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TOWN OF HOMER, LOUISIANA
ANNUAL FINANCIAL REPORT
JUNE 30, 1996

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Release Date FEB 26 1997

TOWN OF HOMER, LOUISIANA
Annual Financial Report
Year Ended June 30, 1996

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INDEPENDENT AUDITORS' REPORT

The Honorable Huey Dean, Mayor
and the Members of the Board of Selectmen
Town of Homer, Louisiana

We have audited the accompanying general purpose financial statements of the Town of Homer, Louisiana of the Town as of and for the year ended June 30, 1996, as listed in the table of contents. These financial statements are the responsibility of the Town of Homer, Louisiana management. Our responsibility is to express an opinion on these financial statements based on our audit. We did not audit the financial statements of the Homer Hospital, a component unit, which statements reflect total assets of \$11,696,769 as of June 30, 1996, and total revenues of \$11,222,967 for the year then ended. Those statements were audited by other auditors whose report has been furnished to us, and our opinion on the general purpose financial statements, insofar as it relates to the amounts included for the Homer Hospital component unit is based solely on the report of the other auditors.

Except as discussed in the following paragraph, we conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit and the report of other auditors provide a reasonable basis for our opinion.

In our opinion, based on our audit and the report of other auditors, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of Homer, Louisiana, as of June 30, 1996, and the results of its operations and cash flows of its proprietary fund types for the year then ended in conformity with generally accepted accounting principles.

Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining and individual fund and account group financial statements and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the Town of Homer, Louisiana. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly

presented in all material respect in relation to the general purpose financial statements taken as a whole.

As discussed in Note 16 to the financial statements, the Town changed its method of closing depreciation expense in the proprietary fund in 1996.

Jamieson, Wise & Marti

Minden, Louisiana
November 13, 1996

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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL
STRUCTURE BASED ON AN AUDIT OF GENERAL PURPOSE
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS**

The Honorable Huey Dean, Mayor,
and the Members of the Board of Selectmen
Town of Homer, Louisiana

We have audited the general purpose financial statements of Town of Homer, Louisiana, as of and for the year ended June 30, 1996, and have issued our report thereon dated November 13, 1996.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

The management of the Town of Homer, Louisiana, is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

In planning and performing our audit of the general purpose financial statements of the Town of Homer, Louisiana, for the year ended June 30, 1996, we obtained an understanding of the internal control structure. With

respect to the internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that errors and irregularities in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control structure and its operation that we consider to be material weaknesses as defined above.

This report is intended for the information of management and the Legislative Auditor of the State of Louisiana. However, this report is a matter of public record and its distribution is not limited.

Jamison, Wise & Math

Minden, Louisiana
November 13, 1996

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
BASED ON AN AUDIT OF GENERAL PURPOSE
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

The Honorable Huey Dean, Mayor
and the Members of the Board of Selectmen
Town of Homer, Louisiana

We have audited the general purpose financial statements of Town of Homer, Louisiana, as of and for the year ended June 30, 1996, and have issued our report thereon dated November 13, 1996.

We conducted our audit in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States. Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to Town of Homer, Louisiana, is the responsibility of Town of Homer, Louisiana management. As part of obtaining reasonable assurance about whether the general purpose financial statements are free of material misstatement, we performed tests of the City's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our audit of the general purpose financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance that are required to be reported under Governmental Auditing Standards.

This report is intended for the information of the management, and the Legislative Auditor of the State of Louisiana. However, this report is a matter of public record and its distribution is not limited.

Jamison, Wise & Math

Minden, Louisiana
November 13, 1996

GENERAL PURPOSE FINANCIAL STATEMENTS
(COMBINED STATEMENTS - OVERVIEW)

Exhibit I

Town of Homer, Louisiana
 Combined Balance Sheet - All Fund Types and Account Groups
 June 30, 1996

	Governmental Fund Types				Fiduciary Fund Type Trust Agency	Account Groups			Totals		Totals (Memorandum only) Reporting Entity	
	General	Special Revenue	Debt Service			Capital Projects	Proprietary Fund Type Enterprise	General		Totals (Memorandum only) Primary Government		Component Unit Hospital
			Debt	Service				Fixed Assets	Long-term Debt			
ASSETS												
Cash and interest bearing deposits	\$ 45,683	467,466	47,213	34,700	277,845	372,197	-	-	1,245,104	372,898	1,618,002	
Receivables:												
Taxes	-	-	-	-	-	-	-	-	-	-	-	
Accounts	20	-	-	-	-	128,111	-	-	128,131	2,568,768	2,696,899	
Due from other funds	39,101	16,831	154	-	-	91,300	-	-	147,386	-	147,386	
Inventory	-	-	-	-	-	-	-	-	-	246,766	246,766	
Prepaid expenses	-	-	-	-	-	-	-	-	-	80,027	80,027	
Meter deposits	2,130	250	-	-	-	-	-	-	2,380	-	2,380	
Restricted assets:												
Cash and interest bearing deposits	-	-	-	-	-	318,822	-	-	318,822	3,420,773	3,739,595	
Land	-	-	-	-	-	-	87,743	-	87,743	-	87,743	
Buildings	-	-	-	-	-	-	646,584	-	646,584	-	646,584	
Improvements other than buildings	-	-	-	-	-	-	3,850,741	-	3,850,741	-	3,850,741	
Airport	-	-	-	-	-	-	463,063	-	463,063	-	463,063	
Equipment	-	-	-	-	-	-	890,938	-	895,353	-	895,353	
Enterprise Fund property, plant and equipment	-	-	-	-	-	9,499,929	-	-	9,499,929	9,157,622	18,657,551	
Accumulated depreciation	-	-	-	-	-	(3,272,407)	-	-	(3,272,848)	(4,780,317)	(8,053,165)	
Amounts available for debt service	-	-	-	-	-	-	-	21,000	21,000	-	21,000	
Funds to be provided for retirement of general long-term debt	-	-	-	-	-	-	-	27,548	27,548	-	27,548	
Other assets	-	-	-	-	7,965	-	-	-	7,965	630,232	638,197	
Total Assets	\$ 86,934	484,547	47,367	34,700	289,784	7,137,952	5,939,069	48,548	14,068,901	11,696,769	25,765,670	

The accompanying notes are an integral part of these financial statements

Town of Homer, Louisiana
 Combined Balance Sheet - All Fund Types and Account Groups
 June 30, 1996

	Governmental Fund Types				Fiduciary Fund Type Trust Agency	Account Groups			Totals		
	General	Special Revenue		Capital Projects		Proprietary Fund Type Enterprise	Fixed Assets	General Long-term Debt	(Memorandum only) Primary Government	Component Unit Hospital	(Memorandum only) Reporting Entity
		Debt Service	Revenue								
LIABILITIES AND FUND EQUITY											
Liabilities:	\$										
Accrued payroll & benefits									469,396	469,396	
Accounts payable	24,898	39,640	9,067	27,111				100,716	119,953	220,669	
Accrued liabilities									247,264	247,264	
Unearned Revenues											
Due to other funds			16,831		11,210			147,386		147,386	
Due to health insurance programs									19,621	19,621	
Payable from restricted assets:											
Revenue bonds				2,334,743				2,334,743	3,347,458	5,682,201	
Accrued interest				44,237				44,237		44,237	
Customer's deposits				82,392				82,392		82,392	
Obligations under capital lease				1,154		17,990		19,144	76,619	95,763	
Unpaid vacation leave						9,558		9,558		9,558	
Accrued interest								1,410	1,685	3,095	
General obligation bonds payable						21,000		21,000		21,000	
Total liabilities	24,898	39,640	128,412	2,489,637	11,210	48,548		2,760,586	4,281,996	7,042,582	
Fund Equity:											
Contributed capital											
Retained Earnings:				3,257,331		5,939,069		9,196,400		9,196,400	
Reserved for:											
Revenue bond retirement				159,530				159,530		159,530	
Bond depreciation and contingency				66,956				66,956		66,956	
Hospital									7,414,773	7,414,773	
Unreserved				1,164,498				1,164,498		1,164,498	
Fund Balances:											
Reserved for:											
Debt service											
Unreserved	62,036	444,907	29,126		278,574			720,931		720,931	
Total fund equity	62,036	444,907	29,126	4,648,315	278,574	5,939,069		11,308,315	7,414,773	18,723,088	
Total Liabilities and Fund Equity	\$ 86,934	484,547	47,367	7,137,952	289,784	5,939,069	48,548	14,068,901	11,696,769	25,765,670	

The accompanying notes are an integral part of these financial statements

TOWN OF HOMER
 ALL GOVERNMENTAL FUND TYPES
 Combining Statement of Revenue Expenditures and Changes in Fund Balance
 Year Ended June 30, 1996
 with comparative totals for June 30, 1995

	GOVERNMENTAL FUNDS				Fiduciary Fund-Expendable Trust	Totals	
	General	Special Revenue	Debt Service	Capital Projects		1996	1995
REVENUES:							
Taxes	\$ 85,279	824,269	20,358	-	-	929,906	875,188
Licenses and permits	168,408	-	-	-	-	168,408	145,780
Fees and rentals	-	2,700	-	-	-	2,700	2,700
Intergovernmental	28,282	37,507	-	860,136	-	925,925	318,336
Fines and forfeits	21,788	-	-	-	-	21,788	24,553
Interest	308	16,655	2,264	2,552	11,578	33,357	18,714
Miscellaneous	6,515	42,955	-	-	13,768	63,238	39,440
Total Revenues	<u>310,580</u>	<u>924,086</u>	<u>22,622</u>	<u>862,688</u>	<u>25,346</u>	<u>2,145,322</u>	<u>1,424,711</u>
EXPENDITURES:							
General Government	293,766	12,737	209	-	-	306,712	278,133
Public Safety	257,628	90,809	-	-	-	348,437	311,437
Highways and streets	-	289,935	-	-	-	289,935	219,505
Parks and recreation	29,216	59,026	-	-	-	88,242	61,054
Public Works	17,161	-	-	685,971	8,860	711,992	930,128
Industrial development	-	21,274	-	-	-	21,274	106,201
Capital Outlay	17,615	170,504	-	-	-	188,119	95,917
Debt Service:							
Capital Lease Obligations	-	18,228	-	-	-	18,228	17,936
Principal	-	-	20,000	-	-	20,000	719,000
Interest	-	-	1,927	-	-	1,927	35,736
Total Expenditures	<u>615,386</u>	<u>662,513</u>	<u>22,136</u>	<u>685,971</u>	<u>8,860</u>	<u>1,994,866</u>	<u>2,775,047</u>
Excess (deficiency) of revenues over expenditures	<u>(304,806)</u>	<u>261,573</u>	<u>486</u>	<u>176,717</u>	<u>16,486</u>	<u>150,456</u>	<u>(1,350,336)</u>
OTHER FINANCING SOURCES:							
Loan Proceeds	-	-	-	-	-	-	1,201,000
Operating transfers in	275,000	-	-	64	-	275,064	257,235
Operating transfers out	-	(275,000)	-	-	-	(275,000)	(196,346)
Total Other Sources (Uses)	<u>275,000</u>	<u>(275,000)</u>	<u>-</u>	<u>64</u>	<u>-</u>	<u>64</u>	<u>1,261,889</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>(29,806)</u>	<u>(13,427)</u>	<u>486</u>	<u>176,781</u>	<u>16,486</u>	<u>150,520</u>	<u>(88,447)</u>
Fund Balance at beginning of year	<u>91,842</u>	<u>458,334</u>	<u>28,640</u>	<u>(270,493)</u>	<u>262,088</u>	<u>570,411</u>	<u>658,858</u>
Fund Balance at end of year	<u>\$ 62,036</u>	<u>444,907</u>	<u>29,126</u>	<u>(93,712)</u>	<u>278,574</u>	<u>720,931</u>	<u>570,411</u>

The accompanying notes are an integral part of these financial statements

TOWN OF HOMER
 GENERAL AND SPECIAL REVENUE FUNDS
 Combining Statement of Revenue Expenditures and Changes in Fund Balance
 Budget (Cash Basis) and Actual - General and Special Revenue Funds
 Year ended June 30, 1996

	General Fund			Special Revenue Funds			Debt Service Fund		
	Budget	Actual on Budgetary Basis	Variance Favorable (Unfavorable)	Budget	Actual on Budgetary Basis	Variance Favorable (Unfavorable)	Budget	Actual on Budgetary Basis	Variance Favorable (Unfavorable)
REVENUES:									
Taxes	\$ 85,000	85,279	279	800,000	801,113	1,113	20,209	20,358	149
Licenses and permits	167,075	168,408	1,333	-	-	-	-	-	-
Intergovernmental	30,622	28,282	(2,340)	37,506	37,507	1	-	-	-
Fines and forfeits	22,063	21,788	(275)	-	-	-	1,400	1,891	491
Interest	300	308	8	4,418	16,655	12,237	-	-	-
Miscellaneous	3,984	6,515	2,531	26,107	45,655	19,548	-	-	-
Total Revenues	<u>309,044</u>	<u>310,580</u>	<u>1,536</u>	<u>868,031</u>	<u>900,930</u>	<u>32,899</u>	<u>21,609</u>	<u>22,249</u>	<u>640</u>
EXPENDITURES:									
General Government	306,940	289,867	17,073	-	-	-	-	-	-
Public Safety	257,444	256,705	739	86,032	89,737	(3,705)	-	-	-
Highways and streets	-	-	-	252,714	284,342	(31,628)	-	-	-
Parks and recreation	29,851	29,216	635	47,621	54,316	(6,695)	-	-	-
Public Works	22,000	17,425	4,575	-	-	-	-	-	-
Industrial development	-	-	-	30,000	21,274	8,726	-	-	-
Debt Service	-	-	-	17,930	18,228	(298)	21,214	22,136	(922)
Capital Outlay	18,215	17,615	600	243,639	153,824	89,815	-	-	-
Total Expenditures	<u>634,450</u>	<u>610,828</u>	<u>23,622</u>	<u>677,936</u>	<u>621,721</u>	<u>56,215</u>	<u>21,214</u>	<u>22,136</u>	<u>(922)</u>
Excess (deficiency) of revenues over expenditures	<u>(325,406)</u>	<u>(300,248)</u>	<u>25,158</u>	<u>190,095</u>	<u>279,209</u>	<u>89,114</u>	<u>395</u>	<u>113</u>	<u>(282)</u>
OTHER FINANCING SOURCES:									
Operating transfers in	270,000	275,000	5,000	276,646	276,757	111	-	-	-
Operating transfers out	-	-	-	456,646	551,757	95,111	-	-	-
Total Other Sources	<u>270,000</u>	<u>275,000</u>	<u>5,000</u>	<u>(180,000)</u>	<u>(275,000)</u>	<u>(95,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>(55,406)</u>	<u>(25,248)</u>	<u>30,158</u>	<u>10,095</u>	<u>4,209</u>	<u>(5,886)</u>	<u>395</u>	<u>113</u>	<u>(282)</u>
Fund Balance at beginning of year	<u>89,213</u>	<u>111,843</u>	<u>22,630</u>	<u>287,905</u>	<u>480,187</u>	<u>192,282</u>	<u>28,640</u>	<u>28,533</u>	<u>(107)</u>
Fund Balance at end of year	<u>\$ 33,807</u>	<u>\$ 86,595</u>	<u>\$ 2,788</u>	<u>298,000</u>	<u>484,396</u>	<u>186,396</u>	<u>29,035</u>	<u>28,646</u>	<u>(389)</u>

