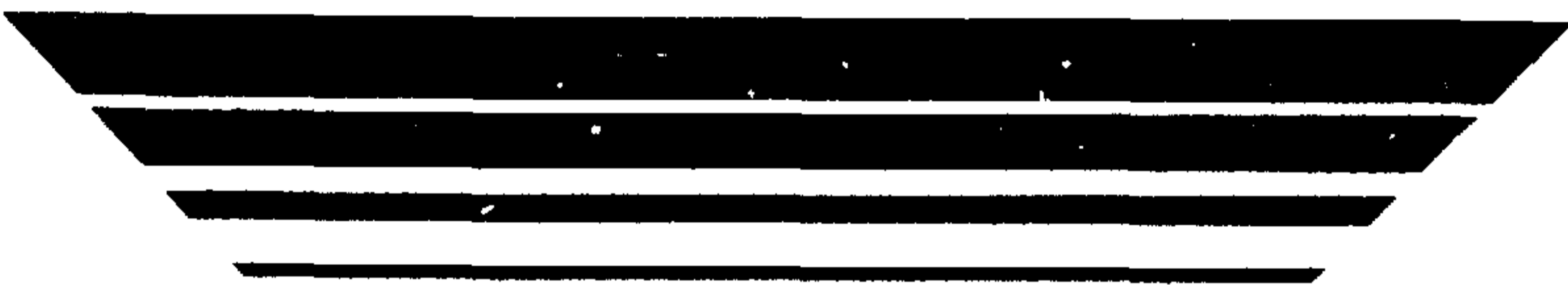


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COMPREHENSIVE ANNUAL FINANCIAL REPORT



City of Slidell

For Fiscal Year Ended
June 30, 1996



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

Release Date OCT 23 1996

Deloitte & Touche LLP



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Facsimile: (504) 561-7293

September 13, 1996

To the City Council of the
City of Slidell, Louisiana

In planning and performing our audit of the general purpose financial statements of the City of Slidell, Louisiana (the City), for the year ended June 30, 1996 (on which we have issued our report thereon dated September 13, 1996), we developed the following recommendations concerning certain accounting, administrative and operating matters. A description of the responsibility of management for establishing and maintaining an internal control structure, and the objectives of and inherent limitations in such a structure, is set forth in the attached Appendix, and should be read in conjunction with this letter. Our principal recommendations are summarized below.

PROPERTY TAX PROCESSING

Currently, the City utilizes a manual system to process the billing and collection of its property taxes. The manual nature of processing property taxes creates unnecessary inefficiencies and does not allow for *ad hoc* reconciliations of the property tax assessments and the property tax receipts and receivables. We recommend that the City consider automating this process by implementing a computer software system which can be integrated with the City's general ledger.

Management's Response

We concur with the above recommendation and are currently in the initial phase of researching available software.

GENERAL LIABILITY SELF INSURANCE APPROPRIATIONS

The City's 1996 budget did not contain the full amount of the City's self-insured portion (\$250,000) of its general liability risk of loss. The City has been fortunate in recent years not to have incurred a large amount of these claims or judgments. In future years, the City may not be so fortunate.

In order to provide for the incurrence of these and other types of losses, we recommend that the City consider one of the following alternatives: 1) including a reasonable amount of general liability losses within the 1997 operating budget or 2) creating an internal service fund which would serve as a funding vehicle for all self-insured losses. An internal service fund would report all of the City's claims and judgments activity as well as allow the City to fund its risks of loss in advance of paying its claims and judgments.

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

Deloitte Touche
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Release Date OCT 23 1996

Management's Response

We will consider the above alternative recommendations in connection with our regular, ongoing supplemental appropriations process.

The City has taken complete corrective action on all comments concerning certain observations and recommendations relating to other accounting, administrative, and operating matters from our prior management letter dated September 15, 1995. See "Status of Our 1995 Recommendations" below.

STATUS OF OUR 1995 RECOMMENDATIONS

The following is a summary of our 1995 recommendations and the status of implementation thereof.

	Implemented	Partially Implemented	Not Implemented
REPORTABLE CONDITION:			
Fixed Assets Records	X		
PARTICIPATIVE MANAGEMENT	X		
GENERAL LONG-TERM DEBT ACCOUNT GROUP	X		

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

We will be pleased to discuss these comments with you and, if desired, to assist you in implementing any of the suggestions.

Yours truly,

Deloitte + Touche LLP

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

Release Date _____

APPENDIX

MANAGEMENT'S RESPONSIBILITY FOR, AND THE OBJECTIVES AND LIMITATIONS OF, THE INTERNAL CONTROL STRUCTURE

The following comments concerning management's responsibility for the internal control structure and the objectives of and the inherent limitations in the internal control structure are adapted from the Statements on Auditing Standards of the American Institute of Certified Public Accountants.

Management's Responsibility

Management is responsible for establishing and maintaining the 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 policies and procedures.

Objectives

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 financial statements in accordance with generally accepted accounting principles.

Limitations

Because of inherent limitations in any internal control structure, errors or irregularities may 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.

CITY OF SLIDELL, LOUISIANA

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 1996**

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The City of Slidell

2055 Second Street • P.O. Box 828 • Slidell, Louisiana 70459
Telephone: (504) 646-4333

SALVATORE A. "SAM" CARUSO, MSW
Mayor

OFFICE OF THE MAYOR

TO: THE MEMBERS OF THE CITY COUNCIL
CITY OF SLIDELL, LOUISIANA

DATE: October 6, 1996

We are pleased to present the Comprehensive Annual Financial Report (CAFR) of the City of Slidell, Louisiana for the fiscal year ended June 30, 1996.

The CAFR has been prepared in conformance with generally accepted accounting principles as promulgated by the Governmental Accounting Standards Board (GASB). The City's basis of accounting in its various funds is explained in the notes to the accompanying general purpose financial statements.

Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City. We believe the data, as presented, is accurate in all material aspects; that it is presented in a manner designed to fairly set forth the financial position and results of operations of the City as measured by the financial activity of its various funds and account groups; and that all disclosures necessary to enable the reader to gain the maximum understanding of the City's financial activity have been included.

The accompanying financial statements have been audited by the City's certified public accountants and their opinion resulting from their audit is included in the Comprehensive Annual Financial Report.

Our Comprehensive Annual Financial Report is divided into four sections:

The Introductory Section includes this letter of transmittal, an organizational chart, a list of principal elected officials and a reproduction of the prior year's Certificate of Achievement for Excellence in Financial Reporting.

The Financial Section includes the General Purpose Financial Statements presenting the combined statements as an overview of the City's entire financial operations with accompanying notes. Next, within this section, combined and individual fund financial statements present each of the supporting separate funds and individual account groups of the City. Schedules provide certain other information and details of data summarized in the financial statements. The statements and schedules included in this section pertain to those operations which, when taken together, make up the reporting entity of the City.

The Statistical Section includes tables and schedules containing historical financial data, debt statistics, and miscellaneous economic data of the City that are of interest to potential investors in our bonds and to other readers.

The Single Audit Section contains the auditors' reports in conformity with the provisions of the Single Audit Act of 1984 and U.S. Office of Management & Budget Circular A-128, "Audits of State and Local Governments" regarding federal and state grants along with related schedules of assistance and notes.

REPORTING ENTITY

Slidell, the largest municipality in St. Tammany Parish, was founded in 1888. The City's system of government is established by its Home Rule Charter which was adopted in 1978. The Louisiana Constitution prohibits the state legislature from enacting any law affecting the structure, organization, or distribution of the power and functions of any local subdivision which operates under a Home Rule Charter. The City has a Mayor-Council form of government.

The general purpose financial statements of the City include all government activities, organizations and functions. These services include police protection; sanitation services; the construction and maintenance of highways, streets, airport facilities and infrastructure; recreational activities and cultural events. The criteria considered in determining governmental activities to be reported within the City's general purpose financial statements include the degree of financial interdependency, scope of public service and the existence of special financing relationships which may exist between the City and a given government activity. No component units are included in the reporting entity. A more detailed discussion of reporting entity is included in Note 2 to the general purpose financial statements.

ECONOMIC CONDITION AND OUTLOOK

Slidell and the surrounding area is quite heavily dependent upon employment by several of the U.S. Government Contractors and oil companies in East Mississippi and New Orleans. The Slidell area has long been referred to as a "bedroom" community which serves these areas. As a result, the economy can fluctuate widely due to changes in these industries. There is now a major parish-wide movement underway to identify and attract various industries to the surrounding area in an effort to diversify and stabilize the basis of the local economy.

Due to a growing trend for New Orleanians to move north of Lake Pontchartrain, the housing industry in the Slidell area experienced a 15.89% growth in sales during the 1996 year. This follows on the heels of a 16.6% increase in the prior year. Projections from local real estate experts indicate that this trend should continue over the next ten years.

During the past year the City annexed four sections of land for residential development. In total, 649 new houses are slated for construction in Slidell within the next couple of years. The influx of residents will present significant challenges for the local government as well as the local school systems. Most of the major commercial developments which serve the Slidell area, as well as the two major hospitals in the eastern part of St. Tammany Parish, are within the corporate limits of Slidell. Therefore, Slidell should continue to see growth in commercial developments keep pace with residential growth demands.

MAJOR INITIATIVES

During the Year

Working in partnership the Administration, City Council and many private citizens designed an improved storm drainage plan. Approved by voters in November 1995, the \$9,500,000 plan will make major improvements in protecting Slidell's citizens and their property.

Developed a \$6,400,000 water and sewer utility improvement capital plan which was approved by voters in October 1995. This plan will end many sewer back ups and provide better water pressure in the City.

Developed an \$11 million concrete street rehabilitation program and a \$3 million asphalt street resurfacing program.

Robert's Landing, Slidell's only public boat launch in modern times, officially opened in May of 1996 on the site of the City's earliest settlement. Nestled on the shores of Bayou Bonfouca, Robert's Landing is just one of many amenities which enhance the Olde Towne area.

Acquired and began renovation plans for the Slidell Train Station. This historic building, almost as old as the city itself, will constitute a major improvement for the City along the Front Street corridor. The range of possibilities for first class and commercially viable, beautiful renovations is very wide.

For the Future

Design and construction work will commence in fiscal year 1997 for the capital projects developed and funded through bond proceeds in fiscal year 1996. The Council and Administration remain committed to addressing the drainage problems in the area and hope to join forces with the Parish to make additional improvements for the citizens.

Department Focus

Finance:

Implemented use of new automated cash stations which allow finance personnel to process cash receipts 10 times faster than previous methods, increase accuracy, provide tighter cash control and audit trail.

Planning:

Developed the Geographic Information System (GIS) which will enable the department to easily supply information to the public regarding zoning, demographics, flood zones, land use, and lot ownership through a computer data base.

Civil Service:

Established in-house training seminars on dealing with difficult people, managerial and supervisory skills and stress management.

Public Works:

Installed a computer system to track work orders. In the 6 month period of January - June, work orders completed include 134 cleaned storm drains, culverts and ditches; 95 concrete repairs; 42 cave-in repairs; 139 asphalt repairs; 17 repaired or new catch basins.

Recreation:

Coordinated the Community Service Work Program for the Slidell City Court. Between twelve and thirty workers per week, mostly on Saturdays, edge curbs and sidewalks, collect debris on rights-of-way and area parks, cut grass and provide workers for other man-power intensive jobs. Community service workers provide up to eight free man hours per person for every day worked saving the City tens of thousands of dollars.

Cultural Affairs:

The Public Affairs division was created in April, 1996. This division is responsible for the dissemination of information regarding the City of Slidell, including the activities of the administrative and legislative branches, to the public. Duties include design of the annual report, public service announcements, press releases, tourism, and coordination of the above efforts with private partners.

Public Utilities:

The Wastewater Treatment Office completed 9,100 laboratory tests, 72,880 daily operational checks, 25,532 weekly maintenance checks, 850 scheduled maintenance procedures and 111 unscheduled maintenance procedures treating an average of four million gallons of wastewater per day.

Water Maintenance:

Completed flow testing, color coding, numbers, lubrication, painting and installing blue fluorescent markers for fire hydrants in all districts of the City.

FINANCIAL INFORMATION

Accounting System and Budgetary Control

In developing and evaluating the City's accounting system, consideration is given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition; and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the evaluation of costs and benefits requires estimates and judgments by management.

All internal control evaluations occur within the above framework. We believe that the City's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

Budgetary Procedures

The City maintains budgetary control at the departmental level by cost classification and allocates appropriations on a monthly basis. These cost classifications are categorized in several groups: salaries and benefits of officials and employees; contractual services; supplies; equipment; debt requirements; capital outlay and others (e.g., community service, claims and legal fees, etc.).

Encumbrances are recorded by the Purchasing Department as requisitions are received from various departments. If sufficient funds are not available to cover the purchase, the requisition is returned to the originating department for appropriation allotment changes, transfer of funds or cancellation. Appropriations are allowed to be amended through councilmanic action during the year, and all unencumbered appropriations lapse at year end. The City's Charter, as well as state law, does not allow deficit spending.

The City monitors revenues and expenditures closely during the year in order to adhere to the annual operating budget approved by the City Council. Per Charter requirements, the Mayor may, if he decides it necessary, open the adopted budget for amendments by councilmanic action during the fiscal year. The Mayor retains the right to approve line-item budgetary adjustments of unencumbered funds within an operating department, office or agency during the course of the fiscal year. Unencumbered balances in the General Fund and Sales Tax Fund on hand at the close of the fiscal year are usually appropriated, in whole or in part, as capital outlay for projects in the succeeding year or designated for general contingencies.

The Mayor recommends to the City Council a capital improvement program for the next five years and a capital budget by project for the first year of the program. The City Council is obligated to approve a capital budget program and adopts the capital budget concurrently with the annual operating budget. The amounts budgeted constitute appropriations from the funds indicated when they become available. Unexpended capital appropriations carry over for a total of three years or until re-appropriated.

General Governmental Functions

The City provides a wide range of general services including public safety, highways and streets, recreational activities, animal control, planning and zoning and general administrative services which are accounted for in the General, Special Revenue and Debt Service Funds.

Revenues to support the general government functions of the City are reflected in the General, Special Revenue and Debt Service Funds. General revenues from these funds approximated \$19,166,000 (see Table 2) for the 1996 fiscal year; an increase of approximately \$1,296,000 over 1995. This increase is primarily due to increases in sales tax and property tax revenues, partially offset by a decrease in intergovernmental revenues.

The following table illustrates the revenues by source for 1996 and the increase (decrease) over prior year by general functions:

Revenues
General, Special Revenue, Debt Service Funds

	Amount	% of	Increase	Percent of
	1996	Total	(Decrease)	Increase
	(In thousands of dollars)			
Sales Tax	\$ 11,568	60%	\$1,157	11%
Property Tax	2,918	15%	479	20%
Licenses/Permit	1,327	7%	77	6%
Franchise Tax	975	5%	67	7%
Intergovernmental	1,116	6%	(606)	(35)%
Interest/Other	660	4%	129	24%
Payment in Lieu of Tax	417	2%	29	7%
Fines/Forfeitures	182	1%	(28)	(13)%
Special Assessments	4	-	1	33
Contributions	0	-	(08)	(100)%
	\$ 19,167	100%	\$1,297	

General Government related expenditures were approximately \$17,400,000 (see Table 1) in 1996 compared to \$15,955,000 in fiscal 1995. The following table presents the various general City expenditures grouped according to function.

Expenditures
General, Special Revenue, Debt Service Funds

	Amount	% of	Increase	Percent of
	1996	Total	(Decrease)	Increase
	(In thousands of dollars)			
Public Safety	\$ 3,722	21%	\$ 94	3%
Public Works	3,917	23%	623	19%
General Government	1,430	20%	(238)	(06)%
Debt Service	2,937	17%	434	17%
Capital Outlay	2,324	13%	481	26%
Parks & Recreation	854	5%	17	2%
Judicial System	206	1%	34	20%
	\$17,400	100%	\$1,445	

The increase in expenditures is primarily related to increases in expenditures for salaries and benefits, debt service, capital outlay and repair and maintenance.

The following data represent a comparison of fiscal 1995 and 1996 expenditures by activity:

Expenditures Comparison

	Amount 1996	% of Total	Increase (Decrease) From 1995	Percent of Increase (Decrease)
<small>(in thousands of dollars)</small>				
Salaries & Benefits	\$ 8,820	51%	\$ 458	5%
Debt Service	2,937	17%	434	17%
Capital Outlay	3,325	19%	402	26%
Supplies & Materials	1,025	6%	58	6%
Contractual Services	1,301	7%	42	3%
Repair and Maintenance	645	4%	413	204%
Claims/Disasters	146	1%	(427)	(75%)
9-1-1 Service	92	1%	2	2%
Community Services	43	0%	(23)	(35%)
Equipment	66	0%	(14)	(18%)
	<u>\$17,400</u>	100%	<u>\$1,445</u>	

Fund Balances

Unreserved, undesignated fund balance reported in the Sales Tax and General Fund as of June 30, 1996 is \$535,000 and \$792,000, respectively, for a combined total of \$1,327,000. This is the tenth consecutive year in which positive undesignated fund balances are recorded in these governmental funds.

Debt Administration

The ratio of general bonded debt to assessed value of taxable property and the amount of general bonded debt per capita are useful indicators of the City's debt position to municipal management, citizens and investors. This data for the City at the end of the 1996 fiscal year was as follows: (See Table 6)

General Bonded Debt Ratio

Net General Bonded Debt <small>(in thousands of dollars)</small>	Ratio of Net Bonded Debt to Assessed Value of Taxable Property	Bonded Debt Per Capita
\$14,428	13.9%	\$548

Additional data regarding the debt position of the City are presented in the statistical section of this report. Total debt service and sales tax funds available for retirement of general obligation and sales tax debt are \$967,000 and \$1,934,000, respectively.

Capital Projects

The proceeds of general obligation bond issues, sales tax bond issues and certificates of indebtedness are accounted for in the Capital Projects Funds until improvement projects are completed. Completed projects are transferred to the General Fixed Assets Account Group or the Enterprise Funds, as applicable.

Capital expenditures of \$5,064,452 were made on water system improvements and infrastructure (general fixed assets) during the 1996 fiscal year.

Interest of \$329,000 was earned during the year on investments in the Capital Projects Funds.

Proprietary Fund Operations

The City accounts for the operation of its water and sewer system, as well as solid waste disposal in the Utility Fund. The City Airport is also included as a proprietary fund. The Airport received state and federal assistance totaling \$1,033,000 in 1996.

Segment information as of and for the years ended June 30, 1996 and 1995, respectively, is presented below:

	1996			1995		
	Utility	Airport	Total	Utility	Airport	Total
Operating Revenues	5,810,803	27,609	5,838,412	5,161,235	32,008	5,193,243
Depreciation Expenses	1,141,321	215,119	1,356,440	1,245,090	105,361	1,350,451
Operating Loss	(350,484)	(274,919)	(625,403)	(382,053)	(268,947)	(650,941)
Net Loss	(219,722)	(204,297)	(424,021)	(234,457)	(209,089)	(443,546)
Current Capital Contributions	409,049	1,033,000	1,442,049	210,453	33,516	243,969
Property, Plant and Equipment Additions	1,207,666	1,036,813	2,244,479	675,733	41,273	717,006
Net Working Capital	1,400,068	125,825	1,525,893	1,463,099	103,697	1,566,796
Total Assets	35,576,374	2,225,388	37,801,762	32,724,257	1,311,160	34,035,417
Bonds payable from Operating Revenues	2,500,000	-0-	2,500,000	-0-	-0-	-0-
Total Equity	32,910,219	2,241,662	34,351,781	32,124,792	1,212,632	33,337,424

Cash Management

The Finance Department strives to keep abreast of current trends and procedures for cash management and forecasting so as to ensure the most efficient and profitable use of the City's cash resources. While efforts are made to maximize the return on the City's investment dollar, our primary goal is to ensure the return of principal.

Cash temporarily idle during the year was invested in demand deposits, time deposits and U.S. government or government agency securities. Interest earned on cash designated for specific purposes is allocated directly to that purpose. Interest income earned on investments by the City for all funds during fiscal year 1996 totaled \$813,000 compared to \$419,000 earned during the previous year. The increase in investment income is related to

larger investment balances.

