will review sales tax ordinances and develop an allocation method that is in accordance with ordinances to ensure that allocations are distributed properly in accordance with Town Council approval.

**Person Responsible for Corrective Action:** Shenovia Harris, Town Treasurer

**Anticipated Completion Date:** FYE December 31, 2022

**2021-004      Tax remittances**

**Entity-Wide or Program/Department Specific:** This finding is entity-wide.

**Condition:** Tax returns and remittances for Louisiana payroll withholding and Louisiana sales tax for the 3<sup>rd</sup> quarter were not filed and made to the State of Louisiana in a timely manner.

**Corrective Action Plan:** The Town will implement procedures to ensure that all taxes are remitted to the State of Louisiana in a timely manner.

**2021-005      Incentive Pay**

**Entity-Wide or Program/Department Specific:** American Rescue Plan.

**Condition:** The Town paid funds from the American Rescue Plan to elected officials as additional compensation.

**Questioned Costs:** \$12,000

**Corrective Action Plan:** The Town will not extend any future funds received from the American Rescue Plan to elected officials as additional compensation and will reimburse the questioned costs to the American Rescue Plan Account.

***Section III – Federal Award Findings and Responses***

**Not Applicable**



**Town of Homer**

**STATEWIDE AGREED-UPON PROCEDURES REPORT**

**December 31, 2021**



**Carr, Riggs & Ingram, LLC**  
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## **INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES**

To the Governing Board of Town of Homer and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2021 through December 31, 2021. Town of Homer's management is responsible for those C/C areas identified in the SAUPs.

Town of Homer has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period January 1, 2021 through December 31, 2021. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated results are as follows:

### **Written Policies and Procedures**

1. Obtained and inspected the entity's written policies and procedures and observed whether they addressed each of the following categories and subcategories if applicable to public funds and the entity's operations:
  - a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget.

**Results: No exceptions were identified as a result of applying the procedure.**

- b) Purchasing, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the Public Bid Law; and (5) documentation required to be maintained for all bids and price quotes.

**Results: The policy does not include how vendors are added to the vendor list.**

- c) *Disbursements*, including processing, reviewing, and approving.

**Results: No exceptions were identified as a result of applying the procedure.**

- d) *Receipts/Collections*, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

**Results: No exceptions were identified as a result of applying the procedure.**

- e) *Payroll/Personnel*, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.

**Results: No written policies exist for payroll/personnel.**

- f) *Contracting*, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.

**Results: The policy does not include types of services requiring written contracts and standard terms and conditions.**

- g) *Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)*, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).

**Results: No exceptions were identified as a result of applying the procedure.**

- h) *Travel and Expense Reimbursement*, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.

**Results: No exceptions were identified as a result of applying the procedure.**



- i) ***Ethics***, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.

**Results: No written policies exist for ethics.**

- j) ***Debt Service***, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

**Results: No written policies exist for debt service.**

- k) ***Information Technology Disaster Recovery/Business Continuity***, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

**Results: No written policies exist for Information Technology Disaster Recovery/Business Continuity.**

- l) ***Sexual Harassment***, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

**Results: The policy does not include agency responsibilities and prohibitions, annual employee training, and annual reporting.**

#### ***Board or Finance Committee***

- 2. Obtained and inspected the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
  - a) Observed that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

**Results: A quorum was not present for the June 2021 meeting.**

- b) For those entities reporting on the governmental accounting model, observed whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds. *Alternately, for those entities reporting on the nonprofit accounting model, observed that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*

**Results: Minutes did not reference or include budget to actual comparison on General Fund and did not reference or include monthly financials for all 12 months.**

- c) For governmental entities, obtained the prior year audit report and observed the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observed that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

**Results: No exceptions were identified as a result of applying the procedure.**

### ***Bank Reconciliations***

3. Obtained a listing of entity bank accounts for the fiscal period from management and management's representation that the listing was complete. Asked management to identify the entity's main operating account. Selected the entity's main operating account and randomly selected 4 additional accounts (or all accounts if less than 5). Randomly selected one month from the fiscal period, obtained and inspected the corresponding bank statement and reconciliation for each selected account, and observed that:

- a) Bank reconciliations included evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);

**Results: Exceptions were identified where one bank reconciliation was not prepared within 2 months.**

- b) Bank reconciliations included evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and

**Results: Exceptions were identified where all five reconciliations do not have evidence of review.**

- c) Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.  
**Results: Two exceptions were identified where management did not have evidence of research of reconciling items older than 12 months.**

***Collections (excluding electronic funds transfers)***

4. Obtained a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing was complete. Randomly selected 5 deposit sites (or all deposit sites if less than 5).  
**Results: Obtained a listing of deposit sites for the fiscal period and management's representation that the listing was complete.**
5. For each deposit site selected, obtained a listing of collection locations and management's representation that the listing was complete. Randomly selected one collection location for each deposit site (i.e., 5 collection locations for 5 deposit sites), obtained and inspected written policies and procedures relating to employee job duties (if no written policies or procedures, inquired of employees about their job duties) at each collection location, and observed that job duties are properly segregated at each collection location such that:
- a) Employees responsible for cash collections do not share cash drawers/registers.  
**Results: No exceptions were identified as a result of applying the procedure.**
- b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit.  
**Results: No exceptions were identified as a result of applying the procedure.**
- c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.  
**Results: No exceptions were identified as a result of applying the procedure.**
- d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, are not responsible for collecting cash, unless another employee/official verifies the reconciliation.  
**Results: No exceptions were identified as a result of applying the procedure.**

6. Obtained from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observed the bond or insurance policy for theft was enforced during the fiscal period.