The accompanying notes are an integral part of these financial statements

TOWN OF HOMER
ENTERPRISE FUND
All Proprietary Fund Types
Combined Statement of Revenues, Expenses and Changes in Retained Earnings
For the fiscal year ended June 30, 1996

Exhibit 4

	Proprietary Fund Type Enterprise	Component Unit Hospital	Totals for 1996 (Memorandum only) Reporting Entity	Totals for 1995 (Memorandum only) Reporting Entity
<i>Operating Revenues:</i>				
Charges for Services	\$ 980,779	11,222,967	12,203,746	11,564,850
<i>Operating Expenses:</i>				
Depreciation	154,880	656,684	811,564	849,611
Cost of services	802,595	11,490,124	12,292,719	10,780,208
Total operating expenses	<u>957,475</u>	<u>12,146,808</u>	<u>13,104,283</u>	<u>11,629,819</u>
Operating income (loss)	<u>23,304</u>	<u>(923,841)</u>	<u>(900,537)</u>	<u>(64,969)</u>
<i>Nonoperating Revenues (Expenses):</i>				
Investment income	26,651	184,552	211,203	160,018
Advalorem revenue	-	304,173	304,173	293,251
Unrestricted grant funds	-	50,714	50,714	75,000
Gain(Loss) on sale of assets	(309,772)	-	(309,772)	(23,962)
Interest and fiscal charges	(130,414)	(199,300)	(329,714)	(340,326)
Total nonoperating revenues (expenses)	<u>(413,535)</u>	<u>340,139</u>	<u>(73,396)</u>	<u>163,981</u>
Income (loss) before operating transfers	<u>(390,231)</u>	<u>(583,702)</u>	<u>(973,933)</u>	<u>99,012</u>
<i>Operating Transfers:</i>				
Transfers out	<u>(64)</u>	<u>-</u>	<u>(64)</u>	<u>(60,889)</u>
Net income (loss)	<u>(390,295)</u>	<u>(583,702)</u>	<u>(973,997)</u>	<u>38,123</u>
Add depreciation on fixed assets acquired by grants, entitlements, and shared revenues externally restricted for capital acquisitions and construction that reduces contributed capital	64,121	-	64,121	64,121
Retained earning, beginning of year	1,717,158	7,995,007	9,712,165	9,604,531
Investment income from restricted funds	<u>-</u>	<u>3,468</u>	<u>3,468</u>	<u>5,390</u>
Retained earnings, end of year	<u>\$ 1,390,984</u>	<u>7,414,773</u>	<u>8,805,757</u>	<u>9,712,165</u>

The accompanying notes are an integral part of these financial statements

TOWN OF HOMER
ENTERPRISE FUND
Proprietary Fund Type - Utilities and Sanitation and Discretely
Presented Component Units
Combined Statement of Cash Flows
For the fiscal Year Ended June 30, 1996

Exhibit 5

	Proprietary Fund Type Enterprise	Component Unit Hospital	1996 Reporting Entity (Memorandum Only)
Cash Flows from Operating Activities:			
Operating loss	23,304	(1,123,141)	(1,099,837)
Adjustments to reconcile operating loss to net cash to cash provided by operating activities:			
Depreciation	154,880	656,684	811,564
Provision for Bad Debts	-	839,625	839,625
Interest Received	-	188,020	188,020
(Increase) in Inventories	-	(6,313)	(6,313)
(Increase) in Prepaid expenses	-	7,145	7,145
(Increase) Due from health insurance programs	-	156,380	156,380
(Increase) Home health start-up costs	-	(146,962)	(146,962)
(Increase) decrease in accounts receivable	(5,704)	(1,513,351)	(1,519,055)
(Increase) decrease in due to other funds	33,026	-	33,026
Increase in accrued payroll and benefits	-	173,795	173,795
Increase in accrued uncompensated absences	-	19,466	19,466
Increase in due to health insurance programs	-	19,621	
(Decrease) in interest payable	-	(38)	(38)
(Decrease) increase in accounts payable	(64,019)	(175,873)	(239,892)
Net cash provided by operating activities	<u>141,487</u>	<u>(904,942)</u>	<u>(783,076)</u>
Cash Flows from Noncapital Financing Activities:			
Transfers out to other funds	(64)	-	(64)
Taxes Received	-	304,173	304,173
Unrestricted grant proceeds	-	50,714	50,714
Net (decrease) increase in meter deposit liability	3,903	-	3,903
Net cash used for noncapital financing activities	<u>3,839</u>	<u>354,887</u>	<u>358,726</u>
Cash Flows from Capital and Related Financing Activities:			
Acquisition and Construction of Capital Assets	(685,969)	-	(685,969)
Principal paid on revenue bonds and capital lease obligations	(22,234)	(137,743)	(159,977)
Interest paid on revenue bonds and capital lease obligations	(175,161)	-	(175,161)
Capital Contributions from other funds	629,460	-	629,460
Net Cash used for capital and related financing activities	<u>(253,904)</u>	<u>(137,743)</u>	<u>(391,647)</u>
Cash Flows from Investing Activities:			
Advances on education contracts	-	(59,410)	(59,410)
Decrease in assets whose use is limited	-	515,327	515,327
Purchases of property and equipment	-	(160,383)	(160,383)
Interest on interest-bearing deposits	26,651	-	26,651
Net Cash provided (used) for investing activities	<u>26,651</u>	<u>295,534</u>	<u>322,185</u>
Net increase in cash and cash equivalents	(81,927)	(392,264)	(474,191)
Cash and cash equivalents at beginning of year	<u>772,946</u>	<u>765,162</u>	<u>1,538,108</u>
Cash and cash equivalents at end of year	<u>691,019</u>	<u>372,898</u>	<u>1,063,917</u>

The accompanying notes are an integral part of these financial statements

Town of Homer, Louisiana
Notes to Financial Statements
June 30, 1996

1. Summary of significant policies

The Town of Homer (the Town) was incorporated March 13, 1850, and granted a special charter under the provisions of Act No. 36 of the Louisiana Legislature. The Town operates under a Mayor-Board of Selectmen form of government.

The accounting and reporting policies of the Town of Homer conform to generally accepted accounting principles as applicable to governments. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 24:514 and to the guidelines set forth in the Louisiana Governmental Audit Guide and to the industry audit guide, Audits of State and Local Governmental Units.

The following is a summary of certain significant accounting policies.

Reporting entity As the municipal governing authority, for reporting purposes, the Town of Homer is considered a separate financial reporting entity. The financial reporting entity consists of (a) the primary government (municipality), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board (GASB) Statement No. 14 established criteria for determining which component units should be considered part of the Town of Homer for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria include:

1. Appointing a voting majority of an organization's governing body and
 - a. The ability of the municipality to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the municipality.
2. Organization for which the municipality does not appoint a voting majority but are fiscally dependent on the municipality.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

As required by generally accepted accounting principles, these financial statements present the Town of Homer (the primary government) and its component units. The component units included in the accompanying financial statements are either blended with the municipality funds or discretely presented.

Town of Homer, Louisiana
Notes to Financial Statements
June 30, 1996

Blended Component Units

Component units that are legally separate from the municipality but are so intertwined with the municipality that they are, in substance, the same as the municipality are blended component units. For a component unit to be blended, the organization's board and the municipality must be substantively the same, or the organization must provide services entirely or almost entirely to the municipality. The following component units are reported as part of the municipality and blended with the appropriate municipality funds:

The Arlington Cemetery is owned by the Town of Homer. The fiscal operations of the cemetery are kept and administered apart and separate from the Town. The Arlington cemetery maintains a Perpetual Care Fund for donations and perpetual care of the cemetery. Based on GASB 14 the Town has included in the financial statements the Arlington Cemetery Perpetual Care Fund.

Discretely Presented Component Units

Component units that are legally separate from the municipality but are financially accountable to the municipality, or whose relationship with the municipality are such that exclusion would cause the municipality's financial statements to be misleading or incomplete are discretely presented. The Component Units column of the combined financial statements include the financial data of these discretely presented component units. They are reported in a separate column to emphasize that they are legally separate from the municipality.

The following component units are discretely presented in the accompany financial statements:

Homer Memorial Hospital is owned by the Town and is administered by a Board of Directors appointed by the Board of Selectmen of the Town of Homer. The fiscal operations of the Hospital are kept and administered apart and separate from the Town, however, they are subject to periodic review and examination by the Mayor and Board of Selectmen. Additionally, all by-laws, rules and regulations, and all amendments and supplements thereto, and expenditures for capital improvements must be submitted to and approved by the Mayor and Board of Selectmen. The Town governing body may transfer surplus funds to the General Fund of the Town if the annual audit report of the Hospital reflects surplus funds at the close of the fiscal year. Based on GASB Statement 14 the Town has included in the financial statements as a component unit the Homer Memorial Hospital. Audited financial statements of the component unit Homer Memorial Hospital are available upon request from the Homer Memorial Hospital business office.

Other Organizations

The Housing Authority of the Town of Homer, although governed by commissioners who are directly appointed by the Town's Board of Selectmen, is considered a separate government because it does not meet the criteria for inclusion in the financial reporting entity as determined by GASB 14. Audited financial statements for the Housing Authority of the Town of Homer are not included in this report, however, such statements are available upon request from the Housing Authority's business office.

Town of Homer, Louisiana
Notes to Financial Statements
June 30, 1996

Fund accounting The accounts of the Town of Homer are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and means by which spending activities are controlled. The various funds are grouped, in the financial statements in this report, into three broad fund categories and these into seven generic fund types as follows:

Governmental Fund Types

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

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts, or major capital projects) that are legally restricted to expenditures for specific purpose.

Debt Service Funds - Debt Service Funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

Capital Project Funds - Capital Project Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities.

Proprietary Fund Type

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

Fiduciary Fund Type

Agency Fund - The Agency Funds are used to account for assets held by a governmental unit as an agent for individuals, private organizations or other governmental units. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Expendable Trust Fund - The Expendable Trust Fund is accounted for in essentially the same manner as governmental funds. The resources, including both principal and earnings, may be expended.

Town of Homer, Louisiana
Notes to Financial Statements
June 30, 1996

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

All governmental fund, expendable trust funds, and agency funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Taxpayer-assessed income, gross receipts, and sales taxes are considered "measurable" when in the hands of intermediary collecting governments and are recognized as revenue at that time. Federal and state grants are expenditure driven in which, revenues are recognized when the grant expenditures are incurred.

With the modified accrual basis of accounting, expenditures are generally recognized when the related fund liability is incurred, except that principal and interest on general long-term debt is recognized when due.

All proprietary funds are accounted for on a flow of economic resources measurement focus and a determination of net income and capital maintenance. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. The proprietary funds use the *accrual basis of accounting whereby revenues are recognized when they are earned and expenses are recognized at the time the liabilities are incurred.*

Budgets and budgetary accounting - The Town follows these procedures in establishing the budgetary data reflected in these financial statements:

- a) The City Clerk prepares a proposed budget and submits same to the Mayor and Board of Selectmen no later than fifteen days prior to the beginning of each fiscal year.
- b) The public is notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
- c) A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing.
- d) After the holding of public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted through passage of an ordinance prior to the commencement of the fiscal year for which the budget is being adopted.
- e) Budgetary amendments involving the transfer of funds from one department, program or function to another or involving increases or decreases in expenditures resulting from revenues exceeding or failing to meet amounts estimated require the approval of the Board of Selectmen.
- f) Budgets for the General, Special Revenue, and Debt Service Funds are adopted on a cash basis. Budgeted amounts, as originally adopted, are amended from time to time by the Board of Selectmen. Such amendments were not material in relation to the original appropriations. Budgets are not prepared for capital projects funds due to these funds being restricted to capital improvements.
- g) The revenues and expenditures, shown on Exhibit 2 are reconciled with the amounts reflected on the budget comparisons on Exhibit 3 as follows:

Town of Homer, Louisiana
Notes to Financial Statements
June 30, 1996

	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Debt Service Fund</u>
Excess (deficiency) of revenues and other other sources over expenditures and other uses - Exhibit 2	(29,806)	(13,427)	113
Adjustments:			
73A Sinking Fund revenue not budgeted	-	-	373
Expenditure accruals	<u>4,558</u>	<u>17,636</u>	<u>-</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses - Exhibit 3	<u>(25,248)</u>	<u>4,209</u>	<u>486</u>

h) All budgetary appropriations lapse at the end of each fiscal year.

Encumbrances - The Town of Homer does not use encumbrance accounting.

Cash and cash equivalents - For purposes of the statements of cash flows, cash and cash equivalents include cash, demand deposits and, certificates of deposit of unrestricted and restricted means.

Inventory - All inventories are valued at the lower of cost (first-in, first-out) or market.

Fixed assets and long-term liabilities - The accounting and reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by its measurement focus.

All governmental fund type operations are accounted for on a spending or "financial flow" measurement focus and only current assets and current liabilities are generally included on their balance sheets.

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group, and are recorded as expenditures in the governmental fund types when purchased. The Town has elected to capitalize public domain ("infrastructure") fixed assets consisting of certain improvements other than buildings, including roads, bridges, sidewalks, and drainage improvements. Interest costs incurred during construction are not capitalized. No depreciation has been provided on general fixed assets.

Long-term liabilities expected to be financed from governmental funds are accounted for in the General Long-Term Debt Account Group.