Risk Management

The City is currently enrolled in partial self-insurance programs for liability, medical and workers' compensation claims. Third party coverage is maintained on all insurances which becomes effective after specific and/or aggregate retentions are met. Resources are being accumulated in the General Fund to meet potential losses.

In fiscal year 1996, funds reserved for insurance totaled \$275,000. This relates directly to investments required by Louisiana Statutes for entities with self-funded workers' compensation plans. Liabilities of approximately \$805,000 are recorded for claims against all insurances.

OTHER INFORMATION

Independent Audit

The City Charter requires the Council to provide for an annual independent audit of the accounting and financial transactions of the City. The Council designated the firm of Deloitte & Touche LLP as the independent auditors, and their report is included in this Comprehensive Annual Financial Report. For 1996, the City again used the single audit approach, and the CAFR complies with the Single Audit Act of 1984. For purposes of federal financial assistance programs, the City's cognizant audit agency is the Department of Health and Human Services.

Awards

The Government Finance Officers Association awarded a Certificate of Achievement, for Excellence in Financial Reporting to the City of Slidell for its comprehensive annual financial report for the fiscal year ending June 30, 1996. This is the tenth consecutive year the City has received this prestigious award.

In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

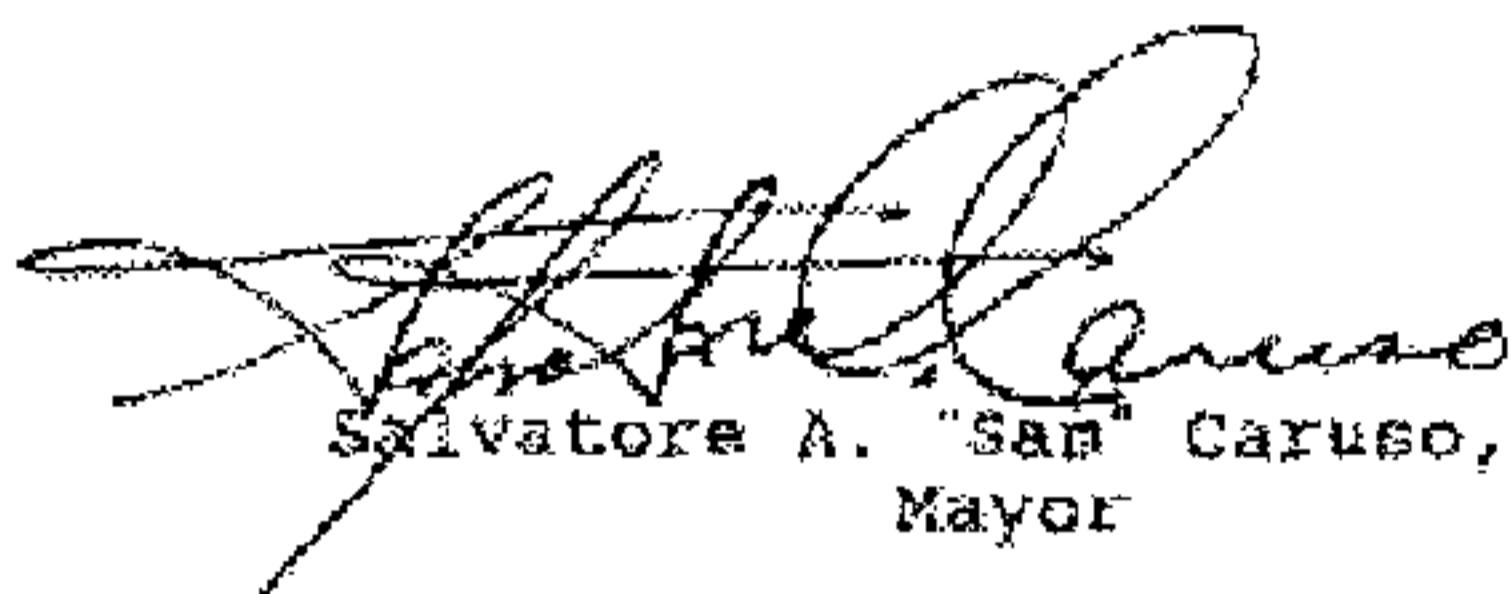
A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to Certificate of Achievement program requirements.

Acknowledgments

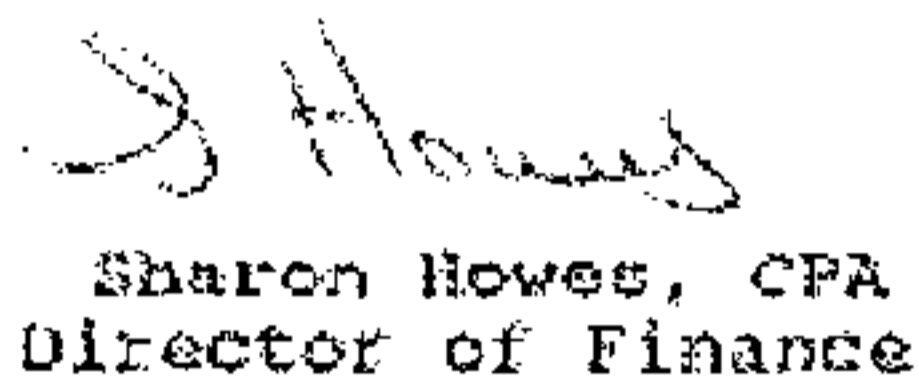
The preparation of this report could not have been accomplished without the patience and dedication of the entire staff of the Finance Department and the staffs of the other departments, boards and agencies of the City.

We would like to express our appreciation to all members of these departments, boards and agencies who assisted and contributed to its preparation. We would also like to thank the members of the City Council for their interest and support in planning and conducting the financial operations of the City in a responsible and progressive manner.

Respectfully submitted,



Salvatore A. "Sam" Caruso, MSW
Mayor

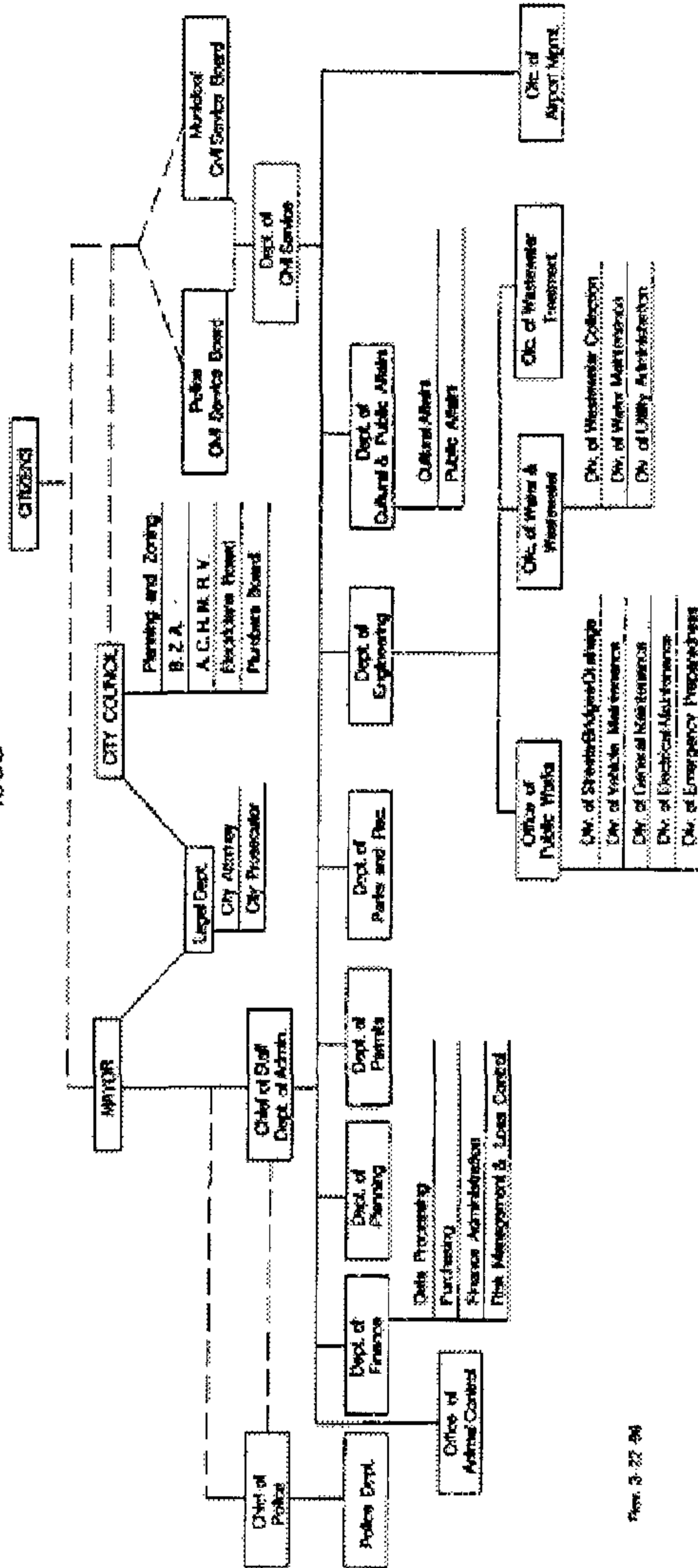


Sharon Howes, CPA
Director of Finance

SAC/SR/lm

ORGANIZATIONAL PLAN for the GOVERNMENT of the CITY of SLIDELL

1996



Form 3-22-96

CITY OF SLIDELL, LOUISIANA

PRINCIPAL ELECTED OFFICIALS JUNE 30, 1996

CITY ADMINISTRATION

Salvatore A. "Sam" Caniso - Mayor

Ben O. Morris - Chief of Police

COUNCIL MEMBERS

Dudley Smith - Councilman-at-Large

Alvin D. Singletary - Councilman-at-Large

Lionel I. Washington - District A

Bob Callahan - District B, Vice-President

Richard B. Van Sandt - District C,

Belinda Levy - District D

Marti Livaudais - District E, President

Michael J. Molbert - District F

Pearl Williams - District G

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Slidell,
Louisiana

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 1995

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Timothy H. Riordan
President

Jeffrey L. Ecker
Executive Director

Deloitte & Touche LLP



Suite 3700
One Shell Square
701 Poydras Street
New Orleans, Louisiana 70112-3700

Telephone: (504) 581-2777
Facsimile: (504) 581-7298

INDEPENDENT AUDITORS' REPORT

The Honorable Mayor and Members
of the City Council of the
City of Slidell, Louisiana

We have audited the accompanying general purpose financial statements of the City of Slidell, Louisiana, as of June 30, 1996, and for the year then ended, listed in the foregoing table of contents. These general purpose financial statements are the responsibility of the management of the City of Slidell, Louisiana. Our responsibility is to express an opinion on these financial statements based on our audit.

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 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.

In our opinion, such general purpose financial statements present fairly, in all material respects, the financial position of the City of Slidell, Louisiana, as of June 30, 1996, and the results of its operations and the cash flows of its proprietary fund type 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 foregoing table of contents, are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the City of Slidell, Louisiana. These financial statements and schedules are also the responsibility of the management of the City of Slidell, Louisiana. Such additional information has been subjected to the auditing procedures applied in our audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects when considered in relation to the general purpose financial statements taken as a whole.

The statistical data on pages 68-88 are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the City of Slidell, Louisiana. Such additional information has not been subjected to the auditing procedures applied in the audit of the general purpose financial statements, and, accordingly, we express no opinion on it.

In accordance with *Government Auditing Standards*, we have also issued a report dated September 13, 1996 on our consideration of the internal control structure of the City of Slidell, Louisiana and a report dated September 13, 1996 on its compliance with laws and regulations.

Deloitte + Touche LLP

September 13, 1996

Deloitte Touche
Tohmatsu
International

CITY OF SLIDELL, LOUISIANA

COMBINED BALANCE SHEET ALL FUND TYPES AND ACCOUNT GROUPS JUNE 30, 1996

ASSETS	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
Cash and investments (Note 3):				
Cash	\$3,447,301	\$ -	\$ -	\$ 1,559,000
Investments	2,374,919	1,152,800	715,203	10,187,169
Receivables (Note 10):				
Taxes	227,002	875,000		
Water, sewerage and garbage Unbilled receivable				
Special assessments				
Accrued interest	43,358	1,724	4,848	16,657
Other	132,963	4,231		
Due from other governmental entities:				
U. S. Government	5,932	24,606		
State of Louisiana	101,400	112,363		67,429
Local entities	80,104	7,210		
Due from other funds (Note 9)	288,254	2,764,747	220,624	88,232
Inventory	68,164	38,495		
Prepaid items	281,279			13,867
Restricted assets:				
Cash and cash equivalents	275,000	515,807		
Investments		1,586,916		
Fixed assets (Note 11)				
Other assets				
Amount available in debt service and special revenue funds (Note 8)				
Amount to be provided for retirement of general long term debt				
TOTAL ASSETS	\$7,325,676	\$7,083,959	\$970,675	\$ 11,932,354

EXHIBIT A-1
Page 1 of 2

Proprietary Fund Type	Fiduciary Fund Type	Account Groups		Totals (Memorandum Only)	
		General Fixed Assets	General Long-Term Debt	1996	1995 (Restated)
Enterprise	Expendable Trust				
\$ -	\$ 1,782	\$ -	\$ -	\$ 5,008,083	\$ 7,001,256
153,617				14,613,708	3,636,461
				1,102,002	1,094,411
481,437				481,437	440,632
162,675				162,675	160,609
				-	21,939
				66,587	45,975
7,903				145,094	300,025
78,891				109,489	543,323
135,993				417,185	125,349
				87,314	144,374
1,108,063	34,490			4,504,410	2,181,307
238,617				345,276	316,990
				295,146	227,798
57,246				848,053	902,913
2,806,262				4,393,178	1,605,619
32,455,307		44,168,018		76,623,325	68,099,268
115,754				115,754	-
			2,900,942	2,900,942	2,491,040
			30,200,462	30,200,462	21,952,835
<u>\$37,801,762</u>	<u>\$ 36,272</u>	<u>\$44,168,018</u>	<u>\$33,101,404</u>	<u>\$142,420,120</u>	<u>\$111,342,104</u>

(Continued)

CITY OF SLIDELL, LOUISIANA

**COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
JUNE 30, 1996**

LIABILITIES, EQUITY AND OTHER CREDITS	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
LIABILITIES:				
Accounts payable and accrued expenditures	\$ 936,805	\$ 590,161	\$ 3,271	\$ 846,904
Due to other funds (Note 9)	4,216,156	7,648		172,732
Payable from restricted assets: Customer deposits				
Deferred assessment revenue				
Bonds and other long term debt payable (Note 8)				
Claims and judgments (Notes 8 and 14)	763,060			
Long term accrued compensatory absences (Note 8)				
Total liabilities	<u>5,916,021</u>	<u>597,809</u>	<u>3,271</u>	<u>1,019,636</u>
EQUITY AND OTHER CREDITS:				
Contributed capital (Note 11)				
Investment in general fixed assets				
Retained deficit:				
Unreserved				
Fund balances:				
Reserved for prepaid items	281,279			
Reserved for inventory	68,164	38,495		
Reserved for encumbrances				
Reserved for insurance (Note 1)	275,000			
Reserved for capital outlay		119,793		227,162
Reserved for spay neuter				
Reserved for debt service (Note 8)			967,404	
Reserved for certificates of indebtedness (Note 8)				
Reserved for bond reserve fund (Note 8)		1,438,859		
Reserved for bond sinking fund (Note 8)		494,679		
Reserved for trust purposes				
Unreserved:				
Designated for capital outlay		2,795,607		10,685,556
Designated for contingencies	250,000	805,872		
Unreserved, undesignated	535,212	791,845		
Total equity and other credits	<u>1,409,655</u>	<u>6,486,150</u>	<u>967,404</u>	<u>10,912,718</u>
TOTAL LIABILITIES, EQUITY AND OTHER CREDITS	<u>\$ 7,325,676</u>	<u>\$7,083,959</u>	<u>\$970,675</u>	<u>\$ 11,932,354</u>

The notes to financial statements are an integral part of this statement.

Proprietary Fund Type	Fiduciary Fund Type	Account Groups		Totals (Memorandum Only)	
		General Fixed Assets	General Long Term Debt	1996	1995 (Restated)
Enterprise	Expendable Trust				
\$ 562,957	\$ 1,600	\$ -	\$ -	\$ 2,941,698	\$ 1,776,029
107,874				4,504,410	2,181,307
279,143				279,143	279,432
				-	3,692
2,500,000			32,750,375	35,250,375	23,790,175
			41,955	805,015	602,215
			309,074	309,074	653,700
<u>3,449,974</u>	<u>1,600</u>		<u>33,101,404</u>	<u>44,089,715</u>	<u>29,286,550</u>
35,059,756				35,059,756	34,097,441
		44,168,018		44,168,018	36,531,019
(707,968)				(707,968)	(760,027)
				281,279	227,798
				106,659	95,026
					254,071
				275,050	275,000
				346,955	64,655
	3,466			3,466	3,466
				967,404	534,316
					529,402
				1,438,859	1,438,859
				494,679	482,071
	31,206			31,206	30,951
				13,482,163	6,396,284
				1,055,872	807,260
				1,327,057	1,047,962
<u>34,351,788</u>	<u>34,672</u>	<u>44,168,018</u>		<u>98,330,405</u>	<u>82,055,554</u>
<u>\$ 37,801,762</u>	<u>\$ 36,272</u>	<u>\$44,168,018</u>	<u>\$ 33,101,404</u>	<u>\$142,420,120</u>	<u>\$111,342,104</u>

(Concluded)

CITY OF SLIDELL, LOUISIANA

**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS
YEAR ENDED JUNE 30, 1996**

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
REVENUES:				
Taxes and assessments:				
Sales and use taxes (Note 7)	\$ -	\$11,568,348	\$ -	\$ -
Ad valorem taxes	1,194,281	255,392	1,468,839	
Franchise taxes	975,419			
Assessment revenue			3,692	
Revenues from other governments (Note 6):				
State shared revenues	557,967			
Other Federal/State grants	14,180	261,590		67,428
HUD grant		179,962		
Other state and local governmental revenues	258,242	9,210		200,000
Licenses and permits	1,327,046			
Fines and forfeitures	181,977			
Payment in lieu of taxes	417,274			
Contributions				
Other, primarily interest and tuition	360,666	265,382	33,224	472,143
Total revenues	<u>5,287,052</u>	<u>12,539,884</u>	<u>1,505,755</u>	<u>739,571</u>

EXHIBIT A-2
Page 1 of 2

Fiduciary Fund Type Expendable Trust	Totals (Memorandum Only)	
	Reporting Entity	
	1996	1995 (Restated)
\$ -	\$ 11,568,348	\$ 10,410,596
	2,918,512	2,439,023
	975,419	908,694
	3,692	2,905
	557,967	560,584
	343,198	659,987
	179,962	380,983
	467,452	330,499
	1,327,046	1,250,309
	181,977	210,188
	417,374	387,908
70,536	70,536	68,965
	<u>1,131,415</u>	<u>612,302</u>
<u>70,536</u>	<u>20,142,798</u>	<u>18,222,943</u>

(Continued)

CITY OF SLIDELL, LOUISIANA

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS YEAR ENDED JUNE 30, 1996

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
EXPENDITURES:				
Current:				
General government	1,998,020	1,440,711		
Public works	850,929	3,075,205		
Public safety	3,887,597			
Parks and recreation		864,143		
Judicial Systems	206,011			
Disasters				
Capital outlay		2,560,186		5,064,452
Debt service:				
Principal retirement			1,614,800	
Interest and paying agents' fee			1,322,030	
Certificates of indebtedness and bond issuance costs				62,954
Total expenditures	<u>6,942,557</u>	<u>7,940,245</u>	<u>2,936,830</u>	<u>5,127,406</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(1,655,505)</u>	<u>4,599,639</u>	<u>(1,431,075)</u>	<u>(4,387,835)</u>
OTHER FINANCING SOURCES (USES):				
Operating transfers in (Note 9)	2,104,082	394,766	1,864,163	
Operating transfers out (Note 9)	(515,845)	(3,645,513)		(278,654)
Proceeds from issuance of debt (Note 8)				10,575,000
Total other financing sources (uses)	<u>1,588,237</u>	<u>(3,250,747)</u>	<u>1,864,163</u>	<u>10,296,346</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	<u>(67,268)</u>	<u>1,348,892</u>	<u>433,088</u>	<u>5,908,511</u>
FUND BALANCES, BEGINNING OF YEAR	<u>1,476,923</u>	<u>5,137,258</u>	<u>534,316</u>	<u>5,004,207</u>
FUND BALANCES, END OF YEAR	<u>\$ 1,409,655</u>	<u>\$ 6,486,150</u>	<u>\$ 967,404</u>	<u>\$ 10,912,718</u>

The notes to financial statements are an integral part of this statement.