**Results: No exceptions were identified as a result of applying the procedure.**

7. Randomly selected two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (selected the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly selected a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtained supporting documentation for each of the 10 deposits and:

- a) Observed that receipts are sequentially pre-numbered.

**Results: No exceptions were identified as a result of applying the procedure.**

- b) Traced sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.

**Results: No exceptions were identified as a result of applying the procedure.**

- c) Traced the deposit slip total to the actual deposit per the bank statement.

**Results: No exceptions were identified as a result of applying the procedure.**

- d) Observed the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).

**Results: No exceptions were identified as a result of applying the procedure.**

- e) Traced the actual deposit per the bank statement to the general ledger.

**Results: No exceptions were identified as a result of applying the procedure.**

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

8. Obtained a listing of locations that process payments for the fiscal period and management's representation that the listing was complete. Randomly select 5 locations (or all locations if less than 5).

**Results: Obtained a listing of locations that process payments for the fiscal period and management's representation that the listing was complete.**

9. For each location selected under #8 above, obtained a listing of those employees involved with non-payroll purchasing and payment functions. Obtained written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquired of employees about their job duties), and observed that job duties are properly segregated such that:

- a) At least two employees were involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.

**Results: No exceptions were identified as a result of applying the procedure.**

- b) At least two employees were involved in processing and approving payments to vendors.

**Results: No exceptions were identified as a result of applying the procedure.**

- c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.

**Results: Exceptions were identified where employees responsible for processing payments are not prohibited from adding and modifying vendor files and no review.**

- d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

[Note: Exceptions to controls that constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality) should not be reported.]

**Results: Exceptions were identified where the employee responsible for processing payments also mails the signed checks.**

10. For each location selected under #8 above, obtained the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtained management's representation that the population was complete. Randomly selected 5 disbursements for each location, obtained supporting documentation for each transaction, and:

a) Observed whether the disbursement matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the entity.

**Results: Exceptions were identified where two disbursements did not match the original invoice.**

b) Observed whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

**Results: Exceptions were identified where all 5 disbursements lacked segregation of duties.**

#### ***Credit Cards/Debit Cards/Fuel Cards/P-Cards***

11. Obtained from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtained management's representation that the listing was complete.

**Results: Obtained a listing of all active credit cards, bank debit cards, fuel cards, and P-cards for the fiscal period and management's representation that the listing was complete.**

12. Using the listing prepared by management, randomly selected 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly selected one monthly statement or combined statement for each card (for a debit card, randomly selected one monthly bank statement), obtained supporting documentation, and:

a) Observed whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]

**Results: Exceptions were identified where evidence of statement review and approval was not provided for all three credit cards. One credit card statement was not provided, so procedure could not be performed for that selection.**

b) Observed that finance charges and late fees were not assessed on the selected statements.

**Results: Exceptions were identified where one statement was charged finance fees. One credit card statement was not provided, so procedure could not be performed for that selection.**

13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly selected 10 transactions (or all transactions if less than 10) from each statement, and obtained supporting documentation for the transactions (i.e., each card should have 10 transactions subject to testing). For each transaction, observed it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a “missing receipt statement” that is subject to increased scrutiny.

**Results: Five exceptions were identified where written documentation of business purpose was not on file and one exception was noted where the original receipt for the purchase was not provided. One credit card statement was not provided, so testing could not be performed for that selection.**

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

14. Obtained from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management’s representation that the listing or general ledger was complete. Randomly selected 5 reimbursements, obtained the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:

a) If reimbursed using a per diem, observed the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov)).

**Results: Exceptions were identified where three per diems were paid higher than the established rates by the USGSA.**

b) If reimbursed using actual costs, observed the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.

**Results: No exceptions were identified as a result of applying the procedure.**

- c) Observed each reimbursement is supported by documentation of the business/public purpose (for meal charges, observed that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).

**Results: No exceptions were identified as a result of applying the procedure.**

- d) Observed each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

**Results: Two exceptions were identified where reimbursements were approved by the same person receiving reimbursement.**

### **Contracts**

15. Obtained from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtained management's representation that the listing was complete. Randomly selected 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:

- a) Observed whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.

**Results: No exceptions were identified as a result of applying the procedure.**

- b) Observed whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter).