Town of Homer, Louisiana
Notes to Financial Statements
June 30, 1996

The proprietary funds are accounted for on a cost of services or "capital maintenance" measurement focus, and all assets and all liabilities (whether current or noncurrent) associated with their activities are included in their balance sheets.

Depreciation of all exhaustible fixed assets used by the proprietary funds are charged as an expense against their operations. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Utilities and Sanitation Fund:	
Buildings	40 years
Electric system:	
Generating equipment	40 years
Transmission and distribution	25 years
Fence	10 years
Waterworks system:	
Water wells	40 years
Water tanks and reservoirs	40 years
Water line distribution system	40 years
Water meters	40 years
Water treatment plant filter system	40 years
Sewer system	40 years
Auto and trucks	5-10 years
Equipment	5-10 years
Office equipment	10 years

All fixed assets are stated at historical cost. Donated fixed assets are stated at their estimated fair value on the date donated.

Accumulated unpaid vacation pay and other employee benefits -

Accumulated unpaid vacation pay and other employee benefit amounts are accrued when incurred in proprietary funds (using the accrual basis of accounting). Such amounts are not accrued in governmental funds (using the modified accrual basis of accounting). Amounts not expected to be liquidated with expendable available financial resources are reported in general long-term debt account group. No expenditure is reported for this amount.

Property taxes - Property tax revenues are recognized as income in the year in which they are levied.

Bad debts - The Town considers substantially all ad valorem taxes and customers' utility receivables to be fully collectible; accordingly, an allowance for doubtful accounts is not required. If amounts become uncollectible, they are charged to operations when that determination is made.

Town of Homer, Louisiana
Notes to Financial Statements
June 30, 1996

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

Comparative data - Comparative total data for the prior year have been presented in the accompanying financial statements in order to provide an understanding of changes in the Town's financial position and operations. However, comparative data (i.e., presentation of prior year totals by fund type) have not been presented in each of the statements since their inclusion would make the statements unduly complex and difficult to read.

Cash and cash equivalents - For reporting purposes, cash and interest-bearing deposits include cash, demand deposits and certificates of deposits. Cash and interest-bearing deposits are stated at cost. At year-end the Town's total cash and interest-bearing deposits (book balance) excluding the Homer Hospital was \$1,563,926.

Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. At June 30, 1996, the town has \$1,627,800 in deposits (collected bank balances). These deposits are secured from risk by \$300,000 of federal deposit insurance and \$1,628,056 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the town that the fiscal agent has failed to pay deposited funds upon demand.

2. Flow of funds, restrictions on use - utilities revenue

Utilities and Sanitation:

Operating agreement - Louisiana Power and Light

Effective March 15, 1978, the Town of Homer entered into an agreement with Louisiana Power and Light Company for the operation of the electric system and possible ultimate transfer of ownership of the electric system to the Company. The authorization to enter into the agreement was granted by the voters of the Town in a special election called for that purpose.

Under the operating portion of the agreement, the Company agrees to operate and maintain the system, furnishing reliable and efficient service to both present and future customers. In so doing, the Company shall provide for the entirety of the electric power supply requirements, perform and do all necessary work, and provide all necessary services, materials, and equipment. The Company shall make additions, improvements,

Town of Homer, Louisiana
Notes to Financial Statements
June 30, 1996

and replacements to, extensions of, and retirement of electrical system assets as it considers necessary or desirable. Any such additions, improvements and replacements made by the Company shall be and shall remain the property of the Company unless the Company fails to acquire ultimate ownership of the entire electric system. In such case, the Town is obligated to pay to the Company, within 120 days of any nullification or termination of the agreement, the depreciated book value of all additions, improvements, and replacements made by the Company to the electric system less any salvage realized from retired property. At such time, the property would be owned by the Town and the Company shall have no further ownership rights with respect thereto.

The Company is obligated to obtain and maintain in effect all such insurance policies and/or insurance coverage with respect to the electric system as may be required by the various bond resolutions.

The consideration for the agreement requires the Company to pay the Town, out of revenues collected by it for electric services rendered, the following:

- (a) Monthly payments sufficient to meet sinking fund requirements of various bond issues. The principal amount outstanding at the date of the agreement was \$1,593,000.
- (b) Monthly payments constituting two percent (2%) of the total revenue collected and received by the Company during the preceding calendar month from the sale of residential and commercial electric services to customers within the corporate limits of the Town. The two percent (2%) shall not apply to or include any revenues from the sale of electric energy to the Town or to government or municipal agencies or to any sale of industrial purposes or for resale within the corporate limits of the Town.
- (c) The Company shall pay to the Town, as they become due, the regular Town ad valorem taxes on all property owned by the Company within the corporate limits of the Town.
- (d) In the event that the payments by the Company to the Town for any calendar year as stipulated in items (b) and (c) above are less than \$41,000, the Company will pay to the Town the difference. Additionally, in the event that total revenues collected and received by the Company from the sale of electric service to residential and commercial customers within the corporate limits of the Town exceed \$585,000 during any calendar year or years, the figure of \$41,000 stated above shall be increased by an amount equal to one percent (1%) of the amount by which such annual revenues exceed \$585,000.
- (e) From the period commencing on March 1, 1993, and ending on March 1, 1997, the Company shall pay to the Town \$25,400 per year.

The Company is obligated to make all of the payments described above whether or not sufficient funds are generated from the operation of the electric system of the Town of Homer.

So long as any of the revenue bonds shall remain unpaid or outstanding, the Town shall maintain the Reserve Account and Depreciation and Contingency Account established by the various bond resolutions and make

Town of Homer, Louisiana
Notes to Financial Statements
June 30, 1996

timely payments therein of any amounts which may be necessary in this connection. Expenditures from the Depreciation and Contingency Account shall not be made for capital improvements unless a board of arbitrators shall make a final and binding determination requiring the Company to make such capital improvements.

The agreement also carries provisions relating to increased service rates, limitation on capital improvements to be made by the Company, handling of current and future customer deposits, prohibition of additional bond issues or sale or conveyance of any parts of the electric system, issuance of refunding bonds, and other administrative matters.

At such time as there are no bonds or refunding bonds outstanding, the Company shall have the right and option to purchase and acquire from the Town the entirety of the electric system including all of the facilities, equipment, plant and property of the Town used or useful for the generation, distribution and/or sale of electricity, all rights-of-way, servitudes and other interests in land in connection therewith or necessary for the operation and maintenance of the electric system, and all books, record and accounts in connection with the electric system, for the following considerations:

- (1) the continued obligation of the Company to make the payments to the Town provided for in and by item (e) above and
- (2) the granting by the Company to the Town of the right and option to require the Company to pay the Town in a single lump sum, in lieu of the last mentioned payments, the aggregate amount of all such payments then remaining unpaid, discounted on a basis of 10% per annum applied against each such payment to the due date thereof; and upon the Company's exercise of its right and option so to purchase and acquire the Electric System.

Utilities & Sanitation Fund: Flow of funds; restrictions on use:

Under the terms of the bond indenture for outstanding Sewer Revenue Bonds, all income and revenues earned or derived from the operation of the sewer system are pledged to the retirement of said bonds and are to be maintained and administered in the following order of priority and for the following express purposes:

- (a) The payment of all reasonable expenses of administration, operation and maintenance of the sewer system.
- (b) Each month, beginning December 1988 through November 1989 there will be set aside \$6,375 into a fund called the Sewer Revenue Bond Sinking Fund. Beginning December 1989 through November 2028 the amount set aside shall be \$7,004 per month. Such transfers shall be fully sufficient to assure the prompt payment of principal and interest installments as they become due and may be used only for such payments.
- (c) There shall also be set aside into a "Sewer Bond Reserve Fund" monthly an amount equal to 5% of the monthly payment being made into the sinking fund until there shall have been accumulated in the Reserve Account \$84,048. Such amount may be used only for the payment of maturing bonds and interest coupons

Town of Homer, Louisiana
Notes to Financial Statements
June 30, 1996

for which sufficient funds are not on deposit in the Sewer Revenue Bond Sinking Fund and as to which there would otherwise be default.

- (d) Funds will also be set aside into a Sewer Contingency Fund monthly \$357. Money in this fund may be used for the making of extraordinary repairs or replacements to the system which are necessary to keep the system in operating condition and for which money is not available as a maintenance and operations expense.
- (e) All of the revenues received in any fiscal year and not required to be paid in such fiscal year into any of the above noted funds shall be regarded as surplus and may be used for any lawful corporate purpose.

3. Net working capital - Enterprise Fund

The following shows the net working capital for the Enterprise Fund Utilities Fund at June 30, 1996:

Total current assets	\$591,608
Total current liabilities	<u>(172,723)</u>
Net working capital	<u>\$418,885</u>

4. Ad valorem taxes

For the year ended June 30, 1996, taxes of 10.51 mills were levied on property with assessed valuations totaling \$9,906,309 and were dedicated as follows:

General corporate purposes	8.47 mills
Debt service	2.04 mills

Total taxes levied were \$104,116.

Ad valorem taxes attach as an enforceable lien on the valuation of property as of January 1 of each year. The Town of Homer bills and collects its property taxes using the assessed values determined by the tax assessor of Claiborne Parish.

Town of Homer, Louisiana
Notes to Financial Statements
June 30, 1996

5. Interfund receivables and payables

From time to time and for various purposes, the different funds utilized by the Town may borrow monies from other funds or one fund may collect revenue for or incur expenditures on behalf of another fund. Such transactions generate interfund receivables and payables which are detailed below:

	Interfund Receivables	Interfund Payables
General Fund	\$ 39,101	-
Industrial Development	16,831	-
Debt Service:		
Waterworks 7-1-67	154	-
Public Improvement 3-1-73 "A"	-	16,831
Agency Funds		
Tax Collection	-	335
Police Bond	-	10,875
Utility Fund	119,345	28,045
FMHA Capital Projects	-	119,345
	\$ 175,431	175,431

6. Fixed Assets

A summary of changes in general fixed assets follows:

	Balance July 1, 1995	Additions	Deletions	Balance June 30, 1996
Land	\$ 105,313	10,000	27,570	87,743
Buildings	980,411	72,097	405,924	646,584
Improvement other than buildings	3,795,942	71,622	16,823	3,850,741
Airport	466,063	-	3,000	463,063
Equipment	1,006,990	55,535	171,587	890,938
Total general fixed assets	\$6,354,719	209,254	624,904	5,939,069

Town of Homer, Louisiana
Notes to Financial Statements
June 30, 1996

The following is a summary of proprietary fund-type fixed assets at June 30, 1996:

	Beginning of Year	Additions	Deletions	Inventory Adjustment	End of Year
Construction in Progress	\$ 1,775,018	685,970	-	-	2,460,988
Land	13,330	-	-	-	13,330
Buildings & improvements other than buildings	8,328,422	-	1,520,932	6,091	6,813,581
Machinery and equipment	226,775	-	34,443	19,700	212,032
Net Fixed Assets	\$10,343,545	685,970	1,555,375	25,791	9,499,931

The capital projects fund consists of improvements to the water system of the Town. The total improvements are shown in the enterprise fund as construction in progress.

7. Changes in long-term debt

The following is a summary of bond and certificates of indebtedness transactions of the Town for the year ended June 30, 1996:

	<u>General Obligation</u>	<u>Revenue</u>	<u>Total</u>
Bonds and certificates payable at July 1, 1995	\$ 41,000	2,353,390	2,394,390
Bonds and notes issued	-	-	-
Bonds and certificates retired	(20,000)	(18,647)	(38,647)
Bonds, certificates and deferred payment contract at June 30, 1996	\$ 21,000	2,334,743	2,355,743

Bonds, certificates of indebtedness and notes payable at June 30, 1996, are comprised of the following individual issues:

General obligation bonds:

\$343,000 Public Improvement Bonds dated July 1, 1967 due in annual installments of \$12,000 \$21,000 through July 1, 1997; interest at 4.70%. This issue is secured by a levy of ad valorem taxes.	<u>\$ 21,000</u>
Total general obligation bonds and certificates of indebtedness due from general operations	<u>\$ 21,000</u>

Town of Homer, Louisiana
Notes to Financial Statements
June 30, 1996

Revenue Bonds:

\$1,200,000 Sewer Revenue Bonds dated November 28, 1988; due in annual installments of \$76,500 in November 1989 and \$84,078 from 1990 through 2028; interest at 6.375% 1,145,748

Water Revenue Bonds dated July 15, 1994; payable over a forty (40) year period, with the first payment of 43,067.96 of interest due on July 15, 1995. Commencing August 15 through July 15, 2034, equal monthly installments of \$6,041.03 consisting of principal and interest; interest at 5.25%. 1,188,995

Total revenue bonds, notes payable and certificates of indebtedness \$2,334,743

The annual requirements to amortize all debt outstanding as of June 30, 1996 including interest payments of \$2,751,338 are as follows:

Year ending <i>June</i>	General <i>Obligation</i>	Revenue	Total
1997	\$21,987	156,541	178,528
1998	-	156,540	156,540
1999	-	156,541	156,541
2000	-	156,541	156,541
2001	-	156,541	156,541
Thereafter	-	4,946,647	4,946,647
	<u>\$21,987</u>	<u>5,729,351</u>	<u>5,751,338</u>

\$28,646 is available in the Debt Service Funds to service the general obligation debt.

8. Capital leases

The Town of Homer has entered into two lease agreements. One for acquisition of a tractor. This lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of the future minimum lease payments as of the date of its inception. In the event no funds or insufficient funds are appropriated and budgeted and funds are otherwise unavailable by any means whatsoever in any fiscal period for which rental payments are due, the lease agreements may be terminated without penalty to the town.

Town of Homer, Louisiana
Notes to Financial Statements
June 30, 1996

The following is an analysis of the leased property under capital leases at June 30, 1996:

	Enterprise Fund	General Fixed Assets
Tractor	\$14,800	14,800
Freightliner Truck	-	58,000
Less accumulated depreciation	(5,920)	-
	\$ 8,880	72,800

The following is a schedule of the future minimum lease payments and the present value of the net minimum lease payments at June 30, 1996.