EXHIBIT A-2
Page 2 of 2

Fiduciary Fund Type Expendable Trust	Totals (Memorandum Only)	
	Reporting Entity	
	1996	1995 (Restated)
	3,438,731	3,254,511
	3,996,415	3,356,411
70,281	3,887,597	3,787,643
	864,143	846,649
	206,011	172,108
	-	404,817
	7,624,638	2,679,500
	1,614,800	1,231,800
	1,322,030	1,227,653
	62,954	44,000
<u>70,281</u>	<u>23,017,319</u>	<u>17,005,092</u>
<u>255</u>	<u>(2,874,521)</u>	<u>1,217,851</u>
	4,363,011	4,198,528
	(4,440,012)	(4,264,276)
	<u>10,575,000</u>	<u>3,700,000</u>
	<u>10,497,999</u>	<u>3,634,252</u>
255	7,623,478	4,852,103
<u>34,417</u>	<u>12,187,121</u>	<u>7,335,018</u>
<u>\$ 34,672</u>	<u>\$19,810,599</u>	<u>\$ 12,187,121</u>

(Concluded)

CITY OF SLIDELL, LOUISIANA

**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
ACTUAL (Adjusted to Budgetary Basis) AND BUDGET
GENERAL AND SPECIAL REVENUE FUND TYPES
YEAR ENDED JUNE 30, 1996**

	General Fund		
	Actual (Adjusted to Budgetary Basis)	Budget	Variance Favorable (Unfavorable)
REVENUES:			
Taxes:			
Sales and use	\$ -	\$ -	\$ -
Ad valorem	1,194,281	1,194,921	(640)
Franchise	975,419	935,000	40,419
Revenues from other governments:			
State shared revenues	557,967	350,000	207,967
Other Federal/State grants	14,180		14,180
HUD grants			
Other state and local governmental revenues	92,311	130,311	(38,000)
Licenses and permits	1,327,046	1,217,244	109,802
Fines and forfeitures	181,977	150,000	31,977
Payment in lieu of taxes	417,274	417,274	
Other, primarily interest and tuition	360,666	150,000	210,666
Total revenues	5,121,121	4,544,750	576,371

EXHIBIT A-3
Page 1 of 2

Special Revenue Funds			Totals (Memorandum Only)		
Actual (Adjusted to Budgetary Basis)	Budget	Variance Favorable (Unfavorable)	Actual (Adjusted to Budgetary Basis)	Budget	Actual Variance Favorable (Unfavorable)
\$11,568,348	\$10,822,265	\$ 746,083	\$11,568,348	\$10,822,265	\$ 746,083
255,392	257,304	(1,912)	1,449,673	1,457,225	(2,552)
			975,419	935,000	40,419
			557,967	350,000	207,967
261,590	330,513	(68,923)	275,770	330,513	(54,743)
179,962	622,420	(442,458)	179,962	622,420	(442,458)
9,210	2,000	7,210	101,521	132,311	(30,790)
			1,327,046	1,217,344	109,802
			181,977	150,000	31,977
			417,274	417,274	-
265,382	245,400	19,982	626,048	395,400	230,648
<u>12,539,884</u>	<u>12,279,902</u>	<u>259,982</u>	<u>17,661,005</u>	<u>16,824,652</u>	<u>836,353</u>

(Continued)

CITY OF SLIDELL, LOUISIANA

**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
ACTUAL (Adjusted to Budgetary Basis) AND BUDGET
GENERAL AND SPECIAL REVENUE FUND TYPES
YEAR ENDED JUNE 30, 1996**

	General Fund		
	Actual (Adjusted to Budgetary Basis)	Budget	Variance Favorable (Unfavorable)
EXPENDITURES:			
Current:			
General government	\$1,989,129	\$1,997,675	\$ 8,546
Public works	841,512	844,655	3,143
Public safety	3,721,666	3,732,816	11,150
Parks and recreation			
Judicial system	206,011	207,127	1,116
Capital outlay			
Total expenditures	<u>6,758,318</u>	<u>6,782,273</u>	<u>23,955</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,637,197)	(2,237,523)	600,326
OTHER FINANCING SOURCES (USES):			
Operating transfers in	2,104,082	2,104,082	
Operating transfers out	(515,845)	(515,845)	
Total other financing sources (uses)	<u>1,588,237</u>	<u>1,588,237</u>	
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	(48,960)	(649,286)	600,326
ENCUMBRANCES OUTSTANDING AT PRIOR YEAR END	(18,308)	(18,308)	
FUND BALANCES, BEGINNING OF YEAR	<u>1,476,923</u>	<u>1,476,923</u>	
FUND BALANCES, END OF YEAR	<u>\$1,409,655</u>	<u>\$ 809,329</u>	<u>\$ 600,326</u>

The notes to financial statements are an integral part of this statement.

Special Revenue Funds			Totals (Memorandum Only)		
Actual (Adjusted to Budgetary Basis)	Budget	Variance Favorable (Unfavorable)	Actual (Adjusted to Budgetary Basis)	Budget	Actual Variance Favorable (Unfavorable)
\$ 1,440,711	\$ 1,467,051	\$ 26,340	\$ 3,429,840	\$ 3,464,726	\$ 34,886
3,075,205	3,326,988	251,783	3,916,717	4,171,643	254,926
864,143	866,549	2,406	3,721,666	3,732,816	11,150
2,324,423	5,430,186	3,105,763	864,143	866,549	2,406
7,704,482	11,090,774	3,386,292	206,011	207,127	1,116
4,835,402	1,189,128	3,646,274	2,324,423	5,430,186	3,105,763
394,766	435,682	(40,916)	14,462,800	17,873,047	3,410,247
(3,645,513)	(3,737,576)	92,063	3,198,205	(1,048,395)	4,246,600
(3,250,747)	(3,301,894)	51,147	2,498,848	2,539,764	(40,916)
1,584,655	(2,112,766)	3,697,421	(4,161,358)	(4,253,421)	92,063
(235,763)	(235,763)		(1,662,510)	(1,713,657)	51,147
5,137,258	5,115,975	21,283	1,535,695	(2,762,052)	4,297,747
\$ 6,486,150	\$ 2,767,446	\$3,718,704	(254,071)	(254,071)	-
			6,614,181	6,592,898	21,283
			\$ 7,895,805	\$ 3,576,775	\$4,319,030

(Concluded)

CITY OF SLIDELL, LOUISIANA

EXHIBIT A-4

COMBINED STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN RETAINED DEFICIT

ENTERPRISE FUNDS

YEAR ENDED JUNE 30, 1996 (WITH COMPARATIVE TOTALS FOR JUNE 30, 1995)

	1996	1995 (Restated)
OPERATING REVENUES:		
Water revenues	\$ 1,803,375	\$ 1,546,026
Sewerage revenues	1,861,013	1,691,958
Solid waste disposal revenues	773,194	776,797
Ad valorem taxes assessed for sewerage maintenance	510,789	504,143
Ad valorem taxes assessed for garbage service	510,789	504,143
Connection charges	70,579	58,686
Tie down and rental revenues	27,609	30,008
Penalties	85,064	79,502
	<u>5,542,412</u>	<u>5,191,263</u>
OPERATING EXPENSES (EXCLUDING DEPRECIATION):		
Salaries, wages and related benefits	1,910,335	1,694,818
Solid waste disposal	1,374,012	1,360,915
Repairs and maintenance	161,274	167,208
Materials and supplies	418,069	242,172
Utilities	343,552	365,877
Gas and oil	31,182	31,950
Insurance	30,500	32,300
Office expense	27,380	33,591
Certification and training	10,920	13,362
Other	41,880	60,622
Payment in lieu of taxes	417,274	387,908
Bad debt expense	43,997	-
	<u>4,810,375</u>	<u>4,390,623</u>
OPERATING INCOME BEFORE DEPRECIATION	832,037	800,640
DEPRECIATION	<u>1,757,440</u>	<u>1,451,581</u>
OPERATING LOSS	<u>(925,403)</u>	<u>(650,941)</u>
NON-OPERATING REVENUES (EXPENSES):		
Other income, primarily interest	53,403	21,066
Grant revenue	-	26,571
Interest and fiscal charges	<u>(29,022)</u>	<u>-</u>
Total non-operating revenues, net	<u>24,381</u>	<u>47,637</u>
NET LOSS BEFORE OPERATING TRANSFERS	(501,022)	(603,304)
OPERATING TRANSFERS IN	<u>77,091</u>	<u>65,748</u>
NET LOSS	(424,021)	(537,556)
DEPRECIATION ON ASSETS ACQUIRED WITH EXTERNALLY RESTRICTED CAPITAL CONTRIBUTIONS WHICH REDUCES CONTRIBUTED CAPITAL		
	476,080	421,744
RETAINED DEFICIT, BEGINNING OF YEAR (Restated - see Note 11)	<u>(760,027)</u>	<u>(644,215)</u>
RETAINED DEFICIT, END OF YEAR	<u>\$ (707,968)</u>	<u>\$ (760,027)</u>

The notes to financial statements are an integral part of this statement.

CITY OF SLIDELL, LOUISIANA

EXHIBIT A-5

COMBINED STATEMENT OF CASH FLOWS
ENTERPRISE FUNDS

YEAR ENDED JUNE 30, 1998 (WITH COMPARATIVE TOTALS FOR JUNE 30, 1995)

	1998	1995 (Restated)
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from operations	\$ 4,507,635	\$ 3,648,490
Payments for goods and services	(1,860,024)	(1,810,553)
Payments for employee services	(1,910,335)	(1,694,818)
Payments in lieu of taxes	(417,274)	(387,908)
Payments for direct and indirect costs	(415,985)	(546,674)
Other operating income	1,021,578	1,008,286
Net cash provided by operating activities	<u>925,595</u>	<u>216,821</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES -		
Operating transfers in	<u>77,001</u>	<u>65,748</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Capital contributed by others	1,344,938	243,969
Interest paid on debt	(29,022)	-
Acquisition and construction of capital assets	(2,171,591)	(518,707)
Proceeds from issuance of debt	2,500,000	-
Insurance cost paid	(115,254)	-
Net cash provided by (used in) capital and related financing activities	<u>1,528,571</u>	<u>(274,738)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of investments	(2,958,498)	-
Proceeds from maturities and sale of investments	300,000	-
Proceeds from interest income	<u>53,403</u>	<u>4,758</u>
Net cash (used in) provided by investing activities	<u>(2,605,095)</u>	<u>4,758</u>
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(73,928)	12,589
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>131,174</u>	<u>118,585</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 57,246</u>	<u>\$ 131,174</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Operating loss	\$ (525,403)	\$ (650,941)
Adjustments to reconcile operating loss to net cash provided by operating activities:		
Depreciation	1,357,440	1,451,581
Bad debt expense	43,997	-
Change in asset and liabilities:		
Increase in accounts receivable	(112,910)	(594,965)
Increase in inventory	(16,653)	(10,154)
Increase in accounts payable	<u>179,124</u>	<u>21,300</u>
Net cash provided by operating activities	<u>\$ 925,595</u>	<u>\$ 216,821</u>

Depreciation on the sewer system and airport which were acquired by grants externally restricted for the acquisition and construction of the sewer system and airport was used to reduce the contributed capital and thereby increase retained earnings. The effect on retained earnings for the year ended June 30, 1996 was an increase of \$476,080 with a corresponding decrease in contributed capital.

The notes to financial statements are an integral part of this statement.

CITY OF SLIDELL, LOUISIANA

NOTES TO FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 1996

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Funds and Account Groups - The City of Slidell, Louisiana (the City) uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

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

Funds are classified into three categories: governmental, fiduciary and proprietary. Each category, in turn, is divided into separate "fund types." The funds, listed by type, and account groups established by the City are described below.

General Fund - The General Fund is a governmental fund used to account for resources traditionally associated with government which are not required legally, or by sound financial management, to be accounted for in another fund. The General Fund accounts for the normal recurring activities of the City (i.e., public safety, sanitation, general government, etc.).

Special Revenue Funds - These governmental funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes (other than special assessments, expendable trusts, major capital projects, water and sewerage user fees and airport user fees). The Sales Tax Fund accounts for the bond proceeds and subsequent debt service; revenues funded by the City's two percent sales and use tax, which are primarily dedicated for public improvements (see Note 7); and certain grants. The Community Development Block Grant Fund accounts for the proceeds of entitlement grants received from the Department of Housing and Urban Development. The Regional Training Facility Fund accounts for fifty percent of the normal recurring activities of the police/fire training facility. The other fifty percent is accounted for under contractual arrangement by the St. Tammany Fire Protection District No. 1.

Debt Service Fund - This governmental fund is used to accumulate monies for the payment of bond and certificate of indebtedness issues.

This fund is also used to accumulate resources and pay down Certificates of Indebtedness secured by special assessments as guaranteed by the City. The fund balance includes monies reserved for special assessment debt service. There is no reserve or sinking fund established to cover defaults by property owners.

Capital Projects Funds - These governmental funds account for the purchase, construction and renovation of the City's major capital facilities. Their resources are derived principally from proceeds of general obligation or sales tax bonds, certificates of indebtedness and U.S. Government and other agencies grants. The Sewerage Improvements Fund was established to account for capital improvements to the sanitary sewer collection system and treatment facility. The Water Improvements Fund was established to account for renovation of the City's water system. The City Capital Construction Fund was established to account for monies received from an outside agency and is designated for future capital investments. The Public Works Improvement Fund was established to account for renovations and replacement of City streets and drainage. The Drainage Improvements Fund was established to account for proceeds of the General Obligation Bonds, Series 1996. The Street Improvements Fund was established to account for proceeds of the Public Improvement Sales Tax Bonds, Series 1966.

Enterprise Funds - These proprietary funds are used to account for operations of the water and sewerage systems and the solid waste disposal system of the City as well as the airport, which are financed and operated in a manner similar to private business enterprises. These funds are designed to be self-supporting in that the cost of providing services to the general public on a continuing basis is to be financed or recovered primarily through user charges.

Expendable Trust Funds - Assets held by the City in a fiduciary capacity for individuals, organizations and others are accounted for in these fiduciary funds, which are primarily financed by private contributions. The 1996 balances include the Animal Assistance League of Slidell Fund for the care and protection of stray animals, the Christmas Under the Stars Fund to promote Christmas programs, the Green Fund for the Slidell Heritage Green and Beautiful Committee, and the Old Towne Development Fund to promote the revitalization of the downtown area of Slidell.

General Fixed Assets Account Group - The General Fixed Assets Account Group is used to account for the general fixed assets of the City, other than assets of the Enterprise Funds. Capital expenditures in funds other than the Enterprise Funds are recorded as expenditures of those funds at the time of purchase and are subsequently recorded, at cost, for control purposes in the General Fixed Assets Account Group unless the assets are contributed to the Enterprise Funds. Depreciation is not recorded on general fixed assets.

General Long-Term Debt Account Group - The General Long-Term Debt Account Group represents a summary of the general obligation, sales tax and certificates of indebtedness as well as certain other long-term liabilities of the City.

Basis of Accounting - The financial statements and accounting policies of the City conform to generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB).

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

The Proprietary Fund Type is accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Fund equity (i.e., net total assets) is segregated into contributed capital and retained earnings components. The Proprietary Fund Type operating statement presents increases (e.g., revenues) and decreases (e.g., expenses) in net total assets.

Under the provisions of GASB Statement No. 20, "Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting," the City has elected not to follow Financial Accounting Standards Board guidance issued subsequent to November 30, 1989.

Accrual Basis of Accounting - The accrual basis of accounting is utilized by Proprietary Fund Types (the City's Enterprise Funds) whereby revenues are recorded as earned and expenses are recorded when incurred. Monthly billings for services are made based on metered or fixed monthly rates, as applicable. Substantially all accounts of the City are metered. The remaining customers are charged a fixed rate, based on estimated usage and approved by the City Council. Unbilled water and sewer utility service and solid waste disposal service receivables are recorded by the City.

Modified Accrual Basis of Accounting - All Governmental Fund Types and Expendable Trust Funds are accounted for under the modified accrual basis of accounting utilizing the following practices:

Revenues are accrued when the amounts to be received are both measurable and available. "Measurable" means the amount of the transaction can be determined, and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Grants from the U. S. Government and the State are accrued when the City has a right to reimbursement under the related grant, generally corresponding to the incurrence of grant related costs by the City. Ad valorem taxes are recorded in the year the taxes are levied to the extent that they are determined to be currently collectible. The year-end accrual of sales and use tax revenue is based upon June and prior months' sales and use taxes collected during July of the following year. Interest income on investments held at year-end is accrued.

Expenditures, except as indicated otherwise, are recorded at the time the related fund liabilities are incurred. Interest payments on general long-term debt are not accrued but are recorded when paid. Amounts payable under construction contracts, including the applicable retainage, are recorded in the period during which the related work is performed by the contractor. Also, capital outlays are recorded as expenditures at the time of acquisition.

Budget Policies - The Mayor and City Council approve, prior to the beginning of each year, an annual operating budget prepared on the modified accrual basis for general governmental activities except that encumbrances are treated as budgeted expenditures in the year of incurrence of the commitment to purchase and State supplemental pay (\$165,931 in 1996) to police officers are not treated as budgeted revenues and expenditures of the General Fund. At the end of the fiscal year, unexpended and unencumbered appropriations of these funds automatically lapse with the exception of capital outlay appropriations which lapse after three fiscal years.

Formal budgetary integration is employed as a management control device during the year for the General and Special Revenue Funds, the only fund types having legally adopted annual budgets. Expenditures are budgeted at the departmental level, which is the level at which expenditures may not legally exceed appropriations. For all other funds effective budgetary control is alternatively achieved through bond indenture provisions, certificate of indebtedness provisions, and trust agreements. Certain revenues, capital outlay, and claims, judgments and disasters expenditures arise from special grants, contracts, and specific events which specify the use of the funds and, accordingly, no budgetary control is required.

During the year, the Mayor may authorize transfers between line items within a department or project without Council approval. Upon request by the Mayor, the Council may amend departmental or fund level appropriations during the year. The budget data reflected in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Actual (Adjusted to Budgetary Basis) and Budget (Exhibit A-3) includes the effect of such appropriation amendments approved by the City Council during the current year. These amendments may reappropriate undesignated and/or reserved funds rolling forward from the previous year for various capital projects as well as amend the distributions of operating funds already appropriated.

Encumbrances - Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditures of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the General and Special Revenue Funds. Encumbrances outstanding at year-end are reported as reservations of fund balances since they do not constitute expenditures or liabilities and because the commitments will be honored during the subsequent year.

Transfers - Advances between funds which are not expected to be repaid are accounted for as transfers. In those cases in which repayment is expected, the advances are accounted for through the various due to and due from accounts.

Payment in Lieu of Taxes - Costs associated with general governmental operations of the City are initially recorded in the General Fund. A portion of these costs is applicable to the administration and operation of the Special Revenue and Enterprise Funds.

For the Special Revenue Funds, in lieu of an administrative cost allocation, the City budgets an operating transfer of a portion of the sales tax revenues to the General Fund.

For the Enterprise Funds, the payment in lieu of taxes is made to the General Fund based on rates the General Fund would have charged a third party for the services provided. The rates are determined based on the current franchise and property millage tax rates.