**Results: No exceptions were identified as a result of applying the procedure.**

- c) If the contract was amended (e.g., change order), observed the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, was approval documented).

**Results: No exceptions were identified as a result of applying the procedure.**

- d) Randomly selected one payment from the fiscal period for each of the 5 contracts, obtained the supporting invoice, agreed the invoice to the contract terms, and observed the invoice and related payment agreed to the terms and conditions of the contract.

**Results: No exceptions were identified as a result of applying the procedure.**



### ***Payroll and Personnel***

16. Obtained a listing of employees and officials employed during the fiscal period and management's representation that the listing was complete. Randomly selected 5 employees or officials, obtained related paid salaries and personnel files, and agreed paid salaries to authorized salaries/pay rates in the personnel files.

**Results: No exceptions were identified as a result of applying the procedure.**

17. Randomly selected one pay period during the fiscal period. For the 5 employees or officials selected under #16 above, obtained attendance records and leave documentation for the pay period, and:

a) Observed all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, officials are not eligible to earn leave and do not document their attendance and leave. However, if the official is earning leave according to a policy and/or contract, the official should document his/her daily attendance and leave.)

**Results: No exceptions were identified as a result of applying the procedure.**

b) Observed whether supervisors approved the attendance and leave of the selected employees or officials.

**Results: One exception was identified where attendance records and overtime of a department head was not approved by the supervisor.**

c) Observed any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.

**Results: No exceptions were identified as a result of applying the procedure.**

d) Observed the rate paid to the employees or officials agreed to the authorized salary/pay rate found within the personnel file.

**Results: No exceptions were identified as a result of applying the procedure.**

18. Obtained a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list was complete. Randomly selected two employees or officials, obtained related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agreed the hours to the employee or officials' cumulative leave records, agreed the pay rates to the employee or officials' authorized pay rates in the employee or officials' personnel files, and agreed the termination payment to entity policy.

**Results: No exceptions were identified as a result of applying the procedure.**

19. Obtained management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

**Results: No exceptions were identified as a result of applying the procedure.**

### ***Ethics***

20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above obtained ethics documentation from management, and:

a) Observed whether the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.

**Results: Exceptions were identified where two employees did not complete training.**

b) Observed whether the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

**Results: No exceptions were identified as a result of applying the procedure.**

### ***Debt Service***

21. Obtained a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing was complete. Selected all debt instruments on the listing, obtained supporting documentation, and observed State Bond Commission approval was obtained for each debt instrument issued.

**Results: No exceptions were identified as no bonds/notes and other debt instruments were not issued during the fiscal period.**

22. Obtained a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing was complete. Randomly selected one bond/note, inspected debt covenants, obtained supporting documentation for the reserve balance and payments, and agreed actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

**Results: Exceptions were identified where reserve requirements by debt covenants were not met.**

### ***Fraud Notice***

23. Obtained a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing was complete. Selected all misappropriations on the listing, obtained supporting documentation, and observed that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

**Results: No misappropriations of public funds or assets were identified during the fiscal period represented by management.**

24. Observed the entity has posted, on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

**Results: No exceptions were identified as a result of applying the procedure.**

### ***Information Technology Disaster Recovery/Business Continuity***

25. Performed the following procedures, **verbally discussed the results with management, and reported "We performed the procedure and discussed the results with management."**

a) Obtained and inspected the entity's most recent documentation that it has backed up its critical data (if no written documentation, inquired of personnel responsible for backing up critical data) and observed that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), observed evidence that backups are encrypted before being transported.

**Results: We performed the procedure and discussed the results with management.**

- b) Obtained and inspected the entity's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquired of personnel responsible for testing/verifying backup restoration) and observed evidence that the test/verification was successfully performed within the past 3 months.

**Results: We performed the procedures and discussed the results with management.**

- c) Obtained a listing of the entity's computers currently in use and their related locations, and management's representation that the listing was complete. Randomly selected 5 computers and observed while management demonstrated that the selected computers had current and active antivirus software and that the operating system and accounting system software in use was currently supported by the vendor.

**Results: We performed the procedure and discussed the results with management.**

### ***Sexual Harassment***

26. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtained sexual harassment training documentation from management, and observed the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year.

**Results: No exceptions were found as a result of applying the procedure.**

27. Observed the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).

**Results: An exception was identified where the sexual harassment policy was not posted on its website.**

28. Obtained the entity's annual sexual harassment report for the current fiscal period, observed that the report was dated on or before February 1, and observed it includes the applicable requirements of R.S. 42:344:

- a) Number and percentage of public servants in the agency who have completed the training requirements;
- b) Number of sexual harassment complaints received by the agency;
- c) Number of complaints which resulted in a finding that sexual harassment occurred;
- d) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
- e) Amount of time it took to resolve each complaint.

**Results: Results: The annual sexual harassment report was not prepared by the February 1 deadline.**

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

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

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

*Carr, Riggs & Ingram, L.L.C.*

CARR, RIGGS, & INGRAM, LLC  
Shreveport, Louisiana  
February 13, 2023