Fiscal Year Ending June 30	Tractor Lease	Truck Lease
1997	\$1,176	14,400
1998	-	3,265
Total minimum lease payments	1,176	17,665
Less: amount representing interest	(36)	(834)
Present value of future minimum lease payments	\$1,140	16,831

9. Sales and use taxes collected

Under the provisions of the sales and use tax ordinance effective October 1, 1971, one per cent sales and use tax collected may be used for the following purposes:

- (a) Opening, constructing, paving, resurfacing, improving and/or maintaining streets, alleys, sidewalks and bridges, and
- (b) Constructing, acquiring, extending, improving, renovating and/or maintaining street lighting facilities, waterworks, sewers and sewerage disposal works, garbage collection and waste disposal facilities, police department stations and equipment, public buildings and/or fire department stations and equipment, including fire engines, public parks and recreation facilities, and industrial development facilities, and
- (c) Purchasing and acquiring the necessary land, equipment and furnishings for the aforesaid public works, buildings, improvements and facilities, title to which improvements shall be in the public, or for any one or more said purposes, and
- (d) Provided that a minimum of twenty percent (20%) of the net revenues received from this tax shall be dedicated and used for industrial development facilities.

Town of Homer, Louisiana
Notes to Financial Statements
June 30, 1996

Under the provisions of the sales and use tax ordinance effective January 1, 1986, one per cent sales and use tax collected may be used for the following purposes (after paying the reasonable and necessary expenses of collecting and administering the tax):

- (a) Sixty per cent (60%) for constructing, paving, resurfacing, improving, and/or maintaining streets in and for the Town;
- (b) Ten per cent (10%) for constructing, acquiring, improving, and/or maintaining fire department stations and facilities for said Town, including fire trucks and appurtenances;
- (c) Ten per cent (10%) for constructing, acquiring, extending, improving, operating and/or maintaining recreational facilities for said Town;
- (d) Ten percent (10%) for constructing, acquiring, extending, improving, and/or maintaining police department facilities for said Town, including the acquisition of all necessary equipment; and
- (e) Ten per cent (10%) to be used for any one or more of the above purposes as may be determined by the governing authority of the Town.

10. Pension Plan

Substantially all full time employees of the Town of Homer are members of the following statewide retirement systems: Municipal Employees Retirement System of Louisiana and Municipal Police Employees Retirement System of Louisiana. These systems are multiple-employer (cost-sharing), public retirement systems (PERS), controlled and administered by separate boards of trustees. Pertinent information relative to each plan follows:

- A. Municipal Employees Retirement System of Louisiana (System)—All full time employees, other than policemen, are required to participate in the system. Employees who retire at or after age 60 with at least 10 years of credited service are entitled to a retirement benefit, payable monthly for life, equal to 3% per year times the number of creditable service times the average yearly compensation for the highest consecutive 36 months of earnings. Benefits are not to exceed 100% of an employee's final compensation. The system also provides death and disability benefits.

State statute requires covered employees to contribute 9.25% of monthly earnings to the system and requires the Town to contribute 6.75% of monthly earnings as an employer match.

For the year ended June 30, 1996, the Town contributed \$21,668 to the Municipal Employees Retirement System.

- B. Municipal Police Employees Retirement System of Louisiana (System)—All full time police department employees engaged in law enforcement are required to participate in the System. Employees who retire at or after age 50 with at least 20 years of creditable service or at or after age 55 with at least 12 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3 1/3 percent of their final-average salary for each year creditable service. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service

Town of Homer, Louisiana
Notes to Financial Statements
June 30, 1996

stated above, and do not withdraw their employee contributions, may retire at the ages specified previously and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established by state statute.

State statute requires covered employees to contribute 7.5% of monthly earnings to the system and requires the Town to contribute 9% of monthly earnings as an employer match.

For the year ended June 30, 1996, the Town contributed \$11,926 to the Municipal Police Retirement System.

The "pension benefit obligation" is a standard disclosure of the present value of pension benefits, adjusted for the effects of projected salary increases and step-rate benefits, estimated to be payable in the future as a result of employee service to date. The measure, which is the actuarial present value of credited projected benefits, is intended to help users assess the System's funding status on a going-concern basis, assess progress made in accumulating sufficient assets to pay benefits when due, and make comparisons among public employee retirement systems and employers. The System does not make separate measurements of assets and pension benefit obligations for individual employers.

	<u>For the year ended June 30, 1995</u>	
	<u>Municipal Employees</u>	<u>Municipal Police</u>
Total current year payroll	\$ 434,144	221,791
Total current year covered payroll	318,535	132,515
Pension benefit obligation	321,901,732	777,717,671
Net assets	276,390,971	839,234,664
Unfunded pension benefit obligation	45,510,761	61,516,993

Historical trend information showing the System's progress in accumulating sufficient assets to pay benefits when due is presented in the System's June 30, 1996 comprehensive annual financial report. The City does not guarantee the benefits granted by the System.

11. Deferred Compensation Plans - Employees of the Town of Homer who are not eligible to participate in the retirement system have an option to participate in the social security system or the Louisiana Deferred

Town of Homer, Louisiana
Notes to Financial Statements
June 30, 1996

Compensation Plan. Under this plan, the a percentage is withheld from the employee which the town will match. At each payroll, a check is written to pay into the Louisiana Deferred Compensation Plan both the amounts withheld and the employer's matching portion. The plan can also be used as a savings plan, where amounts are withheld from the employees' checks and paid into the plan at each payroll. The town does not match withheld funds under this option. The Louisiana Deferred Compensation Plan is used by the Town strictly as a retirement or savings plan, no other benefits are paid under this plan. Also, in the case of an emergency, money may be drawn out by participants.

12. Expenditures - Actual and Budget -

The following individual funds had actual expenditures over budgeted expenditures for the year ended June 30, 1996:

	BUDGET	ACTUAL	VARIANCE
Street Department Sales Tax	\$335,420	\$356,916	\$(21,946)

13. Reserved and designated Retained Earnings/Fund Balance-

The enterprise fund has certain restrictions due to bond indentures on funds. At June 30, 1996, the enterprise fund had the following amounts of retained earnings designated as reserved:

Reserve for revenue bond retirement	\$173,758
Reserve for bond depreciation and contingency	54,583

The debt service funds are designated for payment of general obligation bonds. At June 30, 1996, reserve debt service fund balance was \$28,533.

14. Litigations and claims

There are no known lawsuits or claims in which the Town is involved.

Town of Homer, Louisiana
Notes to Financial Statements
June 30, 1996

15. Deficit fund balance and/or retained earnings

The following funds had a deficit fund balance or retained earnings balance at June 30, 1996 based on general purpose financial statements prepared in accordance with generally accepted accounting principles:

Capital Projects fund balance	(93,712)
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The deficit fund balance in the capital projects fund is considered temporary pending the receipt of grant monies to reimburse expenses incurred.

16. Change in Accounting Principle

For the year ended June 30, 1996, the town closed depreciation expense directly to the contributed capital account for those assets which were constructed with resources externally restricted for capital acquisitions. This change in accounting principle is appropriate as described in GASB Codification Section G60.116. During prior periods, this depreciation expense had been recognized as an operating expense in the Town's Enterprise Fund. As a result, this expense was closed to the retained earnings of the Enterprise Fund which caused a deficit in the Retained Earnings. The Contributions Account and Retained Earnings accounts have been restated for the retroactive adjustment attributable to this depreciation.

There was no effect on net income for prior years : however, the cumulative effect on contributions and retained earnings are as follows:

	<u>Contributions</u>	<u>Retained Earnings</u>
Balance 1/1/95 before restatement	\$4,195,415	\$ (30,395)
Cumulative effect of depreciation	(1,442,302)	1,442,302
Depreciation on contributions 1995	<u>(61,121)</u>	<u>61,121</u>
Balance 12/31/95 after change	<u>\$2,691,922</u>	<u>\$1,473,028</u>

Town of Homer, Louisiana
Notes to Financial Statements
June 30, 1996

17. Restatement of Proprietary Fund Retained Earnings

The unreserved retained earnings in the proprietary fund was restated for 1995 as follows:

Retained Earnings as previously reported	\$ (30,395)
Cumulative effect of note 16	1,503,423
Adjustment in accounts receivable	6,255
Adjustment to meter deposits	6,637
Add back assets per inventory previously written off	<u>2,897</u>
Retained Earnings, restated 12/31/95	<u>\$1,488,817</u>

18. Fixed Asset Inventory Adjustments

During the year ending June 30, 1996 the Town of Homer conducted a physical inventory of the fixed assets of the utility fund and general fixed assets of the town. In the utility fund the reduction of assets is shown as a loss on the disposition of assets. The majority of the assets written off consist of remaining basis in assets assumed by Louisiana Power & Light on the assumption of the light & water plant which was previously maintained by the town.

FINANCIAL STATEMENTS OF INDIVIDUAL FUNDS
AND ACCOUNT GROUPS

GENERAL FUND

To account for resources traditionally associated with governments which are not required to be accounted for in another fund.

Town of Homer, Louisiana
 General Fund
 Comparative Balance Sheet
 June 30, 1996 and 1995

A-1

	<u>1996</u>	<u>1995</u>
Assets		
Cash	\$ 45,683	92,756
Interest bearing deposits	-	10,000
Receivables:		
Due from other funds	39,101	6,956
Returned Checks	20	-
Meter Deposits	<u>2,130</u>	<u>2,130</u>
Total assets	<u>\$ 86,934</u>	<u>111,842</u>
Liabilities and Fund Balance		
Accounts payable	<u>\$ 24,898</u>	<u>19,999</u>
Total Liabilities	<u>24,898</u>	<u>19,999</u>
Fund Balance:		
Unreserved	<u>62,036</u>	<u>91,843</u>
Total fund balance	<u>62,036</u>	<u>91,843</u>
Total liabilities and fund balance	<u>\$ 86,934</u>	<u>111,842</u>

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

TOWN OF HOMER
 General Fund
 Statement of Revenues, Expenditures and Changes in Fund Balance - Budget (Cash Basis) and Actual
 Year ended June 30, 1996
 With Comparative Amounts for Year Ended June 30, 1995

	Budget	Actual	Adjustment to Budgetary Basis (Note 1)	Actual on Budgetary Basis	Variance Favorable (Unfavorable)	1995 Actual on Budgetary Basis
Revenues:						
Taxes	\$ 85,000	85,279	-	85,279	279	77,914
Licenses and permits	167,075	168,408	-	168,408	1,333	145,780
Intergovernmental	30,622	28,282	-	28,282	(2,340)	35,236
Interest	300	308	-	308	8	357
Fines and forfeitures	22,063	21,788	-	21,788	(275)	24,553
Miscellaneous	3,984	6,515	-	6,515	2,531	11,229
Total Revenues	<u>309,044</u>	<u>310,580</u>	-	<u>310,580</u>	<u>1,536</u>	<u>295,069</u>
Expenditures:						
General Government	306,940	293,766	(3,899)	289,867	17,073	266,698
Public Safety	257,444	257,628	(923)	256,705	739	223,860
Parks and Recreation	29,851	29,216	-	29,216	635	25,226
Public Works	22,000	17,161	264	17,425	4,575	16,254
Highways and Streets	-	-	-	-	-	23,545
Capital outlay	18,215	17,615	-	17,615	600	885
Total expenditures	<u>634,450</u>	<u>615,386</u>	<u>(4,558)</u>	<u>610,828</u>	<u>23,622</u>	<u>556,468</u>
Excess (deficiency) of revenues over expenditures	<u>(325,406)</u>	<u>(304,806)</u>	<u>4,558</u>	<u>(300,248)</u>	<u>25,158</u>	<u>(261,399)</u>
Other financing sources (uses)						
Operating transfers in	270,000	275,000	-	275,000	5,000	218,996
Total other financing sources	<u>270,000</u>	<u>275,000</u>	<u>-</u>	<u>275,000</u>	<u>5,000</u>	<u>218,996</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>(55,406)</u>	<u>(29,806)</u>	<u>4,558</u>	<u>(25,248)</u>	<u>30,158</u>	<u>(42,403)</u>
Fund Balance at beginning of year	89,213	91,842	20,001	111,843	22,630	154,246
Fund Balance at end of year	<u>\$ 33,807</u>	<u>62,036</u>	<u>24,559</u>	<u>86,595</u>	<u>52,788</u>	<u>111,843</u>

TOWN OF HOMER

General Fund

Statement of Revenues, Expenditures and Other Financing Sources by Source Compared to Budget (Cash Basis)

Year ended June 30, 1996

With Comparative Amounts for Year Ended June 30, 1995

	Budget	Actual	Adjustment to Budgetary Basis (Note 1)	Actual on Budgetary Basis	Variance Favorable (Unfavorable)	1995 Actual on Budgetary Basis
Taxes:						
Ad valorem	85,000	85,279	-	85,279	279	77,914
Licenses and permits:						
Occupational Licenses	60,000	44,605	-	44,605	(15,395)	59,217
Utility franchise fee	45,000	46,352	-	46,352	1,352	44,311
Building permits	1,000	1,135	-	1,135	135	1,590
Burial permits	1,075	1,190	-	1,190	115	722
Insurance Premium taxes	60,000	75,126	-	75,126	15,126	39,940
Total licenses and permits	167,075	168,408	-	168,408	1,333	145,780
Intergovernmental:						
Homer Housing Authority	2,569	-	-	-	(2,569)	2,569
Louisiana tobacco tax	21,090	21,090	-	21,090	-	21,124
Louisiana beer tax	6,963	7,192	-	7,192	229	4,051
Ferna Grant	-	-	-	-	-	7,492
Total intergovernmental	30,622	28,282	-	28,282	(2,340)	35,236
Interest earned on investments	300	308	-	308	8	357
Fines and Forfeitures:						
Mayor's Court Fines	11,300	10,554	-	10,554	(746)	12,831
Mayor's Court Costs	9,335	9,216	-	9,216	(119)	6,910
Narcotics Revenue	-	-	-	-	-	1,524
Sheriff's Civil Fund	1,428	2,018	-	2,018	590	3,288
Total fines and forfeitures	22,063	21,788	-	21,788	(275)	24,553

TOWN OF HOMER
General Fund

Statement of Revenues, Expenditures and Other Financing Sources by Source Compared to Budget (Cash Basis)
Year ended June 30, 1996