Inventories - Inventories are valued at cost using the first in, first out (FIFO) method. Inventories in the General and Special Revenue Funds consist of materials and supplies held for consumption and are accounted for using the consumption method whereby individual items are recorded as expenditures when they are consumed. Inventories in the General and Special Revenue Funds are equally offset by a reservation of fund balance, which indicates that although inventories are a component of net current assets, they do not constitute "available spendable resources." Inventories in the Enterprise Funds consist of chemicals, repair materials, and spare parts. These inventories are also accounted for using the consumption method.

Restricted Assets - Restricted assets on the balance sheet of the Special Revenue Funds represent amounts which are required to be maintained pursuant to the ordinances relating to the Recreational Bonds of 1980, the Series 1986, 1987 and 1988 Public Improvement Bonds, and the 1993A and 1993B Refunding Bonds (bond sinking fund and reserve fund, see Note 8). A corresponding amount of fund balance is reserved as these monies are legally segregated for a specific future use.

Restricted assets on the balance sheet of the General Fund represent a certificate of deposit of \$275,000 required to be maintained and held by the Workers Compensation Fund (a State of Louisiana agency) as collateral against the City's self-insured portion of workers' compensation claims. A corresponding amount of fund balance is reserved as these monies are legally segregated for a specific future use.

Restricted assets on the balance sheet of the Enterprise Funds represent funds held for customer deposits and amounts which are required to be maintained pursuant to ordinances relating to the Series 1996 Utilities Revenue Bonds.

Fixed Assets and Depreciation - All fixed assets of the City not utilized by the Enterprise Funds are capitalized in the General Fixed Assets Account Group. Assets are recorded at cost or estimated historical cost, if purchased, and at fair market value at date of gift, if donated. In addition to land, buildings, and equipment, the City capitalizes as general fixed assets certain other public domain (infrastructure) improvements including streets, bridges and drainage systems. The City does not depreciate general fixed assets or capitalize interest on construction-in-progress.

Fixed assets in the City's Enterprise Funds are recorded at cost, if purchased, and at fair market value at date of gift, if donated. Major additions are capitalized while maintenance and repairs which do not improve or extend the life of the respective assets are charged to expense. Contributions received in aid of construction are credited to the contribution account and do not reduce the cost of the assets acquired with such contributions.

Depreciation on fixed assets acquired by grants externally restricted for capital acquisition and construction reduces the appropriate contributed capital account and is recorded as a retirement of contributed capital, thereby increasing retained earnings.

Depreciation is provided on the straight-line method for fixed assets of the Enterprise Funds. The following useful lives are used for depreciation purposes:

Asset Description	Asset Life
<u>Water System</u>	
Wells	20 years
Storage tanks	20 years
Lines	50 years
<u>Sewerage System</u>	
Disposal plant	50 years
Pump stations and lines	50 years
<u>General</u>	
Trucks	4 years
Equipment	10 years
<u>Airport Facility</u>	
Machinery and equipment	10 years
Parking facilities	7 years
Building	20 years

Compensated Absences - Vacation and sick leave benefits are based on the number of years of service and may be carried forward to subsequent years. However, upon retirement or termination, only 45 days earned vacation will be paid to policemen, and 15 days earned vacation will be paid to all other City employees. In addition, 45 days earned sick leave will be paid to policemen, and 15 days earned sick leave will be paid to all other City employees only upon retirement. Compensatory absences earned but not paid are fully accrued in the Enterprise Funds. In the governmental funds, only that portion which will be liquidated within one year with expendable available financial resources is accrued at year-end.

The term "expendable available financial resources" as used in this context means unreserved, undesignated fund balance.

Ad Valorem Taxes - Ad valorem taxes are levied based on a calendar year. The property tax assessed for fiscal 1996 was formally levied on December 8, 1996, based on the millage rates determined by the City Council. Property tax bills are mailed out once a year in early December and become an enforceable lien when due. Although the bill states the property taxes are due on December 31, penalties are assessed for any payment not received by February 1. Property tax revenues are recognized when levied to the extent that they are determined to be currently collectible. Any unpaid taxes are collected in connection with a tax sale held in June.

Cash and Cash Equivalents - For purposes of the statement of cash flows, the Enterprise Funds consider all highly liquid investments (including certificates of deposit) with a maturity of three months or less when purchased to be cash equivalents.

2. THE FINANCIAL REPORTING ENTITY

The City is a municipal corporation governed by an elected nine-member Council. As required by generally accepted accounting principles, these financial statements present the City as the primary government. The City has no component units; therefore, the City also represents the reporting entity.

3. CASH AND INVESTMENTS

As reflected in the Combined Balance Sheet, the City had the following cash and investments as of June 30, 1996:

	Total
Cash and Investments	
Unrestricted	\$ 19,621,791
Restricted	<u>5,241,231</u>
	<u>\$ 24,863,022</u>

Deposits - Under State law the City may deposit funds with a fiscal agent bank located within the municipality and organized under the laws of the State of Louisiana, any other state in the union, or under the laws of the United States. Further, the City may invest in time deposits or certificates of deposit of state banks organized under Louisiana law and national banks having principal offices in Louisiana.

Bank deposits must be secured by federal depository insurance or the pledge of securities owned by the bank. The market value of the pledged securities must at all times equal or exceed 100% of the uninsured amount on deposit with the bank.

At June 30, 1996, the carrying amount of the City's cash and certificates of deposit was \$5,856,136, and the bank balance was \$6,165,217. The difference is primarily due to outstanding checks. The entire bank balance was either covered by federal depository insurance or by collateral held by the City's third-party agent in the City's name (Category 1).

Investments - In addition to the bank certificates of deposit described above, under State law the City may also invest in obligations of the U.S. Treasury or any other federally insured investment. Investments are stated at cost or amortized cost, and interest income is recorded when earned. The City's investments are categorized below to give an indication of the level of risk assumed by the City at year-end. Category 1 includes investments that are insured or registered or for which the securities are held by the City or its agent in the City's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in the City's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the financial institution, or by its trust department or agent, but not in the City's name. Balances at June 30, 1996 were as follows:

	Category			Carrying Value	Market Value
	1	2	3		
U.S. Government Securities	\$ 13,394,846	\$ -	\$ -	\$ 13,394,846	\$ 13,555,265
U.S. Government Agency Securities	<u>5,612,040</u>			<u>5,612,040</u>	<u>5,283,668</u>
Total	<u>\$ 19,006,886</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,006,886</u>	<u>\$ 18,838,933</u>

4. OVERVIEW TOTAL COLUMNS

Overview total columns are included on the combined statements and are captioned "Memorandum Only" to indicate they are presented for overview information purposes only. Data in these columns do not present financial position, results of operations, or cash flows in conformity with generally accepted accounting principles. Such data are not comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

The amounts shown for 1995, certain of which have been reclassified to conform with the 1996 presentation, in the accompanying financial statements are included to provide a basis for comparison with 1996 and are not intended to present all information necessary for a fair presentation in accordance with generally accepted accounting principles.

5. RETIREMENT PLANS

The City provides pension benefits for all of its full-time employees through two separate cost-sharing, multiple-employer public employee retirement systems. All full-time City employees, except police, are members in the Municipal Employees' Retirement System of the State of Louisiana (the Municipal System). All full-time police are members of the Municipal and State Police Retirement System of Louisiana (the Police System).

The City's total payroll cost, excluding benefits, was approximately \$7,845,000 for fiscal 1996. Contributions to these retirement systems were based on participating full-time employee earnings which were approximately as follows for fiscal 1996:

Municipal System	\$4,910,000
Police System	<u>1,745,000</u>
Total	<u>\$6,655,000</u>

Municipal employees participating in the Municipal System are entitled to a retirement benefit at or after age 60 with 10 years of creditable service, age 55 with 25 years of creditable service or at any age with 30 years of creditable service. The retirement benefit is generally three percent of the member's final compensation multiplied by his years of creditable service. However, under certain conditions as outlined in the statutes, the benefits are limited to specified amounts. The system also provides death and disability benefits as well as a deferred retirement option. Benefits are established by state legislation. The Municipal System issues a publicly available financial report that includes the financial statements and required supplementary information for the Municipal System. That report may be obtained by writing to the Municipal Employees' Retirement System, 7937 Office Park Blvd., Baton Rouge, Louisiana, 70809.

Police participating in the Police System for at least one year are eligible for normal retirement at or after age 50 with 20 years of creditable service or age 55 with 12 years creditable service. The retirement benefit is generally three and one-third percent of the members average final compensation multiplied by his years of creditable service (not to exceed 100% of average final compensation). The system also provides death and disability benefits as well as a deferred retirement option. Benefits are established by State legislation. The Police System issues a publicly available financial report that includes the financial statements and required supplementary information for the Police System. That report may be obtained by writing to the Municipal and State Police Retirement System of Louisiana, 8401 United Plaza Building, Room 235, Baton Rouge, Louisiana, 70809.

State legislation has established the obligations of the City and its employees for contributions at 6.75% and 9.25% of employee earnings, respectively, for the Municipal System, as well as 9.0% and 7.5% of employee earnings, respectively, for the Police System. The contributions made by the City are greater than its obligations established by the State legislature in order to reduce employee contributions accordingly. The City contributed 16% of participating employee earnings to the Municipal System for 1996. The City's contributions to the Police System were 16.5% of the participating policemen's wages for 1996. Contributions to these retirement systems were approximately as follows for the year ending June 30, 1996:

	City	Employees	Total
Municipal System	\$ 770,000	\$ -	\$ 770,000
Police System	<u>288,000</u>	<u>-</u>	<u>288,000</u>
Total	<u>\$ 1,058,000</u>	<u>\$ -</u>	<u>\$ 1,058,000</u>

6. GRANTS FROM OTHER GOVERNMENTAL ENTITIES

Federal and state governmental entities represent an important source of supplementary funding used to finance the City's construction programs and other activities beneficial to the community. This funding, primarily in the form of grants, is recorded in the General, Special Revenue and Capital Projects Funds. As discussed in Note 1, a grant receivable is recorded when the City has a right to reimbursement under the related grant.

The grants received by the City specify the purpose for which the grant monies are to be used, and such grants are subject to audit by the granting agency or its representative.

The following revenues under various grants and entitlements are recorded in the accompanying financial statements:

General Fund	\$ 14,180
Special Revenue Funds	441,552
Capital Projects Funds	<u>67,428</u>
	<u>\$ 523,160</u>

The City also received \$1,033,347 during fiscal 1996 as the result of a grant (federal and state matching) which was externally restricted for improvements to the airport. These funds were recorded as contributed capital in the Enterprise Funds.

7. DEDICATED REVENUES

The City collects a two percent sales and use tax pursuant to two separate one percent tax propositions approved by the voters in November 1962 (fiscal 1963) and September 1986 (fiscal 1987). These revenues are dedicated for specific purposes and are accounted for in a separate Special Revenue Fund.

An inter-governmental agreement (known as the Sales Tax Enhancement Plan) was executed between the City and Sales Tax District #3 of St. Tammany Parish. The agreement targets all undeveloped commercial properties (within St. Tammany Parish) annexed into the City after November 4, 1986 and stipulates that the two percent sales and use tax derived from the subsequent development of such properties be split equally (after the City recovered approximately \$1,356,000 of costs relating to the extension of services to two retail developments) between the City and Sales Tax District #3 of St. Tammany Parish. This agreement has a twenty year life, expiring December 1, 2006, after which the City will be entitled to the entire two percent tax.

Dedication of the 1963 tax, as amended, requires one half of all proceeds of the tax to be used first for debt service requirements and the costs for bonds issued for the purpose of constructing, acquiring, or improving lands, buildings or other works of public improvement for the City, including equipment and furnishings thereof, title to which shall be in the public. The remaining dedicated revenue is to be used for constructing, acquiring or improving the aforementioned capital improvements. The proposition also provides for one half of the 1963 sales and use tax revenues to be undedicated. These undedicated revenues are available for general operations.

All of the proceeds of the 1987 tax, after paying the reasonable and necessary expenses of collecting and administering the tax, are dedicated to be used for purchasing, constructing, acquiring, extending, improving, maintaining, and/or operating public facilities, public works or capital improvements and paying the capital costs of police protection and public safety for the City or any sites, equipment and furnishings thereof. According to the voter approved proposition, the City is further authorized to fund the proceeds of the tax into bonds for the above stated capital purposes.

Proceeds of both the 1963 and 1987 sales and use taxes serve as security for outstanding sales tax obligation bonds and certificates of indebtedness (see Note 8).

8. LONG-TERM DEBT

The following is a summary of long-term debt transactions of the City for the year ended June 30, 1996:

	Balance June 30, 1995	Issues or Additions	Payments or Expenditures	Balance June 30, 1996
Governmental Fund Types				
General Obligation Bonds	\$ 6,545,000	\$ 9,500,000	\$ (650,000)	\$ 15,395,000
Sales Tax Revenue Bonds	13,497,375	-	(637,000)	12,860,375
Special Assessment Bonds	47,800	-	(47,800)	-
Certificates of Indebtedness	3,700,000	1,075,000	(280,000)	4,495,000
Compensated Absences (Note 1)	653,700	-	(344,626)	309,074
Claims and Judgements (Note 14)	-	41,955	-	41,955
Total Governmental Fund Types	<u>24,443,875</u>	<u>10,616,955</u>	<u>(1,959,426)</u>	<u>33,101,404</u>
Proprietary Fund Types				
Utility Revenue Bonds	-	2,500,000	-	2,500,000
Total Proprietary Fund Types	<u>-</u>	<u>2,500,000</u>	<u>-</u>	<u>2,500,000</u>
Total All Fund Types	<u>\$24,443,875</u>	<u>\$13,116,955</u>	<u>\$(1,959,426)</u>	<u>\$35,601,404</u>

Details of the City's long-term debt as of June 30, 1996 are as follows:

General Obligation Bonds secured by ad valorem taxes:

Drainage Bonds, Series 1976 and 1977, bearing interest from 6% to 8%, payable annually through 1997	\$ 145,000
Sewerage Bonds, bearing interest from 4.3% to 8%, payable annually through 1997	225,000
Water, Sewer and Refunding Bonds, Series 1989A, 1989B, and 1989C bearing interest from 7.0% to 12%, payable annually through 2009	750,000
Refunding Bonds, Series 1994, bearing interest from 3.15% to 5.50%, payable annually through 2009	4,775,000
Drainage Bonds, Series 1995, bearing interest from 4.43% to 10.00%, payable annually through 2016	<u>9,500,000</u>
	<u>\$ 15,395,000</u>

Sales Tax Bonds and Certificates of Indebtedness secured by sales and use taxes:

Recreation Bonds of 1980, secured by a lien and irrevocable pledge of the proceeds of the City's one percent sales and use tax levied in 1963, on a parity with the Series 1986 Public Improvement Bonds, bearing interest at 5%, payable annually through 2005	\$ 740,375
Public Improvement Bonds, Series 1987 and 1988, secured by a lien and irrevocable pledge of the proceeds of the City's one percent sales and use tax levied in 1987, bearing interest from 6.7% to 12%, payable annually through 2004	2,645,000
Public Improvement Refunding Bonds, Series 1993B, secured by a lien and irrevocable pledge of the proceeds of the City's one percent sales and use tax levied in 1987 bearing interest from 3.10% to 5.50%, payable annually through 2008	6,045,000
Public Improvement Refunding Bonds, Series 1993A, secured by a lien and irrevocable pledge of the proceeds of the City's one percent sales and use tax levied in 1963 bearing interest from 3.10% to 5.65%, payable annually through 2011	<u>3,430,000</u>
	<u>\$ 12,860,375</u>

Unsecured Certificates of Indebtedness:

Certificates of Indebtedness, bearing interest from 4.3% to 5.3% payable annually through 2005	\$3,420,000
Certificates of Indebtedness, bearing interest at 5.10% payable annually through 1999	<u>1,075,000</u>
	<u>\$4,495,000</u>

Utility Revenue Bonds, Series 1996, bearing interest from from 3.90% to 5.55% payable annually through 2016	<u>\$2,500,000</u>
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The annual requirements, including interest payments of \$16,333,259, to amortize all debt outstanding as of June 30, 1996 is as follows:

Year ending June 30,	General Obligation	Sales Tax	Certificates of Indebtedness	Utility Revenue	Total
1997	\$ 1,482,876	\$ 1,368,791	\$ 783,131	\$ 128,987	\$ 3,634,798
1998	1,428,946	1,375,781	776,581	213,988	3,581,308
1999	1,407,191	1,384,002	780,831	210,672	3,572,024
2000	1,392,942	1,397,601	784,081	212,188	3,574,624
2001	1,373,041	1,395,236	482,464	213,407	3,250,741
2002-2006	6,873,911	6,970,168	1,974,065	1,073,663	13,818,144
2007-2011	5,767,363	4,224,447		1,064,630	9,991,810
2012-2016	<u>3,987,250</u>			<u>1,055,400</u>	<u>3,987,250</u>
	<u>\$23,713,520</u>	<u>\$18,116,026</u>	<u>\$5,581,153</u>	<u>\$4,172,935</u>	<u>\$47,410,699</u>

At June 30, 1996, the following amounts are considered available for the retirement of general long-term debt:

Special Revenue Funds	\$1,913,538
Debt Service Fund	<u>967,404</u>
	<u>\$2,900,942</u>

In accordance with the Revised Statutes of the State of Louisiana, aggregate debt payable solely from ad valorem taxes for each specific purpose shall not exceed 35% of total assessed valuation of taxable property. As of June 30, 1996, the City was in compliance with these statutes.

Pursuant to the Revenue Bond Resolution and the Recreation Bonds of 1980, Series 1986, 1987, 1988 and 1996 Public Improvement Bond ordinances, and the 1993A and 1993B Refunding Bond ordinances, certain assets of the Special Revenue and Enterprise Funds are restricted (see Note 1). As of June 30, 1996, the City is in substantial compliance with the restrictive covenants of its debt agreements.

In prior years the City defeased certain general obligation and sales tax bonds and sewerage certificates by placing the proceeds of new bonds in irrevocable trusts to provide for all future debt service payments on the old bonds and certificates. Accordingly, the trust account assets and the liabilities for the defeased bonds and certificates are not included in the City's financial statements. At June 30, 1996, \$4,365,000 \$8,490,000 and \$108,000 of general obligation bonds, sales tax bonds and sewerage certificates outstanding, respectively, are considered defeased.

9. INDIVIDUAL FUND DISCLOSURES

A summary of interfund receivable and payable balances at June 30, 1996 follows:

Fund	Interfund Receivables	Interfund Payables
General Fund	\$ 288,254	\$4,216,156
Special Revenue:		
Sales Tax	2,764,747	-
Community Development Block Grant	-	3,587
Regional Training Facility	-	4,061
Debt Service Fund	220,624	-
Capital Projects Funds:		
Public Works	-	4,606
Water Improvements	-	7,238
Drainage Improvements	-	149,522
Sewerage Improvements	-	518
Streets Improvements	-	10,848
City Capital	88,232	-
Enterprise Funds:		
Utility Fund	1,108,063	-
Airport	-	107,874
Expendable Trust Funds:		
Christmas Under the Stars	13,933	-
Old Towne Development	1,398	-
Animal Assistance League of Slidell	18,876	-
Green	283	-
	<u>\$4,504,410</u>	<u>\$4,504,410</u>

A summary of operating transfers by fund type for the year ended June 30, 1996 is as follows:

	Transfers To or From	Operating Transfers In	Operating Transfers Out
<u>General Fund</u>	Debt Services Fund	\$ -	\$ 489,464
	Special Revenue Funds	2,104,082	20,000
	Enterprise Funds	-	6,381
		<u>2,104,082</u>	<u>515,845</u>
<u>Special Revenue Funds</u>	Capital Projects Funds	278,654	-
	Special Revenue Funds	96,112	96,112
	General Fund	20,000	2,104,082
	Debt Service Fund	-	1,374,699
	Enterprise Funds	-	70,620
		<u>394,766</u>	<u>3,645,513</u>
<u>Debt Service Fund</u>	General Fund	489,464	-
	Special Revenue Funds	1,374,699	-
		<u>1,864,163</u>	<u>-</u>
<u>Capital Project Funds</u>	Special Revenue Funds	-	<u>278,654</u>
<u>Enterprise Funds</u>	General Fund	6,381	-
	Special Revenue Funds	70,620	-
		<u>77,001</u>	<u>-</u>
TOTAL OPERATING TRANSFERS		<u>\$4,440,012</u>	<u>\$4,440,012</u>

As of June 30, 1996, the Utility Fund's retained deficit is \$745,193.