With Comparative Amounts for Year Ended June 30, 1995

	Budget	Actual	Adjustment to Budgetary Basis (Note 1)	Actual on Budgetary Basis	Variance Favorable (Unfavorable)	1995 Actual on Budgetary Basis
Miscellaneous:						
Cemetery lot sales	400	200	-	200	(200)	400
All other	3,584	6,315	-	6,315	2,731	10,829
Total miscellaneous	<u>3,984</u>	<u>6,515</u>	<u>-</u>	<u>6,515</u>	<u>2,531</u>	<u>11,229</u>
Expenditures:						
Salaries - Mayor and Selectment	15,600	15,913	-	15,913	(313)	15,600
Salaries - Office	40,000	37,751	-	37,751	2,249	41,021
Salaries - Maintenance	14,000	12,710	-	12,710	1,290	-
Postage	3,500	3,470	371	3,841	(341)	4,132
Town Hall Supplies	4,765	5,279	(7)	5,272	(507)	3,742
Town Hall repairs	1,500	6,595	(119)	6,476	(4,976)	568
Machine maintenance	3,100	2,871	-	2,871	229	3,078
Accounting and Auditing	6,500	7,755	(1,255)	6,500	-	6,500
Legal Fees	4,197	7,795	(564)	7,230	(3,033)	5,159
Legal Advertising	1,473	1,064	140	1,204	269	1,167
Office Supplies	2,989	3,994	(21)	3,973	(984)	4,432
Dues and Subscriptions	100	60	-	60	40	814
Convention and travel	3,000	1,305	-	1,305	1,695	1,576
Tax Assessor's fees	1,000	787	-	787	213	1,129
Telephone	10,401	8,310	13,124	21,434	(11,033)	7,427
Gas and Heating	1,800	2,768	47	2,815	(1,015)	2,268
Electricity - Town Hall	29,861	31,197	(12,287)	18,910	10,951	32,894
Liability Insurance	29,000	35,709	-	35,709	(6,709)	28,778
Property Insurance	10,500	5,286	-	5,286	5,214	5,196
Workmen's Compensation	32,712	20,863	-	20,863	11,849	28,156
Employee Insurance	40,356	39,099	-	39,099	1,257	37,470
Employee's Retirement	18,433	16,398	-	16,398	2,035	14,594
Payroll taxes	9,000	9,013	-	9,013	(13)	7,241
Unemployment	1,453	1,008	-	1,008	445	1,319
Miscellaneous	7,200	16,766	(3,327)	13,439	(6,239)	11,237
Claiborne council on aging	1,200	-	-	-	1,200	1,200

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

TOWN OF HOMER
 General Fund
 Statement of Revenues, Expenditures and Other Financing Sources by Source Compared to Budget (Cash Basis)
 Year ended June 30, 1996
 With Comparative Amounts for Year Ended June 30, 1995

	Budget	Actual	Adjustment to Budgetary Basis (Note I)	Actual on Budgetary Basis	Variance Favorable (Unfavorable)	1995 Actual on Budgetary Basis
VA Subsidy	1,800	-	-	-	1,800	-
Mainstreet Program	11,500	-	-	-	11,500	-
Total General Government	<u>306,940</u>	<u>293,766</u>	<u>(3,899)</u>	<u>289,867</u>	<u>17,073</u>	<u>266,698</u>
Public Safety:						
Police Department Salaries	223,000	221,791	-	221,791	1,209	192,849
Prisoner expense	22,000	23,153	(663)	22,490	(490)	15,295
Indigent defender	5,645	5,391	-	5,391	254	1,954
Coroner expense	1,389	2,272	(300)	1,972	(583)	7,188
Miscellaneous police	410	895	-	895	(485)	336
Animal control	5,000	4,126	40	4,166	834	6,238
Total Public Safety	<u>257,444</u>	<u>257,628</u>	<u>(923)</u>	<u>256,705</u>	<u>739</u>	<u>223,860</u>
Highways and Streets:						
Street Department Salaries	-	-	-	-	-	23,545
Parks and Recreation:						
Salaries - recreation	10,800	11,103	-	11,103	(303)	6,657
Salaries - Homer natatorium	8,928	8,420	-	8,420	508	8,223
Salaries - Mayfield	10,123	9,693	-	9,693	430	10,346
Total Parks and Recreation	<u>29,851</u>	<u>29,216</u>	<u>-</u>	<u>29,216</u>	<u>635</u>	<u>25,226</u>
Public Works:						
Cemetery supplies and expense	-	866	(295)	571	(571)	1,701
Airport supplies	14,000	9,831	83	9,914	4,086	2,951
Museum expense	8,000	6,464	476	6,940	1,060	11,602
Total Public Works	<u>22,000</u>	<u>17,161</u>	<u>264</u>	<u>17,425</u>	<u>4,575</u>	<u>16,254</u>

TOWN OF HOMER
 General Fund
 Statement of Revenues, Expenditures and Other Financing Sources by Source Compared to Budget (Cash Basis)
 Year ended June 30, 1996
 With Comparative Amounts for Year Ended June 30, 1995

	Budget	Actual	Adjustment to Budgetary Basis (Note 1)	Actual on Budgetary Basis	Variance Favorable (Unfavorable)	1995 Actual on Budgetary Basis
Capital outlay:						
Capital outlay - office equipment	-	-	-	-	-	885
Capital outlay - computer	600	-	-	-	600	-
Capital outlay - police	17,615	17,615	-	17,615	-	-
Total Capital outlay	18,215	17,615	-	17,615	600	885
Other financing sources:						
Operating transfers:						
Sales tax fund #1	270,000	275,000	-	275,000	5,000	196,346
Utility fund	-	-	-	-	-	22,650
Total other sources	270,000	275,000	-	275,000	5,000	218,996

SPECIAL REVENUE FUNDS

SALES TAX FUND

Funds used to account for the receipt and use of proceeds of the Town's sales and use taxes.

Under the provisions of the sales and use tax ordinance effective October 1, 1971, the one per cent sales and use tax collected may be used for the following purposes:

- a) Opening, constructing, paving, resurfacing, improving and/or maintaining streets, alleys, sidewalks and bridges and
- b) Constructing, acquiring, extending, improving, renovating and/or maintaining street lighting facilities, waterworks, sewers and sewerage disposal works, garbage collection and waste disposal facilities, police department stations and equipment, public buildings and/or fire department stations and equipment, including fire engines, public parks and recreation facilities, and industrial development facilities, and
- c) Purchasing and acquiring the necessary land, equipment and furnishings for the aforesaid public works, buildings, improvements shall be in the public or for any one or more said purposes, and
- d) Provided that a minimum of twenty percent (20%) of the new revenues received from this tax shall be dedicated and used for industrial development facilities.

INDUSTRIAL DEVELOPMENT FUND

Fund used to account for the twenty percent (20%) of the net revenues of the sales and use tax which is dedicated and used for industrial development facilities.

STREET DEPARTMENT FUND

Fund used to account for the operations of the street maintenance department. Financing is provided by a one cent sales and use tax ordinance effective January 1, 1986 which states that after paying the reasonable and necessary expenses of collecting and administering the tax: Sixty percent (60%) would be used for constructing, paving, resurfacing, improving, and/or maintaining street in and for the Town. Additional financing is provided from maintenance of the landfill and other miscellaneous sources related to street department activities.

FIRE DEPARTMENT FUND

Fund used to account for the operations of the fire department. Financing is provided by a one cent sales and use tax ordinance effective January 1, 1986 which states that after paying the reasonable and necessary expenses of collecting and administering the tax: Ten percent (10%) would be for constructing, paving, resurfacing, improving and/or maintaining fire department stations and facilities for said Town, including fire trucks and appurtenances. Additional funding is provided by the Town's share of State Fire Insurance funds and other miscellaneous sources related to the fire department.

POLICE DEPARTMENT FUND

Fund used to account for the operations of the police department. Financing is provided by a one cent sales and use tax ordinance effective January 1, 1986 which states that after paying the reasonable and necessary expenses of collecting and administering the tax: Ten percent (10%) would be for constructing, acquiring, extending, improving, operating and/or maintaining police department facilities for said Town, including the acquisition of all necessary equipment. Additional funding is provided by the Mayor's court, Sheriff's Civil Fund and other *miscellaneous sources related to the police department.*

RECREATION DEPARTMENT FUND

Fund used to account for the operations of the recreation department. Financing is provided by a one cent sales and use tax ordinance effective January 1, 1986 which states that after paying the reasonable and necessary expenses of collecting and administering the tax: Ten percent (10%) would be used for constructing, acquiring, expending, improving, operating and/or maintaining recreational facilities for said Town. Additional funding is provided by miscellaneous sources related to the recreation department.

CONTINGENCY SALES TAX FUND

Fund used to account for the receipt and use of proceeds of the Town's sales and use tax. Under the provisions of the sales and use ordinance effective January 1, 1986 ten percent is to be used for any one or more of the purposes that the remaining 90% of the tax is allowed for. The apportionment of this 10% will be determined by the governing authority of the Town.

TOWN OF HOMER
SPECIAL REVENUE FUNDS
Combining Balance Sheet

B-1

June 30, 1996

with comparative totals for June 30, 1995

	Sales Tax Fund	Industrial Development	Street Fund	Fire Fund	Recreation Fund	Police Fund	Contingency Fund	Totals	
								1996	1995
ASSETS									
Cash	\$ 37,370	141,775	11,482	1,596	83,620	6,712	17,702	300,257	250,273
Interest bearing deposits	106,857	-	-	60,352	-	-	-	167,209	209,486
Due from other funds	-	16,831	-	-	-	-	-	16,831	20,865
Meter Deposits-LPL	-	250	-	-	-	-	-	250	250
Total Assets	\$ 144,227	158,856	11,482	61,948	83,620	6,712	17,702	484,547	480,874
LIABILITIES AND FUND BALANCE									
Liabilities:									
Accounts Payable	\$ -	-	8,833	18,865	9,641	2,301	-	39,640	21,854
Due from Other Funds	-	-	-	-	-	-	-	-	686
Total liabilities	-	-	8,833	18,865	9,641	2,301	-	39,640	22,540
Fund Balances									
Unreserved & undesignated	144,227	158,856	2,649	43,083	73,979	4,411	17,702	444,907	458,334
Total Liabilities and Fund Balance	\$ 144,227	158,856	11,482	61,948	83,620	6,712	17,702	484,547	480,874

TOWN OF HOMER
SPECIAL REVENUE FUNDS
Combining Statement of Revenue Expenditures and Changes in Fund Balance
For the year ended June 30, 1996
with comparative totals for June 30, 1995

B-2

	Sales Tax Fund	Industrial Development	Street Fund	Fire Fund	Recreation Fund	Police Fund	Contingency Fund	Totals	
								1996	1995
REVENUES:									
Taxes	\$ 412,135	-	247,281	41,213	41,213	41,213	41,214	824,269	774,179
Rentals	-	2,700	-	-	-	-	-	2,700	2,700
Intergovernmental	-	-	-	37,507	-	-	-	37,507	61,764
Interest	10,426	2,910	-	3,017	-	-	302	16,655	5,886
Miscellaneous	-	2,000	30,852	6,012	3,787	304	-	42,955	8,118
Total Revenues	422,561	7,610	278,133	87,749	45,000	41,517	41,516	924,086	852,647
Expenditures:									
General government	11,579	-	-	-	-	-	1,158	12,737	10,836
Public safety	-	-	-	42,087	-	48,722	-	90,809	87,459
Highways and streets	-	-	289,935	-	-	-	-	289,935	195,960
Parks and recreation	-	-	-	-	59,026	-	-	59,026	35,828
Industrial development	-	21,274	-	-	-	-	-	21,274	106,201
Capital outlay	-	-	54,346	73,811	20,616	21,731	-	170,504	95,032
Debt Service	-	-	18,228	-	-	-	-	18,228	17,936
Total expenditures	11,579	21,274	362,509	115,898	79,642	70,453	1,158	662,513	549,252
Excess of revenue over expenditures (expenditures over revenues):	410,982	(13,664)	(84,376)	(28,149)	(34,642)	(28,936)	40,358	261,573	303,395
Other Sources and Uses:									
Operating Transfers from (to):									
Special revenue funds	(213,757)	80,111	71,646	-	105,000	20,000	(63,000)	-	-
General fund	(275,000)	-	-	-	-	-	-	(275,000)	(196,346)
Total other sources(uses)	(488,757)	80,111	71,646	-	105,000	20,000	(63,000)	(275,000)	(196,346)
Excess of revenues and other sources over expenditures and other uses	(77,775)	66,447	(12,730)	(28,149)	70,358	(8,936)	(22,642)	(13,427)	107,049
Fund balance beginning of year	222,002	92,409	15,379	71,232	3,621	13,347	40,344	458,334	351,285
Fund balance end of year	\$ 144,227	158,856	2,649	43,083	73,979	4,411	17,702	444,907	458,334

The accompanying notes are an integral part of these financial statements

TOWN OF HOMER
SPECIAL REVENUE FUNDS
SALES TAX FUND

B-3

Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Cash basis) and Actual - Year ended June 30, 1996
With comparative amounts for year ended June 30, 1995

	Budget	Actual	Adjustment to Budgetary Basis (Note 1)	Actual on Budgetary Basis	Variance Favorable (Unfavorable)	1995 Actual on Budgetary Basis
Revenues:						
Taxes:						
Sales Tax	\$ 400,000	412,135	(11,579)	400,556	556	377,238
Interest	2,012	10,426	-	10,426	8,414	2,007
Total Revenues	402,012	422,561	(11,579)	410,982	8,970	379,245
Expenditures:						
General government						
Overhead collection expense	-	11,579	(11,579)	-	-	-
Excess (deficiency) of revenues over expenditures	402,012	410,982	-	410,982	8,970	379,245
Other uses:						
Operating transfers from (to):						
General Fund	(270,000)	(275,000)	-	(275,000)	(5,000)	(225,000)
Special revenue funds	(123,646)	(213,757)	-	(213,757)	(90,111)	(75,448)
Total other uses	(393,646)	(488,757)	-	(488,757)	(95,111)	(300,448)
Excess (deficiency) of revenues over expenditures and other uses	8,366	(77,775)	-	(77,775)	(86,141)	78,797
Fund balance beginning of year	72,002	222,002	-	222,002	150,000	143,205
Fund balance end of year	\$ 80,368	144,227	-	144,227	63,859	222,002

TOWN OF HOMER
SPECIAL REVENUE FUNDS
STREET DEPARTMENT FUND

Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Cash basis) and Actual - year ended June 30, 1996
With comparative totals for year ended June 30, 1995

	Budget	Actual	Adjustment to Budgetary Basis (Note 1)	Actual on Budgetary Basis	Variance Favorable (Unfavorable)	1995 Actual on Budgetary Basis
Revenues:						
Taxes:						
Sales Tax	\$ 240,000	247,281	(6,948)	240,333	333	226,343
Other Income	13,395	30,852	-	30,852	17,457	113,856
Total Revenues	<u>253,395</u>	<u>278,133</u>	<u>(6,948)</u>	<u>271,185</u>	<u>17,790</u>	<u>340,199</u>
Expenditures:						
Highway and Street:						
Collection Fee	-	6,948	(6,948)	-	-	-
Salaries	102,009	112,894	-	112,894	(10,885)	79,613
Supplies and expense	114,048	132,432	(35)	132,397	(18,349)	120,317
Waste Prisoner expense	36,657	37,661	1,390	39,051	(2,394)	-
Capital Outlay	64,776	54,346	-	54,346	10,430	136,710
Debt Service	17,930	18,228	-	18,228	(298)	18,230
Total Expenditures	<u>335,420</u>	<u>362,509</u>	<u>(5,593)</u>	<u>356,916</u>	<u>(21,496)</u>	<u>354,870</u>
Excess (deficiency) of revenues over expenditures	<u>(82,025)</u>	<u>(84,376)</u>	<u>(1,355)</u>	<u>(85,731)</u>	<u>(3,706)</u>	<u>(14,671)</u>
Other sources and uses:						
Operating transfers from (to):						
Special Revenue Fund	71,646	71,646	-	71,646	-	10,000
General Fund	-	-	-	-	-	25,456
Total other sources (uses)	<u>71,646</u>	<u>71,646</u>	<u>-</u>	<u>71,646</u>	<u>-</u>	<u>35,456</u>
Excess (deficiency) of revenues over expenditures and other uses	<u>(10,379)</u>	<u>(12,730)</u>	<u>(1,355)</u>	<u>(14,085)</u>	<u>(3,706)</u>	<u>20,785</u>
Fund balance beginning of year	15,379	15,379	10,189	25,568	10,189	4,783
Fund balance end of year	<u>\$ 5,000</u>	<u>2,649</u>	<u>8,834</u>	<u>11,483</u>	<u>6,483</u>	<u>25,568</u>

The accompanying notes are an integral part of these financial statements

TOWN OF HOMER
SPECIAL REVENUE FUNDS
FIRE DEPARTMENT FUND

Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Cash basis) and Actual - year ended June 30, 1996
With comparative totals for year ended June 30, 1995

	Budget	Actual	Adjustment to Budgetary Basis (Note 1)	Actual on Budgetary Basis	Variance Favorable (Unfavorable)	1995 Actual on Budgetary Basis
Revenues:						
Taxes:						
Sales Tax	\$ 40,000	41,213	(1,157)	40,056	56	37,724
Intergovernmental:						
La. Fire Ins. Rebate	12,506	12,507	-	12,507	1	11,221
Other (Fire Dist.4)	25,000	25,000	-	25,000	-	50,543
Interest	219	3,017	-	3,017	2,798	256
All Other	6,012	6,012	-	6,012	-	-
Total Revenues	<u>83,737</u>	<u>87,749</u>	<u>(1,157)</u>	<u>86,592</u>	<u>2,855</u>	<u>99,744</u>
Expenditures:						
Public Safety:						
Collection Fee	-	1,157	(1,157)	-	-	-
Salaries	24,381	24,381	-	24,381	-	37,825
Supplies expense	15,035	16,549	(1,244)	15,305	(270)	14,327
Capital Outlay	57,132	73,811	(16,680)	57,131	1	-
Total Expenditures	<u>96,548</u>	<u>115,898</u>	<u>(19,081)</u>	<u>96,817</u>	<u>(269)</u>	<u>52,152</u>
Excess (deficiency) of revenues over expenditures	<u>(12,811)</u>	<u>(28,149)</u>	<u>17,924</u>	<u>(10,225)</u>	<u>2,586</u>	<u>47,592</u>
Other sources and uses:						
Operating transfers from (to):						
General Fund	-	-	-	-	-	2,559
Total other sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,559</u>
Excess (deficiency) of revenues over expenditures and other uses	<u>(12,811)</u>	<u>(28,149)</u>	<u>17,924</u>	<u>(10,225)</u>	<u>2,586</u>	<u>50,151</u>
Fund balance beginning of year	71,232	71,232	939	72,171	939	22,020
Fund balance end of year	<u>\$ 58,421</u>	<u>43,083</u>	<u>18,863</u>	<u>61,946</u>	<u>3,525</u>	<u>72,171</u>

TOWN OF HOMER
 SPECIAL REVENUE FUNDS
 POLICE DEPARTMENT FUND

Statement of Revenues, Expenditures and Changes in Fund Balance
 Budget (Cash basis) and Actual - year ended June 30, 1996
 With comparative totals for year ended June 30, 1995

	Budget	Actual	Adjustment to Budgetary Basis (Note 1)	Actual on Budgetary Basis	Variance Favorable (Unfavorable)	1995 Actual on Budgetary Basis
Revenues:						
Taxes:						
Sales Tax	\$ 40,000	41,213	(1,157)	40,056	56	37,724
Miscellaneous Revenue	-	304	-	304	304	1,813
Total Revenues	<u>40,000</u>	<u>41,517</u>	<u>(1,157)</u>	<u>40,360</u>	<u>360</u>	<u>39,537</u>
Expenditures:						
Public Safety:						
Collection Fee	-	1,157	(1,157)	-	-	-
Supplies and expense	45,716	46,415	2,486	48,901	(3,185)	46,778
Narcotic expense	900	1,150	-	1,150	(250)	-
Capital Outlay	21,731	21,731	-	21,731	-	-
Total Expenditures	<u>68,347</u>	<u>70,453</u>	<u>1,329</u>	<u>71,782</u>	<u>(3,435)</u>	<u>46,778</u>
Excess (deficiency) of revenues over expenditures	<u>(28,347)</u>	<u>(28,936)</u>	<u>(2,486)</u>	<u>(31,422)</u>	<u>(3,075)</u>	<u>(7,241)</u>
Other sources and uses:						
Operating transfers from (to):						
Special Revenue Funds	20,000	20,000	-	20,000	-	10,000
General Fund	-	-	-	-	-	639
Total other sources (uses)	<u>20,000</u>	<u>20,000</u>	<u>-</u>	<u>20,000</u>	<u>-</u>	<u>10,639</u>
Excess (deficiency) of revenues over expenditures and other uses	<u>(8,347)</u>	<u>(8,936)</u>	<u>(2,486)</u>	<u>(11,422)</u>	<u>(3,075)</u>	<u>3,398</u>
Fund balance beginning of year	13,347	13,347	4,787	18,134	4,787	14,736
Fund balance end of year	<u>\$ 5,000</u>	<u>4,411</u>	<u>2,301</u>	<u>6,712</u>	<u>1,712</u>	<u>18,134</u>

The accompanying notes are an integral part of these financial statements

TOWN OF HOMER
SPECIAL REVENUE FUNDS
RECREATION DEPARTMENT FUND

Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Cash basis) and Actual - year ended June 30, 1996
With comparative totals for the year ended June 30, 1995

	Budget	Actual	Adjustment to Budgetary Basis (Note 1)	Actual on Budgetary Basis	Variance Favorable (Unfavorable)	1995 Actual on Budgetary Basis
Revenues:						
Taxes:						
Sales tax	\$ 40,000	41,213	(1,157)	40,056	56	37,724
Miscellaneous revenue	4,000	3,787	-	3,787	(213)	4,049
Total Revenues	44,000	45,000	(1,157)	43,843	(157)	41,773
Expenditures:						
Parks and recreation:						
Collection fee	-	1,157	(1,157)	-	-	-
Capital outlay	100,000	20,616	-	20,616	79,384	67,928
Supplies and expense	46,121	56,748	(3,553)	53,195	(7,074)	33,033
Miscellaneous expense	1,500	1,121	-	1,121	379	-
Total Expenditures	147,621	79,642	(4,710)	74,932	72,689	100,961
Excess (deficiency) of revenues over expenditures	(103,621)	(34,642)	3,553	(31,089)	72,532	(59,188)
Other sources and uses:						
Operating transfers from (to):						
Special revenue funds	105,000	105,000	-	105,000	-	-
Total other sources (uses)	105,000	105,000	-	105,000	-	-
Excess (deficiency) of revenues over expenditures and other uses	1,379	70,358	3,553	73,911	72,532	(59,188)
Fund balance beginning of year	3,621	3,621	5,938	9,559	5,938	68,747
Fund balance end of year	\$ 5,000	73,979	9,491	83,470	78,470	9,559

TOWN OF HOMER
 SPECIAL REVENUE FUNDS
 CONTINGENCY SALES TAX FUND

Statement of Revenues, Expenditures and Changes in Fund Balance
 Budget (Cash basis) and Actual - Year ended June 30, 1996
 With Comparative Amounts for Year ended June 30, 1995

	Budget	Actual	Adjustment to Budgetary Basis (Note 1)	Actual on Budgetary Basis	Variance Favorable (Unfavorable)	1995 Actual on Budgetary Basis
Revenues:						
Taxes:						
Sales tax	\$ 40,000	41,214	(1,158)	40,056	56	37,724
Interest revenue	-	302	-	302	302	-
Total revenues	40,000	41,516	(1,158)	40,358	358	37,724
Expenditures:						
Overhead collection expense	-	1,158	-	-	-	-
Excess (deficiency) of revenues over expenditures	40,000	40,358	-	40,358	358	37,724
Other uses:						
Operating transfers from (to):						
Special revenue funds	(63,000)	(63,000)	-	(63,000)	-	(20,000)
Total other uses	(63,000)	(63,000)	-	(63,000)	-	(20,000)
Excess (deficiency) of revenues over expenditures and other uses	(23,000) (23,000)	(22,642)	-	(22,642)	358	17,724
Fund balance beginning of year	40,344	40,344	-	40,344	-	22,620
Fund balance end of year	\$ 17,344	17,702	-	17,702	358	40,344

TOWN OF HOMER
 SPECIAL REVENUE FUNDS
 INDUSTRIAL DEVELOPMENT FUND

Statement of Revenues, Expenditures and Changes in Fund Balance
 Budget (Cash basis) and Actual - year ended June 30, 1996
 With comparative totals for year ended June 30, 1995

	Budget	Actual	Adjustment to Budgetary Basis (Note 1)	Actual on Budgetary Basis	Variance Favorable (Unfavorable)	1995 Actual on Budgetary Basis
Revenues:						
Rentals	\$ 2,700	2,700	-	2,700	-	2,700
Interest earned	2,187	2,910	-	2,910	723	3,879
Miscellaneous Grant	-	2,000	-	2,000	2,000	2,000
Total Revenues	<u>4,887</u>	<u>7,610</u>	-	<u>7,610</u>	<u>2,723</u>	<u>8,579</u>
Expenditures:						
Industrial development:						
Industrial development expenses	<u>30,000</u>	<u>21,274</u>	-	<u>21,274</u>	<u>8,726</u>	<u>106,201</u>
Excess (deficiency) of revenues over expenditures	<u>(25,113)</u>	<u>(13,664)</u>	-	<u>(13,664)</u>	<u>11,449</u>	<u>(97,622)</u>
Other sources and uses:						
Operating transfers from (to):						
Special Revenue Fund	<u>80,000</u>	<u>80,111</u>	-	<u>80,111</u>	<u>111</u>	<u>75,448</u>
Total other sources (uses)	<u>80,000</u>	<u>80,111</u>	-	<u>80,111</u>	<u>111</u>	<u>75,448</u>
Excess (deficiency) of revenues over expenditures and other uses	<u>54,887</u>	<u>66,447</u>	-	<u>66,447</u>	<u>11,560</u>	<u>(22,174)</u>
Fund balance beginning of year	<u>71,980</u>	<u>92,409</u>	-	<u>92,409</u>	<u>20,429</u>	<u>114,583</u>
Fund balance end of year	<u>\$ 126,867</u>	<u>158,856</u>	-	<u>158,856</u>	<u>31,989</u>	<u>92,409</u>

DEBT SERVICE FUNDS

Water System 7-1-67:

To accumulate monies for payment of the 1967 \$343,000 Public Improvement Bonds, which are serial bonds due in annual installments, plus interest, through maturity in 1997. Debt service is authorized to be financed by the levy of a specific ad valorem tax.

Public Improvement 3-1-73 "A":

To accumulate monies for payment of the 1973 \$260,000 public improvement Bond Series A, which are serial bonds due in annual installments, plus interest, through maturity in 1993. Debt service is financed by the levy of a specific ad valorem tax and revenues generated by the rental of an industrial building, which was acquired from the proceeds of the bond issue.

TOWN OF HOMER
 DEBT SERVICE FUNDS
 Combining Balance Sheet
 June 30, 1996
 with comparative totals for June 30, 1995

C-1

	Water System 7-1-67	Public Improvement 3-1-73"A"	Totals
			1996 1995
ASSETS			
Cash	\$ 644	4,311	4,955 5,167
Interest bearing deposits	29,258	13,000	42,258 44,725
Due from other funds:			
Debt Service Funds	-	-	- 1,063
Agency Fund	154	-	154 337
Total Assets	\$ 30,056	17,311	47,367 51,292
LIABILITIES AND FUND BALANCE			
Liabilities:			
Interest Payable	\$ 1,410	-	1,410 1,410
Due to Other Funds	-	16,831	16,831 21,242
Total liabilities	1,410	16,831	18,241 22,652
Fund Balances			
Unreserved & undesignated	28,646	480	29,126 28,640
Total Liabilities and Fund Balance	\$ 30,056	17,311	47,367 51,292

TOWN OF HOMER
 DEBT SERVICE FUNDS
 Combining Statement of Revenue Expenditures and Changes in Fund Balance
 June 30, 1996
 with comparative totals for June 30, 1995

	Water System 7-1-67	Public Improvement 3-1-73"A"	Totals
	1996	1995	
REVENUES:			
Ad Valorem Taxes	\$ 20,358	-	23,095
Interest earned on investment	1,891	373	1,243
Total Revenues	<u>22,249</u>	<u>373</u>	<u>24,338</u>
EXPENDITURES:			
Bonds and Certificates paid	20,000	-	19,000
Interest Paid	1,927	-	2,820
Paying Agent Fees	201	-	200
Miscellaneous Expense	8	-	8
Total Expenditures	<u>22,136</u>	<u>-</u>	<u>22,028</u>
Excess (deficiency) of revenues over expenditures	<u>113</u>	<u>373</u>	<u>2,310</u>
Fund Balance at beginning of year	<u>28,533</u>	<u>107</u>	<u>26,330</u>
Fund Balance at end of year	<u>\$ 28,646</u>	<u>480</u>	<u>28,640</u>

The accompanying notes are an integral part of these financial statements

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**INDEPENDENT AUDITOR'S REPORT ON THE INTERNAL
CONTROL STRUCTURE USED IN ADMINISTERING
FEDERAL FINANCIAL ASSISTANCE PROGRAMS**

The Honorable Huey Dean, Mayor
and the Members of the Board of Selectmen
Town of Homer, Louisiana

We have audited the general purpose financial statements of Town of Homer, Louisiana, as of and for the year ended June 30, 1996, and have issued our report thereon dated November 13, 1996.