10. ALLOWANCE FOR DOUBTFUL ACCOUNTS

The water, sewerage and garbage receivable balance of \$481,437 is net of an allowance for doubtful accounts of \$39,334.

11. PROPERTY, PLANT AND EQUIPMENT AND CONTRIBUTED CAPITAL

A summary of changes in general fixed assets for the year ended June 30, 1996 is as follows:

	June 30, 1995 As restated	Additions	Deletions	Construction- In-Progress	June 30, 1996
Land and buildings	\$10,174,711	\$2,386,524	\$ 120,309	\$ 14,437	\$12,453,363
Recreation facilities	559,115	224,636			783,751
Streets	9,228,068	1,356,084	638,910		9,945,242
Drainage	10,374,949	1,813,999			12,188,948
Office equipment	1,016,230	368,573			1,384,803
Machinery and equipment	1,364,538	521,291	275,278		1,610,551
Vehicles	2,577,689	638,079	368,678		2,847,090
Bridges	619,084				619,084
Construction-in- progress	<u>616,635</u>	<u>1,732,988</u>	<u> </u>	<u>(14,437)</u>	<u>2,335,186</u>
	<u>\$36,531,019</u>	<u>\$9,040,174</u>	<u>\$1,403,175</u>	<u>\$ -</u>	<u>\$44,168,018</u>

During 1996, the City completed a study of its property, plant and equipment. The objective of the study was to identify all City-owned property and, in those instances where records were not available (prior to 1989), determine an estimated historical cost for such property. As a result of the study, the beginning balance of the general fixed asset account group was decreased by \$6,283,836 - land and buildings were increased by \$268,767; recreation facilities were decreased by \$3,253,389; office equipment was increased by \$508,548; machinery and equipment were decreased by \$5,915,288; vehicles were increased by \$2,121,086; and construction-in-progress was decreased by \$13,540.

Construction-in-progress primarily consists of street and drainage and building improvements which are financed by general obligation bonds, sales tax revenues, CDBG and City capital fund monies.

A summary of property, plant, and equipment of the Enterprise Funds as of June 30, 1996 follows:

Land	\$ 75,658
Water system	15,918,252
Sewerage system	23,997,953
General equipment	1,832,984
Airport facility	1,580,958
Construction-in-progress	<u>1,729,381</u>
	45,135,186
Less: Accumulated depreciation	<u>(12,679,879)</u>
	<u>\$ 32,455,307</u>

A detail of the changes in contributed capital of the Enterprise Funds for the year ended June 30, 1996 follows:

	June 30, 1995 <i>As Restated</i>	Additions	Reductions	June 30, 1996
Contributions from:				
Federal grants	\$ 11,643,018	\$ 744,186	\$ 456,488	\$ 11,930,716
Municipalities	11,940,177	405,049		12,345,226
Sales and use tax	7,901,248			7,901,248
Special assessments	1,233,582			1,233,582
State government	536,395	289,161	19,592	805,964
Other	843,020			843,020
	<u>\$ 34,097,440</u>	<u>\$ 1,438,396</u>	<u>\$ 476,080</u>	<u>\$ 35,059,756</u>

Due to the recently completed study referred to above, resulting in a decrease of \$841,992 in property, plant and equipment in the Enterprise Funds, the beginning balances of retained deficit and contributed capital were increased and decreased by \$433,766 and \$408,226, respectively. Previously presented beginning balances of contributed capital from federal grants and state government were decreased by \$207,140 and \$201,085, respectively.

Depreciation of \$476,080 on the sewer system and airport acquired by grants externally restricted for the acquisition and construction of the sewer system and airport was used to reduce the contributed capital account which increased retained earnings by a corresponding amount.

12. COMMITMENTS

The local electric company owns and leases to the City certain street lighting facilities. In 1986 the City renegotiated the lease agreement, which expires in December 2000. Under the terms of this agreement, the City is required to pay \$91,379 plus a fuel adjustment charge per year for this service. The total amount paid by the City in 1996 for street lighting under this agreement was approximately \$225,000.

The City also has contracts with a sanitation disposal company to provide garbage collection and recycling services to City residents. These contracts, which expire April 30, 1999, require the City to pay a monthly fee of \$12.16 per household for service. The City in turn bills a monthly fee of approximately \$7.99 per household and collects a 5 mill property tax for garbage collection in accordance with the voter approved proposition. The City paid approximately \$1,374,000 for sanitation services under this contract in 1996. The disposal company charges a fee of \$54 per hour to perform services above and beyond the normal monthly services, as defined in the contract.

The City has authorized approximately \$28.0 million of various capital projects as of June 30, 1996, of which approximately \$2.4 million has been expended, approximately \$12.4 million of existing financing has been committed, and approximately \$13.2 million of additional financing will be required.

13. CONTINGENT LIABILITIES

Amounts received or receivable from grantor agencies are subject to audit and adjustment by such grantor agencies, principally the Federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds.

The City is a defendant in several lawsuits. In the opinion of the City's legal counsel, resolution of these cases would not have a significant effect on the financial position of the City.

14. RISK MANAGEMENT

The City is exposed to various risks of loss related to thefts of, damage to, and destruction of assets, errors and omissions, negligent acts of law enforcement officials and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. Settled claims did not exceed insurance coverage in fiscal year 1996.

In 1988, the City initiated a self-insured retention program in order to deal with certain other potential liabilities, and in 1990 the City became self-insured for employee medical insurance. Claims in excess of the self-insured retention amounts are covered through third-party limited-coverage insurance policies. The city is self-insured with excess coverage in these areas: (a) workers' compensation with a \$225,000 retention and statutory limit on coverage, (b) general liability with a \$50,000 retention per occurrence and a \$1,000,000 limit per occurrence and \$2,000,000 aggregate limit on coverage, (c) auto liability with a \$50,000 retention per accident and a \$1,000,000 limit on coverage, and (d) employee medical insurance with a \$40,000 retention per individual and an aggregate stop loss of \$1,543,900. The City also has an aggregate stop loss of \$1,759,500 for the three year period ending December 31, 1996 for workers' compensation claims and an annual stop loss of \$250,000 for general liability and auto liability combined.

The City uses the General Fund to account for self-insured risk financing activities. Claims in excess of amounts payable with expendable available resources totaling \$41,955 are reported in the General Long-Term Debt Account Group (Note 8). The Sales Tax Fund, Regional Training Facility Fund and the Enterprise Funds make contributions to the General Fund for workers' compensation and employee medical insurance claims. Estimated losses from claims are recorded when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. The expenditure and liability includes an amount for claims that have been incurred but not yet reported. The liability for claims is based on the estimated ultimate cost of settling the claims using past experience adjusted for current trends. Changes in the claims liability amounts are as follows:

	Automobile General Liability	Worker's Compensation	Employee Medical	Total
Balance, June 30, 1995	\$ 231,135	\$ 191,808	\$ 179,272	\$ 602,215
Claims and changes in estimates	188,073	353,799	1,471,912	2,013,784
Claims payments	<u>(123,108)</u>	<u>(283,158)</u>	<u>(1,404,718)</u>	<u>(1,810,984)</u>
Balance, June 30, 1996	<u>\$ 296,100</u>	<u>\$ 262,449</u>	<u>\$ 246,466</u>	<u>\$ 805,015</u>

15. OTHER POSTEMPLOYMENT BENEFITS

In addition to the retirement benefits described in Note 5, City policy allows the City to make available health care benefits to all employees who retire from the City and are receiving benefits from a City sponsored retirement program. Currently, thirty-three retirees of the City meet these requirements and are participating. Retirees contributed approximately \$54,000 into the City's self-insured plan, and the City paid claims totaling approximately \$161,000 on behalf of retirees, resulting in net expenditures of \$107,000 for the year ended June 30, 1996.

16. SEGMENT INFORMATION - ENTERPRISE FUNDS

The City maintains two enterprise funds which are intended to be self-supporting through user fees charged for services to the public. Financial segment information as of and for the year ended June 30, 1996 is presented below:

	Utility	Airport	Total
Operating revenues	\$ 5,614,803	\$ 27,609	\$ 5,642,412
Operating expenses (excluding depreciation)	4,723,966	86,409	4,810,375
Depreciation expense	1,141,321	216,119	1,357,440
Operating loss	(250,484)	(274,919)	(525,403)
Non-operating revenue	24,381	-	24,381
Operating transfers in	6,381	70,620	77,001
Net loss	(219,722)	(204,299)	(424,021)
Capital contributions	405,049	1,033,347	1,438,396
Property, plant and equipment additions	1,207,686	1,036,813	2,244,499
Net working capital	1,400,068	125,025	1,525,093
Total assets	35,576,374	2,225,388	37,801,762
Bonds payable from operating revenues	2,500,000	-	2,500,000
Total equity	32,310,119	2,041,669	34,351,788

17. SUBSEQUENT EVENT

On July 11, 1996, the City issued \$9,300,000 of Public Improvement Sales Tax Bonds, Series 1996. The proceeds from the sale of these bonds will be used for concrete street improvements.

* * * * *

CITY OF SLIDELL, LOUISIANA

EXHIBIT B-1

GENERAL FUND
COMPARATIVE BALANCE SHEETS
JUNE 30, 1996 AND 1995

ASSETS	1996	1995
Cash and investments:		
Cash	\$3,437,301	\$2,306,774
Investments	2,374,919	1,122,284
Receivables:		
Taxes	227,002	229,411
Accrued interest	43,358	16,816
Other	132,963	275,445
Due from other governmental entities:		
U.S. Government	5,932	-
State of Louisiana	101,409	193,342
Other	86,104	144,374
Due from other funds:		
Community Development Block Grant	3,587	-
Regional Training Facility	4,061	-
Airport	107,874	95,000
Debt Service	-	15,778
Water Improvement	7,238	72,610
Sewerage Improvement	518	-
Public Works Improvement	4,606	-
Drainage Improvements	149,522	-
Street Improvements	10,848	-
Inventory	68,164	56,531
Prepaid items	281,279	227,798
Restricted assets:		
Cash and cash equivalents	275,000	275,000
TOTAL ASSETS	\$7,325,676	\$4,961,283
LIABILITIES AND FUND BALANCE		
LIABILITIES:		
Accounts payable and accrued expenditures	\$1,699,865	\$1,596,531
Due to other funds:		
Sales Tax	2,764,747	784,692
Community Development Block Grant	-	7,827
Regional Training Facility	-	13,597
Utility	1,108,063	1,027,522
Debt Service	220,624	-
Green	283	301
Animal Assistance League of Slidell	18,876	22,605
Christmas Under the Stars	13,933	6,659
Older Towns Development	1,398	4,636
Sewerage Improvement	-	5,152
City Capital Construction	88,232	104,838
	<u>4,236,156</u>	<u>1,977,829</u>
Total liabilities	<u>5,936,021</u>	<u>3,484,360</u>
FUND BALANCE:		
Reserved for prepaid items	281,279	227,798
Reserved for inventory	68,164	56,531
Reserved for encumbrances	-	18,308
Reserved for insurance	275,000	275,000
Reserved for certificates of indebtedness	-	329,402
Unreserved and designated for contingencies	240,000	-
Unreserved and undesignated	535,212	369,884
	<u>1,409,655</u>	<u>1,476,923</u>
TOTAL LIABILITIES AND FUND BALANCE	\$7,325,676	\$4,961,283

CITY OF SLIDELL, LOUISIANA

GENERAL FUND COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE YEARS ENDED JUNE 30, 1996 AND 1995

	1996	1995
REVENUES:		
Taxes:		
Ad valorem	\$1,194,281	\$1,189,404
Franchise	975,419	908,694
Revenues from other governments:		
State shared revenues	557,967	560,584
Other Federal/State grants	14,180	-
Other state and local governmental revenues	258,242	280,499
Licenses and permits	1,327,046	1,250,309
Fines and forfeitures	181,977	210,188
Payment in lieu of taxes	417,274	387,908
Other revenues, primarily interest	<u>350,666</u>	<u>269,385</u>
Total revenues	<u>\$5,287,052</u>	<u>\$5,056,971</u>
EXPENDITURES:		
Current:		
General government:		
Administrative	333,622	374,089
Finance	392,463	382,850
Legal	270,455	259,506
Data processing	150,699	139,417
Purchasing	200,895	187,585
Human resources	146,425	174,458
Legislative	316,459	312,074
Animal control	<u>187,002</u>	<u>168,342</u>
	<u>1,998,020</u>	<u>1,998,321</u>

EXHIBIT 8-2

	1996	1995
Public works:		
Property management	385,127	270,379
Permits	286,931	260,336
Planning	178,871	176,609
	<u>850,929</u>	<u>707,324</u>
Public safety:		
Police	<u>3,887,597</u>	<u>3,787,643</u>
Judicial system	<u>206,011</u>	<u>172,108</u>
Total expenditures	<u>6,942,557</u>	<u>6,665,396</u>
DEFICIENCY OF REVENUES OVER EXPENDITURES	<u>(1,655,505)</u>	<u>(1,608,425)</u>
OTHER FINANCING SOURCES (USES):		
Operating transfers in	2,104,082	2,563,457
Operating transfers out	<u>(515,845)</u>	<u>(44,000)</u>
Total other financing sources	<u>1,588,237</u>	<u>2,519,457</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	(67,268)	911,032
FUND BALANCE, BEGINNING OF YEAR	<u>1,476,923</u>	<u>565,891</u>
FUND BALANCE, END OF YEAR	<u>\$ 1,409,655</u>	<u>\$ 1,476,923</u>

CITY OF SLIDELL, LOUISIANA

GENERAL FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE ACTUAL (Adjusted to Budgetary Basis) AND BUDGET YEAR ENDED JUNE 30, 1996

	Actual (Adjusted to Budgetary Basis)	Budget	Variance Favorable (Unfavorable)
REVENUES:			
Taxes:			
Ad valorem	\$1,194,281	\$1,194,921	\$ (640)
Franchise	975,419	935,000	40,419
Revenues from other governments:			
State shared revenues	557,967	350,000	207,967
Other Federal/State grants	14,180		14,180
Other state and local governmental revenues	92,311	130,311	(38,000)
Licenses and permits	1,327,046	1,217,244	109,802
Fines and forfeitures	181,977	150,000	31,977
Payment in lieu of taxes	417,274	417,274	
Other revenues, primarily interest	360,666	150,000	210,666
Total revenues	<u>5,121,121</u>	<u>4,544,750</u>	<u>576,371</u>
EXPENDITURES:			
Current:			
General government:			
Administrative	326,785	327,369	584
Finance	392,463	393,302	839
Legal	270,455	270,809	354
Data processing	150,699	151,668	969
Purchasing	200,895	201,050	155
Human resources	144,371	145,254	883
Legislative	316,459	320,688	4,229
Animal control	187,002	187,535	533
	<u>1,989,129</u>	<u>1,997,675</u>	<u>8,546</u>

EXHIBIT B-3

	Actual (Adjusted to Budgetary Basis)	Budget	Variance Favorable (Unfavorable)
Public works:			
Property management	382,091	384,575	2,484
Permits	280,550	281,088	538
Planning	178,871	178,992	121
	<u>841,512</u>	<u>844,655</u>	<u>3,143</u>
Public safety:			
Police	<u>3,721,666</u>	<u>3,732,816</u>	<u>11,150</u>
Judicial system	<u>206,011</u>	<u>207,127</u>	<u>1,116</u>
Total expenditures	<u>6,758,318</u>	<u>6,782,273</u>	<u>23,955</u>
DEFICIENCY OF REVENUES OVER EXPENDITURES	(1,637,197)	(2,237,523)	600,326
OTHER FINANCING SOURCES (USES):			
Operating transfers in	2,104,082	2,104,082	
Operating transfers out	<u>(515,845)</u>	<u>(515,845)</u>	
Total other financing sources	<u>1,588,237</u>	<u>1,588,237</u>	
DEFICIENCY OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	(48,960)	(649,286)	600,326
ENCUMBRANCES OUTSTANDING AT PRIOR YEAR END	(18,308)	(18,308)	
FUND BALANCE, BEGINNING OF YEAR	<u>1,476,923</u>	<u>1,476,923</u>	
FUND BALANCE, END OF YEAR	<u>\$ 1,409,655</u>	<u>\$ 809,329</u>	<u>\$ 600,326</u>

Special Revenue Funds



Special Revenue funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

The city maintains the following Special Revenue Funds:

Sales Tax
Community Development
Block Grant
Regional Training Facility

CITY OF SLIDELL, LOUISIANA

**SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 1996 (WITH COMPARATIVE TOTALS FOR JUNE 30, 1995)**

	Regional Training Facility	Sales Tax	Community Development Block Grant	Totals	
				1996	1995
ASSETS					
Cash and investments:					
Cash	\$ -	\$ -	\$ -	\$ -	\$ 781,475
Investments		1,152,800		1,152,800	680,719
Receivables:					
Taxes		875,000		875,000	865,000
Accrued interest		1,724		1,724	7,758
Other	2,000	2,231		4,231	22,798
Due from other governmental entities:					
U. S. Government			24,666	24,666	411,259
State of Louisiana		112,363		112,363	22,007
Local	7,210			7,210	-
Due from General Fund		2,764,747		2,764,747	806,115
Inventory		38,495		38,495	38,495
Restricted assets:					
Cash		515,807		515,807	496,739
Investments		1,586,916		1,586,916	1,440,131
TOTAL ASSETS	\$ 9,210	\$ 7,050,083	\$24,666	\$ 7,083,959	\$ 5,572,496

EXHIBIT C-1

	Regional Training Facility	Sales Tax	Community Development Block Grant	Totals	
				1996	1995
LIABILITIES AND FUND BALANCES					
LIABILITIES:					
Accounts payable and accrued expenditures	\$ 5,149	\$ 563,933	\$ 21,079	\$ 590,161	\$ 435,238
Due to General Fund	<u>4,061</u>	<u>-----</u>	<u>3,587</u>	<u>7,648</u>	<u>-</u>
Total liabilities	<u>9,210</u>	<u>563,933</u>	<u>24,666</u>	<u>597,809</u>	<u>435,238</u>
FUND BALANCES:					
Reserved for inventory		38,495		38,495	38,495
Reserved for encumbrances				-	235,763
Reserved for capital outlay		119,793		119,793	14,655
Reserved for bond reserve fund		1,438,859		1,438,859	1,438,859
Reserved for bond sinking fund		494,679		494,679	482,071
Unreserved:					
Designated for capital outlay		2,796,607		2,796,607	1,442,077
Designated for contingencies		805,872		805,872	807,260
Undesignated		<u>791,845</u>		<u>791,845</u>	<u>678,078</u>
Total fund balances	<u>-</u>	<u>6,486,150</u>	<u>-</u>	<u>6,486,150</u>	<u>5,137,258</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 9,210</u>	<u>\$ 7,050,083</u>	<u>\$ 24,666</u>	<u>\$ 7,083,959</u>	<u>\$ 5,572,496</u>

CITY OF SLIDELL, LOUISIANA

SPECIAL REVENUE FUNDS COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES YEAR ENDED JUNE 30, 1996 (WITH COMPARATIVE TOTALS FOR JUNE 30, 1995)