We conducted our audit in accordance with generally accepted auditing standards; Government Auditing Standards, issued by the Comptroller General of the United States; and Office of Management and Budget (OMB) Circular A-128, Audits of State and Local Governments. Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

In planning and performing our audit for the year ended June 30, 1996, we considered the internal control structure of the Town of Homer, Louisiana, in order to determine our auditing procedures for the purpose of expressing our opinion on the Town of Homer's general purpose financial statements and to report on the internal control structure in accordance with OMB Circular A-128. This report addresses our consideration of internal control structure policies and procedures relevant to compliance with requirements applicable to federal financial assistance programs. We have addressed internal control structure policies and procedures relevant to our audit of the general purpose financial statements in a separate report dated November 13, 1996.

The management of the Town of Homer, Louisiana, is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are

required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with generally accepted accounting principles, and that federal financial assistance programs are managed in compliance with applicable laws and regulations. Because of inherent limitations in any internal control structure, errors, irregularities or instances of noncompliance may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

For the purpose of this report, we have classified the significant internal control structure policies and procedures used in administering federal financial assistance programs in the following categories:

General Requirements

Political Activity	Dug-Free Workplace Act
Civil Rights	Administrative Requirements
Federal Financial Reports	Davis-Bacon Act
Cash management	Relocation Assistance and
Allowable costs/costs	
real property acquisition	
principles	

Accounting Applications

Cash receipts	Cash disbursements
---------------	--------------------

Special Requirements

- Types of services allowed or unallowed
- Special reporting requirements
- Claims for advances and reimbursements

For all of the internal control categories listed above, we obtained an understanding of the design of relevant policies and procedures and determined whether they have been placed in operation, and we assessed control risk.

During the year ended June 30, 1996, the Town of Homer, Louisiana, expended 100% of its total federal financial assistance under major federal financial assistance programs.

We performed tests of controls, as required by OMB Circular A-128, to evaluate the effectiveness of the design and operation of internal control structure policies and procedures that we considered relevant to preventing or detecting material noncompliance with specific requirements, general requirements, and

preventing or detecting material noncompliance with specific requirements, general requirements, and requirements governing claims for advances and reimbursements and amounts claimed or used for matching that are applicable to each of the Town of Homer, Louisiana's major federal financial assistance programs, which are identified in the accompanying Schedule of Federal Financial Assistance. Our procedures were less in scope than would be necessary to render an opinion on these internal control structure policies and procedures. Accordingly, we do not express such an opinion.

Our consideration of the internal control structure policies and procedures used in administering federal financial assistance would not necessarily disclose all matters in the internal control structure that might constitute material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that noncompliance with laws and regulations that would be material to a federal financial assistance program may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control structure and its operations that we consider to be material weaknesses as defined above.

This report is intended for the information of management, Farmers Home Administration, and the Office of Community Development. However, this report is a matter of public record and its distribution is not limited.

Jamison, Wise & Martin

Minden, Louisiana
November 13, 1996

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
WITH THE GENERAL REQUIREMENTS APPLICABLE TO
FEDERAL FINANCIAL ASSISTANCE PROGRAMS

To the Honorable Huey Dean, Mayor
and the Members of the Board of Selectmen
Town of Homer, Louisiana

We have audited the general purpose financial statements of the Town of Homer, Louisiana, as of and for the year June 30, 1996, and have issue our report thereon dated November 13, 1996.

We have applied procedures to test the Town of Homer, Louisiana's compliance with the following requirements applicable to its federal financial assistance programs, which are identified in the Schedule of Federal Financial Assistance, for the year ended June 30, 1996: political activity, Davis-Bacon Act, civil rights, cash management, relocation assistance and real property acquisition, federal financial reports, allowable costs/cost principles, Drug-free Workplace Act, and administrative requirements.

Our procedures were limited to the applicable procedures described in the Office of Management and Budget's Compliance Supplement for Single Audits of State and Local Governments. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the Town of Homer, Louisiana's compliance with the requirements listed in the preceding paragraph. Accordingly, we do not express such an opinion.

With respect to the items tested, the results of those procedures disclosed no material instances of noncompliance with the requirements listed in the second paragraph of this report. With respect to items not tested, nothing came to our attention that caused us to believe that the Town of Homer, Louisiana, had not complied, in all material respects, with those requirements. Also, the results of our procedures did not disclose any immaterial instances of noncompliance with those requirements.

This report is intended for the information of management, Farmers Home Administration, and the Office of Community Development. However, this report is a matter of public record and its distribution is not limited.

Jamison, Wise & Mart

Minden, Louisiana
November 13, 1996

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
WITH SPECIFIC REQUIREMENTS APPLICABLE TO MAJOR
FEDERAL FINANCIAL ASSISTANCE PROGRAMS**

To the Honorable Huey Dean, Mayor
and the Members of the Board of Selectmen
Town of Homer, Louisiana

We have audited the general purpose financial statements of the Town of Homer, Louisiana, as of and for the year June 30, 1996, and have issue our report thereon dated November 13, 1996.

We have also audited the Town of Homer, Louisiana's compliance with the requirements governing types of services allowed or unallowed, reporting, and claims for reimbursements that are applicable to each of *its major federal assistance programs, which are identified in the accompanying Schedule of Federal Financial Assistance*, for the year ended June 30, 1996. The management of the Town of Homer, Louisiana, is responsible for the Town of Homer, Louisiana's compliance with those requirements. Our responsibility is to express an opinion on compliance with those requirements based on our audit.

We conducted our audit of compliance with those requirements in accordance with generally accepted auditing standards; Government Auditing Standards, issued by the Comptroller General of the United States; and Office of Management and Budget (OMB) Circular A-128, Audits of State and Local Governments. Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether material noncompliance with the requirements referred to above occurred. An audit includes examining, on a test basis, evidence about the Town of Homer, Louisiana's compliance with those requirements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the Town of Homer, Louisiana, complied, in all material respects, with the requirements governing types of services allowed or unallowed, reporting, and claims for reimbursements.

This report is intended for the information of management, Farmers Home Administration, and the Office of Community Development. However, this report is a matter of public record and its distribution is not limited.

Jamieson, Wise & Math

Minden, Louisiana
November 13, 1996

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INDEPENDENT AUDITOR'S REPORT ON SCHEDULE OF
FEDERAL FINANCIAL ASSISTANCE

The Honorable Huey Dean, Mayor
and Members of the Board of Selectmen
Town of Homer, Louisiana

We have audited the general purpose financial statements of the Town of Homer, Louisiana, as of and for the year ended June 30, 1996, and have issued our report thereon dated November 13, 1996. These general purpose financial statements are the responsibility of the Town of Homer, Louisiana, management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States, and the provisions of Office of Management and Budget Circular A-128, Audits of State and Local Governments. Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements of the Town of Homer, Louisiana, taken as a whole. The accompanying Schedule of Federal Financial Assistance is presented for purposes of additional analysis and is not a required part of the general purpose financial statements. The information in that schedule has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

Jamieson, Wise & Martin

Minden, Louisiana
November 13, 1996

TOWN OF HOMER
 SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE
 June 30, 1996

Program	CFDA #	Beginning Cash	Federal Revenue Recognized	Expenditures Recognized	Ending Cash	Receivable	Payable	Unearned Revenue
Passed through State of Louisiana - Division of Administration Louisiana Community Development Block Grant FY 1989 (\$303,032.37) & FY 1992 (\$381,007.63)	14.228	-	411,424	399,462	-	-	-	-
PRIMARY GOVERNMENT								
Sewer Revenue Bonds of the Town of Homer, State of Louisiana, Series 1988 original \$1,200,000 purchased by the Farmers Home Administration	1,152,390	6,642	1,145,748	77,406	-	-	-	-
Water Revenue Bonds of the Town of Homer, State of Louisiana, Series 1994 original \$1,201,000 purchased by the Farmers Home Administration	1,201,000	12,005	1,188,995	97,514	-	-	-	-
COMPONENT UNIT								
Hospital Revenue Bonds of the Town of Homer, State of Louisiana, Series 1988 purchased by the Farmers Home Administration	3,423,144	75,686	3,347,458	207,604	-	-	-	-

TOWN OF HOMER
 DEBT SERVICE FUNDS
 1967 WATERWORKS SINKING FUND
 Statement of Revenues, Expenditures and Changes in Fund Balance
 Budget (Cash basis) and Actual - year ended June 30, 1996
 With comparative totals for year ended June 30, 1995

	Budget	Actual	Adjustment to Budgetary Basis (Note 1)	Actual on Budgetary Basis	Variance Favorable (Unfavorable)	1995 Actual on Budgetary Basis
Revenues:						
Advalorem Tax	\$ 20,209	20,358	-	20,358	149	23,095
Interest Income	1,400	1,891	-	1,891	491	1,136
Total Revenues	<u>21,609</u>	<u>22,249</u>	-	<u>22,249</u>	<u>640</u>	<u>24,231</u>
Expenditures:						
Principal	20,000	20,000	-	20,000	-	19,000
Interest Expense	964	1,927	-	1,927	(963)	2,820
Paying Agent Fees	250	201	-	201	49	200
Miscellaneous	-	8	-	8	(8)	8
Total Expenditures	<u>21,214</u>	<u>22,136</u>	-	<u>22,136</u>	<u>(922)</u>	<u>22,028</u>
Excess (deficiency) of revenues over expenditures	395	113	-	113	(282)	2,203
Fund balance beginning of year	28,640	28,533	-	28,533	(107)	26,330
Fund balance end of year	<u>\$ 29,035</u>	<u>28,646</u>	-	<u>28,646</u>	<u>(389)</u>	<u>28,533</u>

TOWN OF HOMER
 ALL CAPITAL PROJECTS FUNDS
 Combining Balance Sheet
 June 30, 1996
 with comparative totals for June 30, 1995

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	FMHA Fund	LCDBG Sewer Imp.	Totals	
			1996	1995
ASSETS				
Cash	\$ 34,700	-	34,700	2,570
Total Assets	\$ 34,700	-	36,696	7,570
LIABILITIES AND FUND BALANCE				
Liabilities:				
Accounts Payable	\$ 9,067	-	9,067	5,033
Due to Enterprise Fund	119,345	-	119,345	89,642
Total liabilities	128,412	-	128,412	97,127
Fund Balances				
Unreserved & undesignated	(93,712)	-	(93,712)	(89,557)
Total Liabilities and Fund Balance	\$ 34,700	-	34,700	7,570

The accompanying notes are an integral part of these financial statements

TOWN OF HOMER
ALL CAPITAL PROJECT FUNDS

D-2

Statement of Revenues, Expenditures and Changes in Fund Balance
For the Year ended June 30, 1996
With Comparative Amounts for Year ended June 30, 1995

	FMHA Water Imp.	LCDBG Sewer Imp.	Totals 1996	Totals 1995
Revenues:				
Grants	\$ 392,200	411,424	803,624	221,336
Matching funds (10%)	-	56,512	56,512	-
Interest	2,552	-	2,552	142
Total Revenues	394,752	467,936	862,688	221,478
Expenditures:				
Principal & Interest Payments	-	-	-	732,916
Capital Outlay - Public works	286,509	399,462	685,971	908,737
Total Expenditures	286,509	399,462	685,971	1,641,653
Excess (deficiency) of revenues over expenditures	108,243	68,474	176,717	(1,420,175)
Other financing sources				
Transfer in - Enterprise Fund	64	-	64	38,239
Loan Proceeds	-	-	-	1,201,000
Total other financing sources	64	-	64	1,239,239
Excess (deficiency) of revenues and other financing sources over expenditures	108,307	68,474	176,781	(180,936)
Fund balance beginning of year	(202,019)	(68,474)	(270,493)	(89,557)
Fund balance end of year	\$ (93,712)	-	(93,712)	(270,493)

ENTERPRISE FUNDS

Utilities and Sanitation:

To account for the provision of water, sewer and sanitation services to residents of the Town. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing and related debt service, and billing and collection. Additionally, this fund accounts for revenue earned and expenses incurred under the terms of an electric plant operating agreement with Louisiana Power and Light Company.