	Regional Training Facility	Sales Tax	Community Development Block Grant	Totals	
				1996	1995
REVENUES:					
Taxes:					
Sales and use	\$ -	\$ 11,568,348	\$ -	\$ 11,568,348	\$ 10,410,596
Ad valorem		255,392		255,392	259,142
Revenues from other governments:					
Federal/state grants	1,500	260,090		261,590	659,987
HUD grants			179,962	179,962	380,983
Local	9,210			9,210	-
Contributions				-	8,030
Other revenues, primarily interest and tuition	48,751	216,631		265,382	222,859
Total revenues	59,461	12,300,461	179,962	12,539,834	11,941,597
EXPENDITURES:					
Current:					
General government:					
Administrative	188,826	1,105,678	7,931	1,302,435	1,125,543
Arts council		138,276		138,276	130,647
	<u>188,826</u>	<u>1,243,954</u>	<u>7,931</u>	<u>1,440,711</u>	<u>1,256,190</u>
Public works:					
Improvements		553,748	90,773	644,521	211,851
Streets, bridges and drainage		1,325,748		1,325,748	1,305,489
Engineering		302,395		302,395	297,241
Electrical		173,888		173,888	167,097
General maintenance		247,503		247,503	224,827
Vehicle maintenance		381,150		381,150	370,377
		<u>2,984,432</u>	<u>90,773</u>	<u>3,075,205</u>	<u>2,576,882</u>

EXHIBIT C-2

	Regional Training Facility	Sales Tax	Community Development Block Grant	Totals	
				1996	1995
Parks and recreation		864,143		864,143	846,649
Disasters				-	404,817
Capital outlay		2,470,898	89,288	2,560,186	1,607,599
Total expenditures	188,826	7,563,427	187,992	7,940,245	6,692,137
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(129,365)	4,737,034	(8,030)	4,599,639	5,249,460
OTHER FINANCING SOURCES (USES):					
Operating transfers in	116,112	278,654		394,766	128,691
Operating transfers out		(3,645,513)		(3,645,513)	(4,220,276)
Total other financing sources (uses)	116,112	(3,366,859)		(3,250,747)	(4,091,585)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	(13,253)	1,370,175	(8,030)	1,348,892	1,157,875
FUND BALANCES, BEGINNING OF YEAR	13,253	5,115,975	8,030	5,137,258	3,979,383
FUND BALANCES, END OF YEAR	\$ -	\$ 6,486,150	\$ -	\$ 6,486,150	\$ 5,137,258

CITY OF SLIDELL, LOUISIANA

SPECIAL REVENUE FUNDS

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

ACTUAL (Adjusted to Budgetary Basis) AND BUDGET

YEAR ENDED JUNE 30, 1996

	Regional Training Facility			Sales Tax Fund		
	Actual (Adjusted to Budgetary Basis)	Budget	Variance Favorable (Unfavorable)	Actual (Adjusted to Budgetary Basis)	Budget	Variance Favorable (Unfavorable)
REVENUES:						
Taxes:						
Sales and use	\$ -	\$ -	\$ -	\$11,568,338	\$10,822,265	\$ 746,083
Ad valorem				255,392	257,304	(1,912)
Revenues from other governments:						
Federal/state grants	1,500	2,500	(1,000)	260,090	328,013	(67,923)
HUD grant						
Local	9,210	2,000	7,210			
Other revenues, primarily interest and tuition	48,751	45,500	3,251	216,631	199,900	16,731
Total revenues	59,461	50,000	9,461	12,300,461	11,607,482	692,979
EXPENDITURES:						
Current:						
General government:						
Administrative	188,826	207,028	18,202	1,105,678	1,105,797	119
Arts Council				138,276	138,540	264
	188,826	207,028	18,202	1,243,954	1,244,337	383
Public works:						
Improvements				553,748	553,745	(3)
Streets, bridges and drainage				1,325,748	1,330,894	5,146
Engineering				302,395	304,367	1,972
Electrical				173,888	174,344	456
General maintenance				247,503	252,270	4,767
Vehicle maintenance				381,150	383,285	2,135
				2,984,432	2,998,905	14,473
Parks and recreation						
Capital outlay				864,143	866,549	2,406
				2,235,135	5,151,535	2,916,400
Total expenditures	188,826	207,028	18,202	7,327,664	10,261,326	2,933,662

EXHIBIT C-3
Page 1 of 2

Community Development Block Grant Fund			Total		
Actual (Adjusted to Budgetary Basis)	Budget	Variance Favorable (Unfavorable)	Actual (Adjusted to Budgetary Basis)	Budget	Actual Variance Favorable (Unfavorable)
\$ -	\$ -	\$ -	\$11,568,348 255,392	\$10,822,265 257,304	\$ 746,083 (1,912)
179,962	622,420	(442,458)	261,590 179,962 9,210	336,511 622,420 2,000	(68,923) (442,458) 7,210
			265,382	245,400	19,982
<u>179,962</u>	<u>622,420</u>	<u>(442,458)</u>	<u>12,839,881</u>	<u>12,279,902</u>	<u>259,982</u>
7,931	15,685	7,755	1,302,435 138,276	1,328,511 138,540	26,076 264
<u>7,931</u>	<u>15,686</u>	<u>7,755</u>	<u>1,440,711</u>	<u>1,467,051</u>	<u>26,310</u>
90,773	328,083	237,310	644,521 1,325,748 302,395 173,888 247,503 381,150	881,828 1,336,894 304,367 174,344 252,270 383,285	237,307 5,146 1,072 456 4,767 2,135
<u>90,773</u>	<u>328,083</u>	<u>237,310</u>	<u>3,075,205</u>	<u>3,326,988</u>	<u>251,783</u>
89,288	278,651	189,363	864,143 2,321,423	866,549 5,430,186	2,406 3,108,763
<u>187,992</u>	<u>622,420</u>	<u>434,428</u>	<u>7,704,482</u>	<u>11,090,774</u>	<u>3,386,292</u>

(Continued)

CITY OF SLIDELL, LOUISIANA

SPECIAL REVENUE FUNDS
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 ACTUAL (Adjusted to Budgetary Basis) AND BUDGET
 YEAR ENDED JUNE 30, 1986

	Regional Training Facility			Sales Tax Fund		
	Actual (Adjusted to Budgetary Basis)	Budget	Variance Favorable (Unfavorable)	Actual (Adjusted to Budgetary Basis)	Budget	Variance Favorable (Unfavorable)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (129,355)	\$ (157,028)	\$ 27,663	\$ 4,972,797	\$ 1,346,156	\$ 3,626,641
OTHER FINANCING SOURCES (USES)						
Operating transfers in	116,112	157,028	(40,916)	278,654	278,654	
Operating transfers out				(3,645,513)	(3,737,576)	92,063
Total other financing sources (uses)	116,112	157,028	(40,916)	(3,366,859)	(3,458,922)	92,063
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	(13,253)		(13,253)	1,605,938	(2,112,766)	3,718,704
ENCUMBRANCES OUTSTANDING AT PRIOR YEAR END				(235,763)	(235,763)	
FUND BALANCES, BEGINNING OF YEAR	13,253		13,253	5,115,975	5,115,975	
FUND BALANCES, END OF YEAR	\$ -	\$ -	\$ -	\$ 6,486,150	\$ 2,767,446	\$ 3,718,704

Community Development Block Grant Fund			Total		
Actual (Adjusted to Budgetary Basis)	Budget	Variance Favorable (Unfavorable)	Actual (Adjusted to Budgetary Basis)	Budget	Actual Variance Favorable (Unfavorable)
\$ (8,030)	\$ -	\$(8,030)	\$ 4,835,902	\$ 1,189,128	\$ 3,646,774
			394,768	435,682	(40,916)
			(3,645,513)	(3,737,576)	92,063
			(3,250,747)	(3,301,894)	51,147
(8,030)		(8,030)	1,584,655	(2,112,766)	3,697,421
			(235,763)	(235,763)	-
8,030		8,030	5,137,258	5,115,975	21,283
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,486,150</u>	<u>\$ 2,767,446</u>	<u>\$ 3,718,704</u>

(Continued)

Debt Service Fund



The Debt Service Fund is used to accumulate monies for the payment of bond and certificate of indebtedness issues, other than bonds secured by the operation of the Utility Fund.

The bond issues and the certificates of indebtedness are financed by ad valorem, sales tax and special assessment levies.

CITY OF SLIDELL, LOUISIANA

EXHIBIT D-1

**DEBT SERVICE FUND
COMPARATIVE BALANCE SHEETS
JUNE 30, 1996 AND 1995**

ASSETS	1996	1995
Cash	\$ -	\$ 47,800
Investments	745,203	544,805
Receivables:		
Special assessments (net of an allowance for doubtful accounts of \$45,795 in 1995)	-	21,939
Accrued interest	4,848	-
Due from General Fund	<u>220,624</u>	<u>4,848</u>
TOTAL ASSETS	<u>\$ 970,675</u>	<u>\$ 619,392</u>
 LIABILITIES AND FUND BALANCE		
LIABILITIES:		
Accounts payable	3,271	45,606
Due to General Fund	-	35,778
Deferred assessment revenue	<u>-</u>	<u>3,692</u>
Total liabilities	<u>3,271</u>	<u>85,076</u>
 FUND BALANCES:		
Reserved for general obligation bond debt service	967,404	509,648
Reserved for special assessment debt service	<u>-</u>	<u>24,568</u>
Total fund balances	<u>967,404</u>	<u>534,316</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 970,675</u>	<u>\$ 619,392</u>

CITY OF SLIDELL, LOUISIANA

EXHIBIT D-2

**DEBT SERVICE FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
YEARS ENDED JUNE 30, 1996 AND 1995**

	1996	1995
REVENUES:		
Ad valorem taxes	\$ 1,468,839	\$ 990,477
Assessment revenue	3,692	2,905
Interest	<u>33,224</u>	<u>38,263</u>
Total revenues	<u>1,505,755</u>	<u>1,031,645</u>
EXPENDITURES:		
Debt service:		
Principal retirement	1,614,800	1,231,800
Interest and paying agents' fees	1,322,030	1,227,653
Certificate of indebtedness issuance costs	<u>-</u>	<u>44,000</u>
Total expenditures	<u>2,936,830</u>	<u>2,503,453</u>
DEFICIENCY OF REVENUES OVER EXPENDITURES	(1,431,075)	(1,471,808)
OTHER FINANCING SOURCES:		
Operating transfers in	<u>1,864,163</u>	<u>1,421,324</u>
Total other financing sources	<u>1,864,163</u>	<u>1,421,324</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	433,088	(50,484)
FUND BALANCE, BEGINNING OF YEAR	<u>534,316</u>	<u>584,800</u>
FUND BALANCE, END OF YEAR	<u>\$ 967,404</u>	<u>\$ 534,316</u>

Capital Projects Funds



Capital Projects Funds account for the purchase, construction and renovation of the city's major capital facilities.

Resources are derived principally from proceeds of general obligation or sales tax bonds, U.S. Government grants and other agencies.

The city maintains the following Capital Project Funds:

**Water Improvements
Public Work Improvements
Sewerage Improvements
City Capital Construction
Drainage Improvements
Street Improvements**

CITY OF SLIDELL, LOUISIANA

EXHIBIT E-1

CAPITAL PROJECTS FUNDS
 COMBINING BALANCE SHEET
 JUNE 30, 1998 (WITH COMPARATIVE TOTALS FOR JUNE 30, 1995)

ASSETS	Public Works Improvement	Water Improvements	Sewerage Improvements	City Capital Construction	Drainage Improvements	Street Improvements	Totals	
							1998	1995
Cash and cash equivalents	\$ 616,000	\$ 323,000	\$ 170,000	\$ -	\$ 450,000	\$ -	\$ 1,559,000	\$ 3,864,500
Investments				1,163,820	9,023,349		10,187,169	1,152,760
Accrued interest receivable				16,657			16,657	16,523
Prepaid items						13,867	13,867	-
Due from State of Louisiana					67,429		67,429	-
Due from General Fund				88,232			88,232	109,991
TOTAL ASSETS	\$ 616,000	\$ 323,000	\$ 170,000	\$ 1,268,709	\$ 9,540,778	\$ 13,867	\$ 11,932,354	\$ 5,143,774
LIABILITIES AND FUND BALANCES								
LIABILITIES								
Accounts payable	\$ 245,356	\$ 105,559	\$ 83,140	\$ 378	\$ 409,452	\$ 3,019	\$ 846,904	\$ 66,957
Due to General Fund	4,606	7,238	518		149,522	10,848	172,732	72,610
Total liabilities	249,962	112,797	83,658	378	558,974	13,867	1,019,636	139,567
FUND BALANCES								
Reserved for capital outlay				227,162			227,162	50,000
Unreserved Designated for capital outlay	366,038	210,203	86,342	1,041,169	8,981,804		10,685,556	4,954,207
Total fund balances	366,038	210,203	86,342	1,268,331	8,981,804	-	10,912,718	5,004,207
TOTAL LIABILITIES AND FUND BALANCES	\$ 616,000	\$ 323,000	\$ 170,000	\$ 1,268,709	\$ 9,540,778	\$ 13,867	\$ 11,932,354	\$ 5,143,774

CITY OF SLIDELL, LOUISIANA

EXHIBIT E-2

CAPITAL PROJECTS FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 YEAR ENDED JUNE 30, 1998 (WITH COMPARATIVE TOTALS FOR JUNE 30, 1996)

	Public Works Improvement	Water Improvements	Sewerage Improvements	City Capital Construction	Drainage Improvements	Street Improvements	Totals	
							1998	1996
REVENUES:								
State grant	\$ -	\$ -	\$ -	\$ -	\$ 67,428	\$ -	\$ 67,428	\$ -
From other local governments				200,000			200,000	50,000
Other, primarily interest	95,485	16,478	13,760	202,953	143,467		472,143	81,795
Total revenues	95,485	16,478	13,760	402,953	210,895		739,571	131,795
CAPITAL OUTLAY	3,904,447	172,654	232,571	88,643	666,137		5,064,452	1,071,901
BOND ISSUANCE COSTS					62,954		62,954	
DEFICIENCY OF REVENUES OVER EXPENDITURES	(3,808,962)	(156,176)	(218,811)	314,310	(518,196)		(4,387,835)	(940,106)
OTHER FINANCING SOURCES (USES):								
Operating transfers (out) in				(278,654)			(278,654)	85,056
Proceeds from bonds	1,075,000				9,500,000		10,575,000	3,700,000
Total other financing sources	1,075,000			(278,654)	9,500,000		10,296,346	3,785,056
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES	(2,733,962)	(156,176)	(218,811)	35,656	8,981,804		5,908,511	2,844,950
FUND BALANCES, BEGINNING OF YEAR	3,100,000	366,379	305,153	1,232,675			5,004,207	2,159,257
FUND BALANCES, END OF YEAR	\$ 366,038	\$ 210,203	\$ 86,342	\$ 1,268,331	\$ 8,981,804	\$ -	\$ 10,912,718	\$ 5,004,207

Enterprise Funds



These proprietary funds are used to account for operations of the city which are financed and operated in a manner similar to private business enterprises.

The city operates the following enterprises:

Utility Fund
Airport Fund

CITY OF SLIDELL, LOUISIANA

ENTERPRISE FUNDS

COMBINING BALANCE SHEET

JUNE 30, 1996 (WITH COMPARATIVE TOTALS FOR JUNE 30, 1995)

ASSETS	Utility	Airport	Totals	
			1996	1995 (Restated)
CURRENT ASSETS:				
Investments	\$ 153,617	\$ -	\$ 153,617	\$ 135,893
Accounts receivable, net of allowances for doubtful accounts of \$39,344 in 1996 and \$26,000 in 1995	481,437		481,437	490,612
Unbilled receivable	162,675		162,675	160,689
Other receivables	5,980	1,920	7,900	1,782
Due from U.S. Government	15,934	62,957	78,891	132,064
Due from State of Louisiana		135,993	135,993	-
Due from General Fund	1,108,063		1,108,063	1,027,522
Inventory	238,617		238,617	221,964
Total current assets	2,166,323	200,870	2,367,193	2,170,446
RESTRICTED ASSETS:				
Cash and cash equivalents	57,246		57,246	131,174
Investments	2,806,262		2,806,262	165,488
Total restricted assets	2,863,508		2,863,508	296,662
PROPERTY, PLANT AND EQUIPMENT:				
Land	75,559	99	75,658	75,658
Water system	15,918,252		15,918,252	15,898,906
Sewerage system	23,997,953		23,997,953	23,956,184
General equipment	1,798,233	34,751	1,832,984	1,526,488
Airport facility		1,580,958	1,580,958	1,398,598
Construction in progress	797,246	932,135	1,729,381	168,527
	42,587,243	2,547,943	45,135,186	43,024,361
Less accumulated depreciation	(12,156,454)	(523,425)	(12,679,879)	(11,456,112)
Total property, plant and equipment	30,430,789	2,024,518	32,455,307	31,568,249
Other assets	115,754		115,754	-
TOTAL ASSETS	\$35,576,374	\$2,225,388	\$37,801,762	\$34,035,357

EXHIBIT F-1

LIABILITIES AND FUND EQUITY	Utility	Airport	Totals	
			1996	1995 (Restated)
CURRENT LIABILITIES:				
Accounts payable and accrued expenses	\$ 487,112	\$ 75,845	\$ 562,957	\$ 323,421
Customer deposits	<u>279,143</u>	<u> </u>	<u>279,143</u>	<u>279,432</u>
Total current liabilities (including approximately \$280,000 payable from restricted assets in 1996 and 1995)	766,255	75,845	842,100	602,853
Revenue bonds payable	2,500,000		2,500,000	-
Due to General Fund	<u> </u>	<u>107,874</u>	<u>107,874</u>	<u>95,090</u>
Total liabilities	<u>3,266,255</u>	<u>183,719</u>	<u>3,449,974</u>	<u>697,943</u>
FUND EQUITY:				
Contributed capital	33,055,312	2,004,444	35,059,756	34,097,441
Retained earnings (deficit): Unreserved	<u>(745,193)</u>	<u>37,225</u>	<u>(207,968)</u>	<u>(760,027)</u>
Total fund equity	<u>32,310,119</u>	<u>2,041,669</u>	<u>34,351,788</u>	<u>33,337,414</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$35,576,374</u>	<u>\$2,225,388</u>	<u>\$37,801,762</u>	<u>\$34,035,357</u>

CITY OF SLIDELL, LOUISIANA

EXHIBIT F-2

ENTERPRISE FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENSES AND
 CHANGES IN RETAINED EARNINGS (DEFICIT)
 YEAR ENDED JUNE 30, 1996 (WITH COMPARATIVE TOTALS FOR JUNE 30, 1995)

	Utility	Airport	Totals	
			1996	1995 (Restated)
OPERATING REVENUES				
Water revenues	\$1,803,375	\$ -	\$1,803,375	\$1,546,026
Sewerage revenues	1,861,013		1,861,013	1,691,958
Solid waste disposal revenues	773,194		773,194	776,797
Ad valorem taxes assessed for sewerage maintenance	510,789		510,789	504,143
Ad valorem taxes assessed for garbage service	510,789		510,789	504,143
Connection charges	70,579		70,579	58,686
Tie down and rental revenues		27,609	27,609	30,008
Penalties	85,064		85,064	79,502
Total operating revenues	<u>5,614,803</u>	<u>27,609</u>	<u>5,642,412</u>	<u>5,191,263</u>
OPERATING EXPENSES (EXCLUDING DEPRECIATION)				
Salaries, wages and related benefits	1,863,104	47,231	1,910,335	1,694,818
Solid waste disposal	1,374,012		1,374,012	1,360,955
Repairs and maintenance	151,950	9,324	161,274	167,208
Materials and supplies	416,153	1,916	418,069	242,172
Utilities	136,830	6,732	343,552	365,877
Gas and oil	30,365	817	31,182	31,950
Insurance	28,000	2,500	30,500	32,200
Office expense	26,085	1,245	27,330	33,591
Certification and training	5,367	5,553	10,920	13,362
Other	30,829	11,061	41,890	60,622
Payment in lieu of taxes	417,274		417,274	387,968
Bad debt expense	43,997		43,997	-
Total operating expenses before depreciation	<u>4,723,965</u>	<u>86,409</u>	<u>4,810,374</u>	<u>4,390,823</u>
OPERATING INCOME (LOSS) BEFORE DEPRECIATION	890,837	(58,800)	832,037	800,640
DEPRECIATION	<u>1,143,321</u>	<u>216,119</u>	<u>1,357,440</u>	<u>1,451,581</u>
OPERATING LOSS	<u>(250,484)</u>	<u>(274,919)</u>	<u>(525,403)</u>	<u>(650,941)</u>
NON OPERATING REVENUES (EXPENSES)				
Other income, primarily interest	53,403		53,403	21,066
Grant revenue				26,571
Interest and fiscal charges	(29,022)		(29,022)	
Total non operating revenue	<u>24,381</u>		<u>24,381</u>	<u>47,637</u>
NET LOSS BEFORE OPERATING TRANSFERS	(226,103)	(274,919)	(501,022)	(603,304)
OPERATING TRANSFERS IN	<u>6,381</u>	<u>70,620</u>	<u>77,001</u>	<u>65,748</u>
NET LOSS	(219,722)	(204,299)	(424,021)	(537,556)
DEPRECIATION ON ASSETS ACQUIRED WITH EXTERNALLY RESTRICTED CAPITAL CONTRIBUTIONS WHICH REDUCES CONTRIBUTED CAPITAL				
	263,255	212,825	476,080	421,744
RETAINED EARNINGS (DEFICIT), BEGINNING OF YEAR, AS RESTATED	<u>(788,726)</u>	<u>28,699</u>	<u>(760,027)</u>	<u>(611,215)</u>
RETAINED EARNINGS (DEFICIT), END OF YEAR	<u>\$ (745,193)</u>	<u>\$ 37,225</u>	<u>\$ (707,968)</u>	<u>\$ (760,027)</u>

CITY OF SLIDELL, LOUISIANA

EXHIBIT F-3

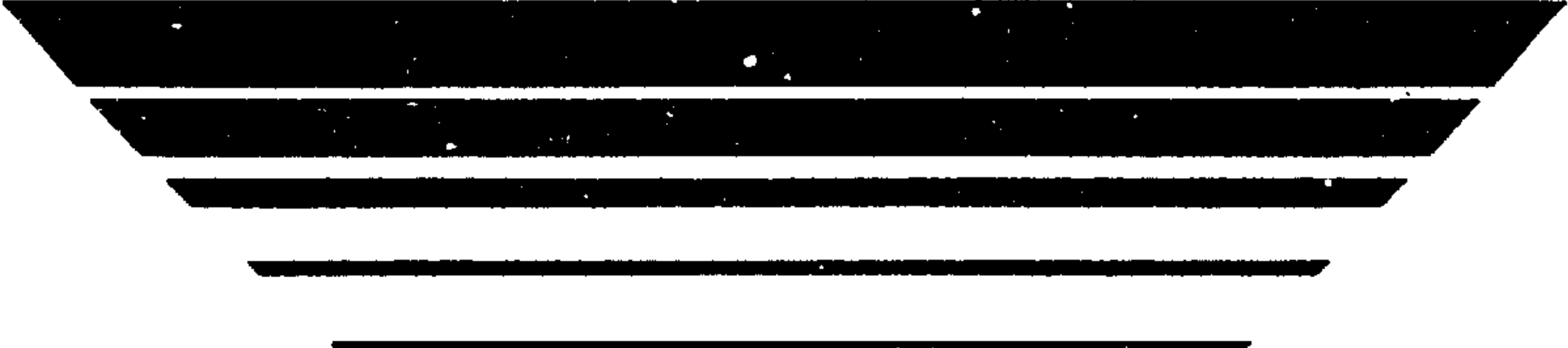
ENTERPRISE FUNDS

COMBINING STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30, 1996 (WITH COMPARATIVE TOTALS FOR JUNE 30, 1995)

	Utility	Airport	Totals	
			1996	1995 (Restated)
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from operations	\$ 4,480,164	\$ 27,471	\$ 4,507,635	\$ 3,648,490
Payments for goods and services	(3,848,139)	(31,885)	(1,860,024)	(1,810,555)
Payments for employee services	(3,863,504)	(47,231)	(1,910,335)	(1,694,818)
Payments in lieu of taxes	(417,274)		(417,274)	(387,908)
Payments for direct and indirect costs	(401,026)	(34,959)	(415,985)	(546,674)
Other operating income	1,021,578		1,021,578	1,008,286
Net cash provided by (used in) operating activities	972,199	(46,604)	925,595	216,821
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Operating transfers in, net	6,381	70,620	77,001	65,748
Net cash provided by noncapital financing activities	6,381	70,620	77,001	65,748
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Proceeds from issuance of debt	2,500,000		2,500,000	-
Issuance cost paid	(115,754)		(115,754)	-
Capital contributed by others	405,049	939,889	1,344,938	243,959
Acquisition and construction of capital assets	(1,207,686)	(963,905)	(2,171,591)	(318,707)
Interest paid on debt	(29,022)		(29,022)	-
Net cash provided by (used in) capital and related financing activities	1,552,567	(24,016)	1,528,551	(274,738)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Purchases of investments	(2,958,498)		(2,958,498)	-
Proceeds from maturities and sale of investments	300,000		300,000	-
Proceeds from interest income	53,403		53,403	4,758
Net cash (used in) provided by investing activities	(2,605,095)		(2,605,095)	4,758
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(73,928)		(73,928)	12,589
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	131,174		131,174	118,585
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 57,246	\$	\$ 57,246	\$ 131,174
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES:				
Operating loss	\$ (250,484)	\$ (274,919)	\$ (525,403)	\$ (650,543)
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	1,141,321	216,119	1,357,440	1,451,581
Bad debt expense	43,997		43,997	-
Change in asset and liabilities:				
Increase in accounts receivable	(112,772)	(138)	(112,910)	(594,965)
Increase in inventory	(16,653)		(16,653)	(10,154)
Increase in accounts payable	166,790	12,354	179,144	21,300
Net cash provided by (used in) operating activities	\$ 972,199	\$ (46,604)	\$ 925,595	\$ 216,821

Expendable Trust Funds



**Expendable Trust Funds are used
to account for assets held by the
city in a fiduciary capacity for
individuals, organizations
and others.**

CITY OF SLIDELL, LOUISIANA

EXHIBIT G-1

EXPENDABLE TRUST FUNDS
COMBINING BALANCE SHEET

JUNE 30, 1996 (WITH COMPARATIVE TOTALS FOR JUNE 30, 1995)

ASSETS	Christmas Under The Stars	Old Towne Development	Animal Assistance League of Slidell	Green	Totals	
					1996	1995
Cash	\$ -	\$ -	\$ 1,350	\$ 432	\$ 1,782	\$ 707
Due from General Fund	<u>13,933</u>	<u>1,398</u>	<u>18,876</u>	<u>283</u>	<u>34,490</u>	<u>34,201</u>
TOTAL ASSETS	\$ 13,933	\$ 1,398	\$ 20,226	\$ 715	\$ 36,272	\$ 34,908
LIABILITIES AND FUND BALANCES						
LIABILITIES:						
Accounts payable	\$ -	\$ 284	\$ 1,316	\$ -	\$ 1,600	\$ 491
FUND BALANCES:						
Reserved for spay neuter			3,466		3,466	3,466
Reserved for trust purposes	<u>13,933</u>	<u>1,114</u>	<u>13,444</u>	<u>715</u>	<u>31,206</u>	<u>30,951</u>
Total fund balances	<u>13,933</u>	<u>1,114</u>	<u>18,910</u>	<u>715</u>	<u>34,672</u>	<u>34,417</u>
TOTAL LIABILITIES AND FUND BALANCES	\$ 13,933	\$ 1,398	\$ 20,226	\$ 715	\$ 36,272	\$ 34,908

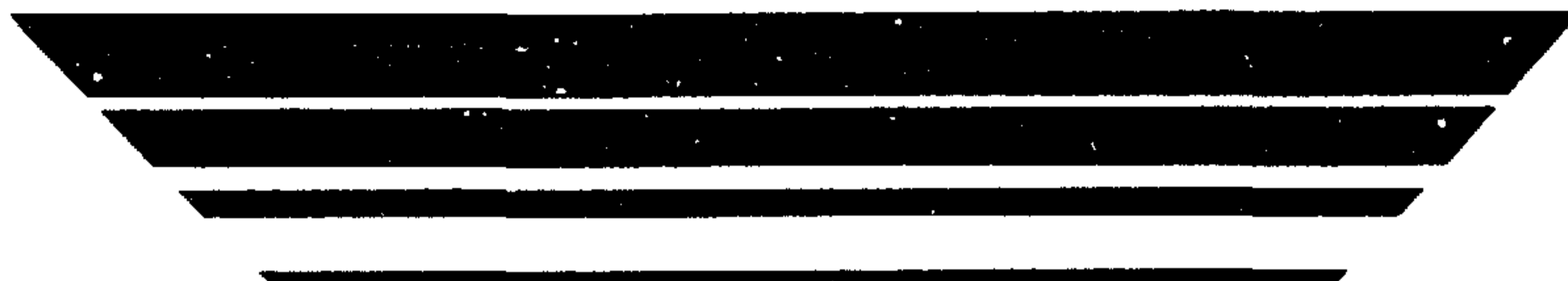
CITY OF SLIDELL, LOUISIANA

EXHIBIT G-2

EXPENDABLE TRUST FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 YEAR ENDED JUNE 30, 1996 (WITH COMPARATIVE TOTALS FOR JUNE 30, 1995)

	Christmas Under The Stars	Old Towne Development	Animal Assistance League of Slidell	Green	Totals
					1996
REVENUES:					1995
Contributions	\$ 9,736	\$ 2,500	\$ 58,225	\$ 75	\$ 70,536
EXPENDITURES:					
Public works	<u>2,462</u>	<u>6,022</u>	<u>61,779</u>	<u>18</u>	<u>70,281</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	7,274	(3,522)	(3,554)	57	255
FUND BALANCES, BEGINNING OF YEAR	<u>6,659</u>	<u>4,636</u>	<u>22,464</u>	<u>658</u>	<u>34,417</u>
FUND BALANCES, END OF YEAR	<u>\$13,933</u>	<u>\$1,114</u>	<u>\$18,910</u>	<u>\$ 715</u>	<u>\$34,672</u>
					<u>\$34,417</u>

General Fixed Assets Account Group



**This account group is used to account
for the general fixed assets of the
city, other than assets of the
Enterprise Funds.**

CITY OF SLIDELL, LOUISIANA

EXHIBIT H-1

GENERAL FIXED ASSETS ACCOUNT GROUP
 SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS
 BY ASSET CLASS AND SOURCE
 YEAR ENDED JUNE 30, 1996

	June 30, 1995 (As restated)	Additions	Retirements	June 30, 1996
GENERAL FIXED ASSETS:				
Land and buildings	\$10,174,711	\$2,398,861	\$ (120,309)	\$12,453,363
Recreation facilities/parks	559,115	224,636		783,751
Streets	9,228,068	1,356,084	(638,910)	9,945,242
Drainage	10,374,949	1,813,999		12,188,948
Office equipment	1,016,230	368,573		1,384,803
Machinery and equipment	1,364,538	521,291	(275,278)	1,610,551
Vehicles	2,577,689	638,079	(368,678)	2,847,090
Bridges	619,084			619,084
Construction in progress	616,635	1,718,551		2,335,186
	<u>\$36,531,019</u>	<u>\$9,040,174</u>	<u>\$(1,403,175)</u>	<u>\$44,168,018</u>
INVESTMENT IN GENERAL FIXED ASSETS:				
From General Obligation Bonds	\$ 7,065,690	\$ 716,264	\$ -	\$ 7,781,954
From General Fund	457,506	29,999	(133,501)	354,004
From Sales and Use Taxes	16,465,445	2,560,781	(1,149,365)	17,876,861
From Special Assessment Levies	412,185			412,185
From Certificate of Indebtedness	-	3,766,413		3,766,413
From Federal Grants	6,708,889	89,288		6,798,177
From State of Louisiana	1,850,416			1,850,416
From Local Governments	163,682			163,682
From Individuals	1,129,450	1,813,070		2,942,520
From Slidell Housing Authority	151,228			151,228
From Public Trust Authority	2,126,528	64,359	(120,309)	2,070,578
	<u>\$36,531,019</u>	<u>\$9,040,174</u>	<u>\$(1,403,175)</u>	<u>\$44,168,018</u>

CITY OF SLIDELL, LOUISIANA

**GENERAL FIXED ASSETS ACCOUNT GROUP
SCHEDULE OF GENERAL FIXED ASSETS BY FUNCTION
JUNE 30, 1996**

	Land and Buildings	Parks and Recreational Facilities
Administration	\$ 3,395,259	\$ -
Finance		
Legal		
Property management		
Animal control		
Permits		
Human resources		
Legislative		
Total general government	<u>3,395,259</u>	
Public works	<u>\$ 371,188</u>	
Public safety - police	<u>1,335,954</u>	
Parks, recreational and culture	<u>2,350,962</u>	<u>783,751</u>
Construction in progress		
TOTAL GENERAL FIXED ASSETS	<u>\$ 12,453,363</u>	<u>\$ 783,751</u>

EXHIBIT H-2

Streets Bridges and Drainage Improvements	Machinery and Equipment	Construction in Progress	Total
\$ -	\$ 32,964	\$ -	\$ 3,428,223
	402,347		402,347
	8,345		8,345
	139,248		139,248
	69,365		69,365
	80,387		80,387
	21,480		21,480
	72,731		72,731
	<u>826,867</u>		<u>4,222,126</u>
<u>22,753,274</u>	<u>2,125,263</u>		<u>30,249,723</u>
	<u>2,302,490</u>		<u>3,638,414</u>
	<u>587,826</u>		<u>3,722,339</u>
		<u>2,335,186</u>	<u>2,335,186</u>
<u>\$22,753,274</u>	<u>\$5,842,444</u>	<u>\$2,335,186</u>	<u>\$44,168,018</u>

CITY OF SLIDELL, LOUISIANA

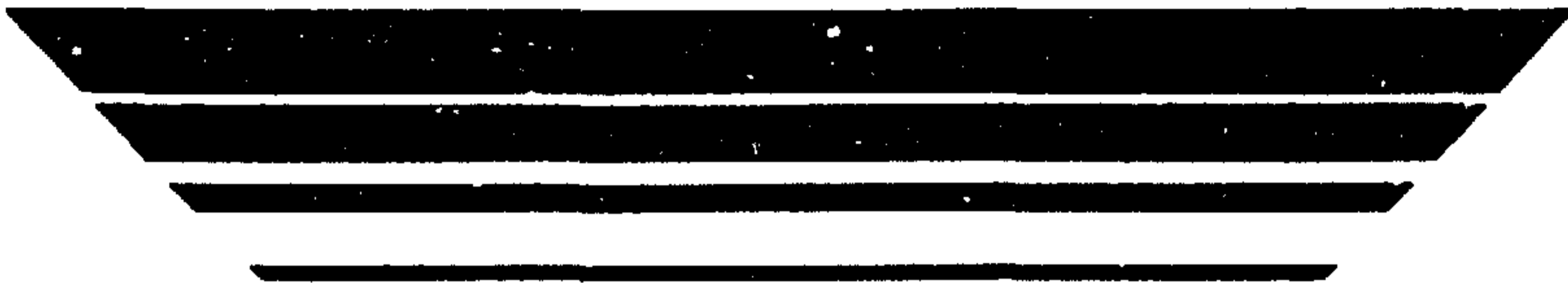
EXHIBIT H-3

GENERAL FIXED ASSETS ACCOUNT GROUP
 SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS BY FUNCTION AND ACTIVITY
 YEAR ENDED JUNE 30, 1996

	General Fixed Assets Restated June 30, 1995	Additions	Retirements	General Fixed Assets June 30, 1996
Administrative	\$ 3,610,730	\$ 14,361	\$ (196,868)	\$ 3,428,223
Finance	375,177	27,170		402,347
Legal	8,345	-		8,345
Property management/planning	43,941	95,307		139,248
Animal control	69,365			69,365
Permits	63,698	16,689		80,387
Human resources	17,287	4,193		21,480
Legislative	59,121	13,610		72,731
Total general government	<u>4,247,664</u>	<u>171,330</u>	<u>(196,868)</u>	<u>4,222,126</u>
Public Works	<u>24,224,783</u>	<u>6,338,304</u>	<u>(313,364)</u>	<u>30,249,723</u>
Public Safety/Police	<u>4,069,144</u>	<u>463,243</u>	<u>(892,943)</u>	<u>3,638,444</u>
Parks, Recreation and Culture	<u>3,372,793</u>	<u>349,746</u>		<u>3,722,539</u>
Construction in progress	<u>616,633</u>	<u>1,718,551</u>		<u>2,335,186</u>
TOTAL GENERAL FIXED ASSETS	<u>\$36,531,019</u>	<u>\$9,040,174</u>	<u>\$(1,493,175)</u>	<u>\$44,168,018</u>

(1) Amount represents cumulative assets in the general government category acquired prior to July 1, 1991.

General Long-Term Debt Account Group



**This account group represents a
summary of the general obligation,
sales tax, and special assessment
debt as well as certain other
long-term liabilities
of the city.**

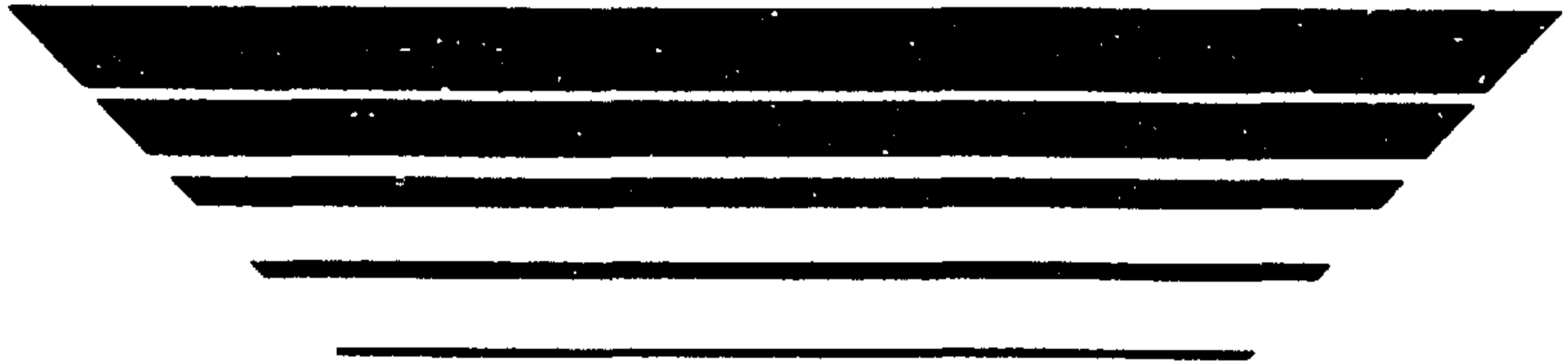
CITY OF SLIDELL, LOUISIANA

EXHIBIT 1-1

GENERAL LONG TERM DEBT ACCOUNT GROUP
 SCHEDULE OF CHANGES IN GENERAL LONG TERM DEBT
 YEAR ENDED JUNE 30, 1996

	June 30, 1995	Additions	Reductions	Debt Service Funds Operations	June 30, 1996
AMOUNT AVAILABLE IN DEBT SERVICE AND SALES TAX FUNDS:					
For the retirement of:					
General obligation bonds	\$ 509,702	\$ -	\$ -	\$ 457,702	\$ 967,404
Sales tax bonds	1,933,538				1,933,538
Special assessment debt	47,800		(47,800)		-
	<u>2,491,040</u>		<u>(47,800)</u>	<u>457,702</u>	<u>2,900,942</u>
AMOUNT TO BE PROVIDED FOR RETIREMENT OF GENERAL LONG TERM DEBT:					
From ad valorem taxes	6,035,298	9,500,000	(650,000)	(457,702)	14,427,596
From sales and use taxes	11,563,837		(637,000)		10,926,837
From General Fund	562,300	41,955	(253,276)		351,019
From Sales Tax Fund	3,791,400	1,075,000	(371,400)		4,495,000
	<u>21,952,835</u>	<u>10,616,955</u>	<u>(1,911,626)</u>	<u>(457,702)</u>	<u>30,200,462</u>
	<u>\$24,443,875</u>	<u>\$10,616,955</u>	<u>\$ (1,959,426)</u>	<u>\$ -</u>	<u>\$33,101,404</u>
GENERAL LONG TERM DEBT PAYABLE:					
General obligation bonds payable	\$ 6,545,000	\$ 9,500,000	\$ (650,000)	\$ -	\$15,395,000
Sales tax bonds payable	13,497,375		(637,000)		12,860,375
Special assessment debt with government commitment	47,800		(47,800)		-
Certificate of indebtedness	3,700,000	1,075,000	(283,000)		4,495,000
	<u>23,790,175</u>	<u>10,575,000</u>	<u>(1,614,800)</u>		<u>32,750,375</u>
Claims and judgments		41,955			41,955
Accrued compensatory absences	653,700		(344,626)		309,074
	<u>\$24,443,875</u>	<u>\$10,616,955</u>	<u>\$ (1,959,426)</u>	<u>\$ -</u>	<u>\$33,101,404</u>