TOWN OF HOMER
 ENTERPRISE FUND
 Proprietary Fund Type - Utilities and Sanitation
 Balance Sheet
 June 30, 1996
 with comparative totals for June 30, 1995

	<u>1996</u>	<u>1995</u>
ASSETS:		
Current Assets:		
Cash	\$ 39,947	12,325
Interest-bearing deposits	332,250	268,231
Due from Other Funds	91,300	124,326
Accounts receivable:		
Utilities and sanitation	128,111	122,407
Total current assets	<u>591,608</u>	<u>527,289</u>
Restricted Assets:		
Bond reserve account	15,617	157,341
Customer's meter deposits	82,392	108,745
Bond interest and redemption account	160,649	174,877
Depreciation and contingency account	60,164	51,427
Total restricted assets	<u>318,822</u>	<u>492,390</u>
Construction in progress	2,460,987	1,775,018
Property, plant and equipment	7,038,942	8,594,317
Less: accumulated depreciation	<u>(3,272,407)</u>	<u>(4,363,130)</u>
	<u>6,227,522</u>	<u>6,006,205</u>
Total Assets	<u>\$ 7,137,952</u>	<u>7,025,884</u>

	<u>1996</u>	<u>1995</u>
LIABILITIES AND FUND EQUITY		
Current liabilities (payable from current assets):		
Accounts payable	\$ 27,111	91,130
Current liabilities (payable from restricted assets):		
Revenue bonds and notes	18,983	19,428
Accrued interest	44,237	88,984
Customer's deposits	82,392	78,489
Total	<u>145,612</u>	<u>186,901</u>
Total current liabilities	<u>172,723</u>	<u>278,031</u>
Long-term liabilities:		
Obligations under capital lease	1,154	4,741
Revenue bonds - FMHA	2,334,743	2,353,390
Less current portion	(18,983)	(19,428)
Total long-term liabilities	<u>2,316,914</u>	<u>2,338,703</u>
Total liabilities	<u>2,489,637</u>	<u>2,616,734</u>
Fund equity:		
Contributions	<u>3,257,331</u>	<u>2,691,992</u>
Retained Earnings		
Reserved for revenue bond retirement	159,530	173,758
Reserved for bond depreciaton and contingency	66,956	54,583
Unreserved	1,164,498	1,488,817
Total retained earnings	<u>1,390,984</u>	<u>1,717,158</u>
Total fund equity	<u>4,648,315</u>	<u>4,409,150</u>
Total liabilities and fund equity	<u>\$ 7,137,952</u>	<u>7,025,884</u>

TOWN OF HOMER
ENTERPRISE FUND
Proprietary Fund Type - Utilities and Sanitation
Statement of Revenues, Expenses and Changes in Retained Earnings
For the fiscal year ended June 30, 1996
with comparative totals for June 30, 1995

E-2

	<u>1996</u>	<u>1995</u>
<i>Operating Revenues:</i>		
Water sales and service	\$ 278,896	281,463
Operating agreement - LP&L	86,254	87,417
Sewer System	394,346	396,683
Sanitation	196,529	197,608
Delinquent charges	24,445	19,608
Miscellaneous	309	616
Total operating revenues	<u>980,779</u>	<u>983,395</u>
<i>Operating expenses:</i>		
Water department	182,817	167,405
Sewer department	179,874	190,425
Sanitation department	157,829	182,111
General and administrative	436,955	532,748
Total operating expenses	<u>957,475</u>	<u>1,072,689</u>
Operating income (loss)	<u>23,304</u>	<u>(89,294)</u>
<i>Nonoperating revenues (expenses):</i>		
Interest income	26,651	20,521
Interest expense	(130,414)	(113,625)
Loss on Disposition of Assets	(309,772)	(20,364)
Total nonoperating revenues and expenses	<u>(413,535)</u>	<u>(113,468)</u>
Income (loss) before operating transfers	(390,231)	(202,762)
<i>Operating transfers:</i>		
Transfers out	<u>(64)</u>	<u>(60,889)</u>
Net income (loss)	(390,295)	(263,651)
Add depreciation on fixed assets acquired by grants, entitlements, and shared revenues externally restricted for capital acquisitions and construction that reduces contributed capital	64,121	64,121
Retained earnings at beginning of year	<u>1,717,158</u>	<u>1,916,688</u>
Retained earnings at end of year	<u>\$ 1,390,984</u>	<u>1,717,158</u>

TOWN OF HOMER
 ENTERPRISE FUND
 Proprietary Fund Type - Utilities and Sanitation
 Schedule of Expenses by Departments
 For the fiscal year ended June 30, 1996
 with comparative totals for June 30, 1995

	<u>1996</u>	<u>1995</u>
Water Department Expenses:		
Salaries	97,708	73,498
Electricity	42,056	59,480
Supplies expense	34,444	34,427
Miscellaneous	8,609	-
Total water department	<u>182,817</u>	<u>167,405</u>
Sewer Department Expenses:		
Salaries	49,907	54,698
Electricity	46,750	69,084
Supplies expense	83,217	66,643
Total sewer department	<u>179,874</u>	<u>190,425</u>
Sanitation Department Expenses:		
Contract services	<u>157,829</u>	<u>182,111</u>
General and Administrative Expenses:		
Salaries Mayor, Council and Office	53,664	56,621
Postage	3,841	3,504
Townhall supplies, repairs and maintenance	14,619	7,388
Legal and accounting	14,934	12,826
Office supplies	3,973	3,784
Convention and travel	1,305	3,208
Telephone	10,006	7,422
Utilities	33,153	35,167
Insurance	61,858	62,130
Employees benefits	56,348	52,063
Payroll taxes	10,021	8,560
Miscellaneous	13,465	13,175
Utility fund depreciation	154,880	217,559
Bad debt expense	-	49,341
Accrued vacation expense	4,888	-
Total general and administrative expense	<u>436,955</u>	<u>532,748</u>
Total expenses	<u>957,475</u>	<u>1,072,689</u>

TRUST AND AGENCY FUNDS

Agency funds are used to account for assets held by the government as an agent for individuals, private organizations, other governments and/or other funds.

Police Bond Fund:

To account for the collection and ultimate disposition of bonds posted by citizens who have been issued citations for traffic violations or arrested for civil offenses. Bonds posted by the violators are held until their cases are heard in Mayor's Court. At that time, the bonds for persons convicted of violations are distributed to the General Fund. If a person posting the bond is found to be not guilty, the bonds are refunded.

Tax Collection Fund:

To account for the collection and disposition of ad valorem taxes assessed by the town.

Expendable trust funds are used to account for assets held by the government in a trustee capacity.

Arlington Cemetery Perpetual Care Fund:

To account for donations, principal amounts and related income. The funds are to be used to maintain the community cemetery.

TOWN OF HOMER
 TRUST AND AGENCY FUNDS
 Combining Balance Sheet
 June 30, 1996

with comparative totals for June 30, 1995

	Agency Fund		Expendable Trust Fund	Totals	
	Police Bond	Tax Collection		1996	1995
ASSETS					
Cash and interest-bearing deposits	\$ 10,875	335	266,635	277,845	266,397
Investments	-	-	7,965	7,965	7,965
Equipment	-	-	4,415	4,415	-
Accumulated depreciation	-	-	(441)	(441)	-
Total Assets	\$ 10,875	335	278,574	289,784	274,362
LIABILITIES AND FUND BALANCES					
Liabilities:					
Due to other funds:					
Due to Debt Service Funds	\$ -	154	-	154	337
Due to General Fund	10,875	181	-	11,056	11,937
Total Liabilities	10,875	335	-	11,210	12,274
Fund balances:					
Unreserved	-	-	278,574	278,574	262,088
Total Fund Balances	-	-	278,574	278,574	262,088
Total liabilities and fund balances	\$ 10,875	335	278,574	289,784	274,362

TOWN OF HOMER
 AGENCY FUNDS
 POLICE BOND FUND
 Comparative Balance Sheet
 June 30, 1996 and June 30, 1995

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	<u>1996</u>	<u>1995</u>
ASSETS		
Cash	\$ 10,875	10,809
Total Assets	<u>\$ 10,875</u>	<u>10,809</u>
LIABILITIES		
Due to General Fund	<u>\$ 10,875</u>	<u>10,809</u>
Total Liabilites	<u>\$ 10,875</u>	<u>10,809</u>

Statement of changes in Assets and Liabilities

	<u>Balance 6/30/95</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 6/30/96</u>
ASSETS				
Cash	10,809	19,811	19,745	10,875
Total Assets	<u>10,809</u>	<u>19,811</u>	<u>19,745</u>	<u>10,875</u>
LIABILITIES				
Due to General Fund	10,809	19,811	19,745	10,875
Total Liabilites	<u>10,809</u>	<u>19,811</u>	<u>19,745</u>	<u>10,875</u>

The accompanying notes are an integral part of these financial statements

TOWN OF HOMER
 AGENCY FUNDS
 TAX COLLECTION FUNDS
 Comparative Balance Sheet
 June 30, 1996 and June 30, 1995

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	<u>1996</u>	<u>1995</u>
ASSETS		
Cash	\$ 335	1,465
Total Assets	<u>\$ 335</u>	<u>1,465</u>
LIABILITIES		
Due to Debt Service Funds	\$ 154	337
Due to General Fund	181	1,128
Total Liabilities	<u>\$ 335</u>	<u>1,465</u>

Statement of changes in Assets and Liabilities

	<u>Balance 6/30/95</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 6/30/96</u>
ASSETS				
Cash	1,465	107,928	109,058	335
Total Assets	<u>1,465</u>	<u>107,928</u>	<u>109,058</u>	<u>335</u>
LIABILITIES				
Due to Debt Service Funds	337	20,862	21,045	154
Due to General Fund	1,128	87,066	88,013	181
Total Liabilities	<u>1,465</u>	<u>107,928</u>	<u>109,058</u>	<u>335</u>

The accompanying notes are an integral part of these financial statements

TOWN OF HOMER
 PERPETUAL CARE EXPENDABLE TRUST FUND
 ARLINGTON CEMETERY
 Comparative Balance Sheet
 June 30, 1996 and June 30, 1995

F-4

	<u>1996</u>	<u>1995</u>
ASSETS		
Cash and interest-bearing deposits	\$ 266,635	254,123
Investments	7,965	7,965
Water system	4,415	-
Accumulated depreciation	<u>(441)</u>	<u>-</u>
Total Assets	<u>\$ 278,574</u>	<u>262,088</u>
FUND BALANCE		
Unreserved	<u>\$ 278,574</u>	<u>262,088</u>
Total Fund Balances	<u>\$ 278,574</u>	<u>262,088</u>

The accompanying notes are an integral part of these financial statements

TOWN OF HOMER
 PERPETUAL CARE EXPENDABLE TRUST FUND
 ARLINGTON CEMETERY
 Statement of Revenues, Expenditures, and Changes in Fund Balance
 For the fiscal year ended June 30, 1996

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With comparative totals for June 30, 1995

	<u>1996</u>	<u>1995</u>
Revenues:		
Interest	\$ 11,578	11,086
Dividends	167	232
Donations	<u>13,601</u>	<u>19,861</u>
 Total revenues	 <u>25,346</u>	 <u>31,179</u>
 Expenses:		
Maintenance	8,050	4,250
Office expenses	369	118
Depreciation expense	<u>441</u>	<u>-</u>
 Total expenses	 <u>8,860</u>	 <u>4,368</u>
 Excess of revenues over expenditures	 16,486	 26,811
 Fund balance, beginning of the year	 <u>262,088</u>	 <u>235,277</u>
 Fund balance, end of the year	 <u>\$ 278,574</u>	 <u>262,088</u>

The accompanying notes are an integral part of these financial statements

TOWN OF HOMER
 PERPETUAL CARE EXPENDABLE TRUST FUND
 ARLINGTON CEMETERY
 Statement of Cash Flows
 For the fiscal year ended June 30, 1996

F-6

With comparative totals for June 30, 1995

	<u>1996</u>	<u>1,995</u>
Cash flows from operating activities:		
Cash paid for maintenance	\$ (8,050)	(4,250)
Cash paid for administrative costs	(369)	(118)
Donations	13,601	19,861
Interest	11,578	11,086
Dividends received	167	232
	<u>16,927</u>	<u>26,811</u>
Cash flows from investing activities:		
Cash paid for fixed assets	<u>(4,415)</u>	<u>-</u>
	<u>(4,415)</u>	<u>-</u>
Net increase in cash	12,512	26,811
Cash and cash equivalents at beginning of year	<u>254,123</u>	<u>227,312</u>
Cash and cash equivalents at end of year	<u>\$ 266,635</u>	<u>254,123</u>

The accompanying notes are an integral part of these financial statements

GENERAL FIXED ASSETS ACCOUNT GROUP

To account for fixed assets not used in proprietary fund operations.

Town of Homer
Statement of General Fixed Assets
Comparative Balance Sheet
June 30, 1996 and 1995

G-1

	<u>1996</u>	<u>1995</u>
General Fixed Assets at cost:		
Land	\$ 87,743	105,313
Buildings	646,584	980,411
Improvements other than buildings	3,850,741	3,795,942
Airport	463,063	466,063
Equipment	<u>890,938</u>	<u>1,006,990</u>
Total General Fixed Assets	<u>\$ 5,939,069</u>	<u>6,354,719</u>
Investment in general fixed assets:		
Property acquired prior to July 1, 1953	\$ 20,797	645,700
Property acquired after July 1, 1953, from:		
General obligation bonds	747,517	747,517
Federal and state grants	2,893,238	2,893,238
Donations	53,000	53,000
General fund revenues	665,725	631,090
Sales tax and special revenue funds	1,395,859	1,221,241
Federal reveue sharing funds	<u>162,933</u>	<u>162,933</u>
Total investment in general fixed assets	<u>\$ 5,939,069</u>	<u>6,354,719</u>

The accompanying notes are an integral part of these financial statements

TOWN OF HOMER
 Statement of Changes in Fixed Assets
 Year ended June 30, 1996

	Land	Buildings	Improvements Other than Buildings	Airport	Equipment	Total
General fixed assets at beginning of year	\$ 105,313	980,411	3,795,942	466,063	1,006,990	6,354,719
Additions:						
General fund revenues	-	8,280	-	-	26,355	34,635
Sales tax and special revenue fund revenues	10,000	63,817	71,622	-	29,180	174,619
Total additions	<u>10,000</u>	<u>72,097</u>	<u>71,622</u>	<u>-</u>	<u>55,535</u>	<u>209,254</u>
Total balances and additions	115,313	1,052,508	3,867,564	466,063	1,062,525	6,563,973
Deductions:						
Assets sold, traded, junked	27,570	405,924	16,823	3,000	171,587	624,904
Total deductions	<u>27,570</u>	<u>405,924</u>	<u>16,823</u>	<u>3,000</u>	<u>171,587</u>	<u>624,904</u>
General fixed assets at end of year	\$ <u>87,743</u>	<u>646,584</u>	<u>3,850,741</u>	<u>463,063</u>	<u>890,938</u>	<u>5,939,069</u>

GENERAL LONG-TERM DEBT
ACCOUNT GROUP

To account for unmatured principal amounts on general long-term debt expected to be financed from governmental type funds. Payments of matured obligations, including interest, are accounted for in the debt service funds.

TOWN OF HOMER
 Statement of General Long-Term Debt
 June 30, 1996
 With Comparative Totals for June 30, 1995

	Water System 7-1-67	Capital Lease Backhoe	Capital Lease Truck	Unpaid Leave	Totals
	1996	1995	1996	1995	1995
AMOUNTS AVAILABLE AND TO BE PROVIDED FOR PAYMENT OF GENERAL LONG-TERM DEBT					
Amount available in debt service fund for debt retirement	\$ 21,000	-	-	-	28,533
Funds to be provided from:					
General fund revenues	-	-	-	9,558	12,467
Ad valorem taxes	-	1,159	16,831	-	34,455
Sales taxes	\$ 21,000	1,159	16,831	9,558	75,455
GENERAL LONG-TERM DEBT PAYABLE					
Bonds, certificates of indebtedness, deferred payment contracts, and unpaid vacation	\$ 21,000	1,159	16,831	9,558	75,455

The accompanying notes are an integral part of these statements

SINGLE AUDIT SECTION