Supporting Schedules



CITY OF SLIDELL, LOUISIANA

GENERAL FUND

SCHEDULE OF FUNCTIONAL EXPENDITURES BY DEPARTMENT (Budgetary Basis)

YEAR ENDED JUNE 30, 1996

	Salaries, Wages and Related Benefits	Contract Services	Supplies and Materials	Equipment
ADMINISTRATIVE	\$ 266,201	\$ 39,962	\$ 19,095	\$ 1,527
FINANCE	350,840	11,505	26,790	3,328
LEGAL	111,121	3,257	5,440	4,519
DATA PROCESSING	120,783	981	24,995	3,940
PURCHASING	179,880	1,114	17,854	2,047
HUMAN RESOURCES	88,279	26,867	25,938	3,287
LEGISLATIVE	242,290	61,352	10,835	1,982
ANIMAL CONTROL	167,700	5,980	12,260	1,062
PROPERTY MANAGEMENT	309,669	28,075	4,347	
PERMITS	266,182	5,196	7,490	1,682
PLANNING	162,273	6,643	5,342	2,225
POLICE	3,238,975	73,849	298,251	18,280
CITY MARSHAL	59,983	3,300		
CITY COURT	54,572	46,089	1,177	
CITY PROSECUTOR	<u>23,532</u>	<u>17,155</u>	<u>203</u>	<u></u>
TOTAL EXPENDITURES	<u>\$5,642,280</u>	<u>\$331,325</u>	<u>\$460,017</u>	<u>\$43,879</u>

SCHEDULE 1

911	Community Service	Legal Fees and Claims	Total
\$ -	\$ -	\$ -	\$ 326,785
			392,463
		146,118	270,455
			150,699
			200,895
			144,371
			316,459
			187,002
	40,000		382,091
			280,550
	2,388		178,871
92,311			3,721,666
			63,283
			101,838
			40,890
<u>\$92,311</u>	<u>\$42,388</u>	<u>\$146,118</u>	<u>\$6,758,318</u>

CITY OF SLIDELL, LOUISIANA

SALES TAX FUND

SCHEDULE OF FUNCTIONAL EXPENDITURES BY DEPARTMENT (Budgetary Basis)

YEAR ENDED JUNE 30, 1996

	Salaries, Wages and Related Benefits	Contract Services	Supplies and Materials
ADMINISTRATIVE	\$ 262,520	\$ 836,702	\$ 6,456
ARTS COUNCIL	109,756	20,388	6,983
IMPROVEMENTS			553,748
STREETS, BRIDGES AND DRAINAGE	1,046,984	16,250	254,984
ENGINEERING	292,496	3,746	5,294
ELECTRICAL	167,686	1,286	3,735
GENERAL MAINTENANCE	202,761	1,905	40,659
VEHICLE MAINTENANCE	254,058	2,800	121,610
PARKS AND RECREATION	<u>715,609</u>	<u>57,189</u>	<u>86,315</u>
TOTAL EXPENDITURES	<u>\$3,051,960</u>	<u>\$940,266</u>	<u>\$1,079,784</u>

SCHEDULE 2

Equipment	Total
\$ -	\$1,105,678
1,149	138,276
	553,748
7,530	1,325,748
859	302,395
1,181	173,888
2,178	247,503
2,682	381,150
<u>4,840</u>	<u>864,143</u>
<u>\$20,519</u>	<u>\$5,092,529</u>

CITY OF SLIDELL, LOUISIANA

SCHEDULE J

**COMBINED SCHEDULE OF INVESTMENTS
JUNE 30, 1996**

	Interest Rate		Maturity Date		Book Value
	From	To	From	To	
GENERAL FUND:					
Federal discount notes, agencies, strips	5.092	6.516	7/96	3/97	\$ 2,374,919
Total unrestricted investments					<u>\$ 2,374,919</u>
SPECIAL REVENUE FUNDS:					
U. S. Treasury Notes, Bills, Strips	4.825	4.825	8/96	8/96	\$ 287,719
Federal Discount Notes, Agencies	4.700	5.112	8/96	1/98	865,081
Total unrestricted investments					<u>\$ 1,152,800</u>
U.S. Treasury Notes, Bills, Strips	4.700	5.290	2/97	8/98	\$ 1,586,916
Total restricted investments					<u>\$ 1,586,916</u>
DEBT SERVICE FUND:					
Federal discount notes, agencies, strips	5.112	5.571	8/96	3/98	\$ 745,203
Total unrestricted investments					<u>\$ 745,203</u>
CAPITAL PROJECTS FUNDS:					
Federal discount notes, agencies strips	5.160	5.440	8/96	11/96	\$ 1,163,820
U.S. Treasury Notes, Bills, Strips	4.660	5.041	7/96	12/96	9,023,349
Total unrestricted investments					<u>\$ 10,187,169</u>
ENTERPRISE FUNDS:					
U.S. Treasury Notes, Bills, Strips	4.740	5.561	7/96	8/97	\$ 2,496,862
Federal discount notes, agencies, strips	5.110	5.190	8/96	1/99	309,400
Total restricted investments					<u>\$ 2,806,262</u>
Federal discount, notes, agencies, strips	5.346	5.468	7/97	7/97	\$ 153,617
Total unrestricted investments					<u>\$ 153,617</u>
TOTAL UNRESTRICTED INVESTMENTS					<u>\$ 14,613,708</u>
TOTAL RESTRICTED INVESTMENTS					<u>4,393,178</u>
TOTAL INVESTMENTS					<u>\$ 19,006,886</u>

CITY OF SLIDELL, LOUISIANA**SCHEDULE 4****SCHEDULE OF COMPENSATION PAID TO CITY COUNCIL MEMBERS
YEAR ENDED JUNE 30, 1996**

Council Member	Number of Days	Compensation
Dudley Smith	365	\$ 10,500
Alvin D. Singletary	365	10,500
Lionel J. Washington	365	10,500
Bob Callahan	365	10,500
Richard B. Van Sandt	365	10,500
Belinda Levy	365	10,500
Marti J. Livaudais	365	10,500
J. T. "Tom" Schedler	189	5,533
Michael J. Melbert	48	1,312
Pearl Williams	365	10,500

CITY OF SLIDELL, LOUISIANA

GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION (1) LAST TEN FISCAL YEARS

Fiscal Year	General Government	Public Works	Public Safety	Parks and Recreation
1987	\$ 1,570,529	\$2,444,368	\$2,170,075	\$477,132
1988	1,948,256	2,900,898	2,437,138	573,975
1989	1,669,584	3,258,266	2,561,139	596,398
1990	1,861,715	3,457,381	2,864,211	655,062
1991	2,158,162	3,540,223	2,826,756	686,365
1992	2,391,107	3,494,264	3,128,061	708,653
1993	3,255,365	3,027,917	3,276,057	712,945
1994	3,176,345 (2)	3,646,495	3,832,885	818,465
1995	3,668,219 (3)	3,293,623	3,627,643	845,649
1996	3,429,840	3,916,717	3,721,666	864,143

(1) The above information reflects the General and Special Revenue Funds (budgetary basis) and the Debt Service Fund; Capital Projects and Expendable Trust Funds are not included herein.

(2) Includes \$63,000 for claims and judgments.

(3) Includes \$404,817 for disasters.

TABLE 1

City Court & Prosecutor	Capital Outlay	Debt Service	Total
\$ 18,884	\$ 4,511,962	\$ 1,787,001	\$ 12,899,951
43,294	3,058,148	1,862,218	12,823,927
50,700	6,046,352	2,746,032	16,928,471
75,774	4,325,681	2,807,865	16,047,689
118,424	2,125,233	3,119,023	14,574,186
113,025	2,894,125	2,695,148	15,424,383
140,136	2,989,923	2,710,504	16,032,947
170,553	2,075,152	3,074,371	16,794,267
172,108	1,843,362	2,503,453	15,955,057
206,011	2,324,423	2,936,830	17,399,630

CITY OF SLIDELL, LOUISIANA

**GENERAL GOVERNMENTAL REVENUES BY SOURCE (1)
LAST TEN FISCAL YEARS**

Fiscal Year	Taxes			Total	Inter-Governmental Revenue	Licenses and Permits
	Sales Taxes	Property Taxes	Franchise Tax			
1987	\$ 5,608,938	\$2,468,961	\$714,996	\$ 8,792,895	\$ 433,550	\$ 802,248
1988	7,078,356	2,625,601	688,746	10,392,703	633,511	905,340
1989	7,529,794	2,713,710	689,426	10,932,930	472,480	948,794
1990	8,236,623	2,324,491	770,059	11,331,173	491,532	999,564
1991	8,841,108	2,340,824	797,782	11,979,714	569,789	1,020,736
1992	8,572,802	2,394,209	793,681	11,760,692	966,688	1,053,663
1993	9,162,962	2,434,652	815,077	12,412,691	1,111,533	1,108,842
1994	9,935,945	2,471,326	924,588	13,331,859	886,734	1,191,495
1995	10,410,596	2,439,023	908,694	13,758,313	1,722,053	1,250,309
1996	11,568,348	2,918,512	975,419	15,462,279	1,115,220	1,327,046

(1) Includes General, Special Revenue and Debt Service Funds

(2) Special assessments recorded in special assessment fund type not included.

TABLE 2

Fines and Forfeitures	Special Assessments (2)	Interest and Other Revenues	Payment in Lieu of Taxes	Contributions	Total
\$ 146,577	\$ -	\$ 465,084	\$ 233,812	\$ 800,000	\$ 11,674,166
111,036	332,910	785,282	283,824		13,444,606
128,301	45,281	1,421,406	243,060		14,192,252
154,911	53,744	725,540	293,613		14,050,077
119,555	40,118	699,274	300,840		14,730,026
181,962	51,898	641,413	376,359		15,032,675
176,746	38,059	461,699	393,940		15,703,510
159,908	1,542	494,186	392,012		16,457,736
210,188	2,905	530,507	387,908	8,030	17,870,213
181,977	3,692	659,272	417,274		19,166,760

CITY OF SLIDELL, LOUISIANA**TABLE 3****PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**

Fiscal Year	Total Tax Levy	Current Tax Collections	Percent of Levy Collected
1987	\$2,833,899	\$2,850,814	98.9
1988	3,041,704	3,017,932	99.2
1989	3,183,202	3,141,823	98.7
1990	3,159,816	3,188,603	100.9*
1991	3,255,246	3,227,996	99.2
1992	3,328,539	3,295,963	99.0
1993	3,391,030	3,349,291	98.8
1994	3,384,729	3,448,848	101.9*
1995	3,446,301	3,443,731	99.9
1996	3,934,645	3,940,091	100.1*

*Total collections include redemptions.

CITY OF SLIDELL, LOUISIANA

ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY (1) LAST TEN FISCAL YEARS

Fiscal Year	Residential Property		Commercial Property		Public Service Property	
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value
1987	\$61,259,541	\$612,593,410	\$ 8,266,112	\$ 55,107,413	\$8,063,363	\$53,755,753
1988	64,278,685	642,786,850	11,587,360	77,249,067	8,205,453	54,703,020
1989	65,396,058	653,960,580	10,872,860	72,485,733	8,338,249	55,588,327
1990	64,589,601	646,896,010	12,646,695	84,311,300	8,258,712	55,058,080
1991	67,179,235	671,792,350	14,098,225	93,954,833	8,189,169	54,594,460
1992	66,321,738	663,217,380	16,139,915	107,599,433	8,687,351	57,915,673
1993	66,935,950	669,359,500	17,003,757	113,358,380	9,097,200	60,648,000
1994	65,999,860	669,998,600	20,063,115	133,754,100	9,317,298	62,115,320
1995	68,668,925	686,689,250	23,454,485	156,363,233	9,423,313	62,822,087
1996	68,583,745	685,837,450	26,608,618	177,390,787	8,553,173	57,021,154

(1) Total assessed value is based on the following percentages of estimated actual value:

Residential property	10%
Commercial property	15%
Public service property	15%
Railroad stock	15%

TABLE 4

Railroad Stock		Total		Ratio of Total Assessed to Total Estimate Actual Value
Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	
\$ 16,490	\$ 109,933	\$ 77,605,506	\$ 721,568,509	.11
16,450	109,667	84,087,918	774,848,604	.11
7,440	49,600	84,614,607	782,084,240	.11
13,672	91,147	85,608,680	786,356,537	.11
16,905	112,700	89,483,534	820,454,343	.11
18,871	125,807	91,167,875	828,858,293	.11
21,010	140,067	93,057,917	843,505,947	.11
23,290	155,267	96,403,563	866,023,287	.11
24,181	161,207	101,570,904	906,035,777	.11
29,860	199,067	103,775,396	920,448,458	.11

CITY OF SLIDELL, LOUISIANA

TABLE 5

PROPERTY TAX RATES ALL DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS

Fiscal Year	City (Wards 8&9)	School (Wards 8&9)	Parish (Wards 8&9)	Other		Total	
				(Ward 8)	(Ward 9)	(Ward 8)	(Ward 9)
Tax Rates (In Dollars Per \$1,000 of Assessed Value)							
1987	\$ 37.51	\$ 83.07	\$ 41.58	\$ 36.26	\$ 35.51	\$ 198.42	\$ 197.69
1988	36.91	83.07	41.58	36.12	35.39	197.68	196.95
1989	37.62	85.41	31.79	29.78	29.78	184.60	184.60
1990	36.91	85.41	31.79	43.33	43.33	197.44	197.44
1991	36.38	85.41	31.79	42.28	42.28	195.86	195.86
1992	36.51	85.41	31.79	42.31	42.31	196.02	196.02
1993	36.44	87.10	32.70	43.24	43.24	199.48	199.48
1994	35.11	87.10	32.70	41.19	41.19	196.10	196.10
1995	33.93	87.10	32.70	41.19	41.19	194.92	194.92
1996	38.51	87.10	32.70	40.50	40.50	198.81	198.81

CITY OF SLIDELL, LOUISIANA

TABLE 6

RATIO OF NET GENERAL OBLIGATION BONDED DEBT
TO ASSESSED VALUE AND NET GENERAL OBLIGATION BONDED DEBT PER CAPITA
LAST TEN FISCAL YEARS

Fiscal Year	Population	Assessed Value	Gross Bonded Debt (2)	Less Debt Service Funds (3)	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt Per Capita
1987	30,022 (1)	\$ 77,605,506	\$6,960,000	\$461,699	\$6,498,301	8.37	\$216
1988	30,022 (1)	84,087,948	6,530,000	495,532	6,033,468	7.18	201
1989	30,022 (1)	84,614,607	9,370,000	536,753	8,833,247	10.44	294
1990	24,013 (1)	85,608,680	8,919,000	540,485	8,378,595	9.79	349
1991	24,013 (1)	89,478,534	8,433,000	545,518	7,887,482	8.81	328
1992	24,013 (1)	91,167,875	7,892,000	555,480	7,336,520	8.05	305
1993	24,161 (1)	93,057,917	7,285,000	571,586	6,713,414	7.21	278
1994	24,161 (1)	96,403,563	7,145,000	489,200	6,655,800	6.90	275
1995	26,314 (1)	101,570,994	6,545,000	509,702	6,035,298	5.94	229
1996	26,314 (1)	103,775,396	15,395,000	967,404	14,427,596	13.90	548

(1) The population figures for 1983 through 1989 are estimates. The 1990 through 1992 population is based on actual 1990 census. 1993 through 1996 - Research Division, College of Administration and Business, Louisiana Tech University.

(2) Amount does not include special assessment, sales tax or revenue bonds.

(3) Amount available for repayment of general obligation bonds.

CITY OF SLIDELL, LOUISIANA

TABLE 7

**COMPUTATION OF LEGAL DEBT MARGIN
JUNE 30, 1998**

ASSESSED VALUE	<u>\$103,775,396</u>
DEBT LIMIT - 35% of \$103,775,396 assessed value	\$ 36,321,389
DEDUCT - Amount of debt applicable to debt limit: Bonded debt	<u>15,395,000</u>
Legal debt margin	<u>\$ 20,926,389</u>

(1) State law allows a maximum of 35% of assessed valuation for total bonded general obligation debt.

CITY OF SLIDELL, LOUISIANA

TABLE 8

**RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR
GENERAL OBLIGATION BONDED DEBT TO TOTAL GENERAL EXPENDITURES
LAST TEN FISCAL YEARS**

Fiscal Year	Principal (1)	Interest and Paying Agent Fees (1)	Total Debt Service (1)	Total General Expenditures (2)	Ratio of Debt Service to General Expenditures
1987	\$357,000	\$621,815	\$ 978,815	\$12,899,951	7.59
1988	430,000	594,317	1,024,317	12,823,927	7.99
1989	520,000	556,343	1,076,343	16,928,471	6.36
1990	451,000	665,449	1,116,449	16,017,689	6.96
1991	486,000	635,303	1,121,303	14,574,186	7.69
1992	541,000	597,853	1,138,853	15,424,383	7.38
1993	607,000	556,543	1,163,543	16,032,947	7.26
1994	650,000	510,163	1,160,163	16,794,267	6.91
1995	600,000	391,931	991,931	15,955,057	6.22
1996	650,000	342,830	992,830	17,399,630	5.71

(1) Amount does not include special assessment, sales tax or revenue bonds debt service.

(2) Per Table 1.

CITY OF SLIDELL, LOUISIANA

TABLE 9

**COMPUTATION OF DIRECT AND OVERLAPPING DEBT
JUNE 30, 1996**

Jurisdiction	Net General Obligation Bonded Debt Outstanding	Percent Applicable to Slidell	Amount Applicable to Slidell
Direct:			
City of Slidell	\$14,427,596	(1) 100 %	\$14,427,596
Overlapping:			
St. Tammany School Board	53,695,600	17 %	9,128,150
St. Tammany Parish	<u>5,557,880</u>	17 %	<u>944,840</u>
TOTAL	<u>\$73,680,476</u>		<u>\$24,500,586</u>

(1) Net of funds available for payment of debt service (Ref. Table 6).

CITY OF SLIDELL, LOUISIANA

TABLE 10

**SALES TAX BONDS COVERAGE
LAST TEN FISCAL YEARS**

Fiscal Year	Sales Tax Revenue	Debt Service Requirements			Coverage
		Principal	Interest	Total	
1987	5,608,938	133,000	401,496	534,496	10.5
1988	7,078,356	147,000	507,959	654,959	10.8
1989	7,529,794	214,000	1,221,498	1,435,498	5.2
1990	8,236,623	313,000	1,193,311	1,506,311	5.5
1991	8,841,108	336,000	1,158,210	1,494,210	5.9
1992	8,572,802	364,000	1,120,260	1,484,260	5.8
1993	9,162,962	398,000	1,078,859	1,476,859	6.2
1994	9,935,944	466,000	726,931	1,192,931	8.3
1995	10,410,596	584,000	793,324	1,377,324	7.6
1996	11,568,348	637,000	737,697	1,374,697	8.4

CITY OF SLIDELL, LOUISIANA

TABLE 11

**ENTERPRISE REVENUE BONDS COVERAGE (UTILITY FUND ONLY)
LAST TEN FISCAL YEARS**

Fiscal Year	Gross Revenue	Expenses (1)	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
1987	\$3,366,913	\$2,674,162	\$692,753	\$62,000	\$22,120	\$84,120	8.24
1988	3,409,264	3,124,509	284,755	64,000	13,727	77,727	3.66
1989	3,618,855	3,273,639	345,216	68,000	25,567	93,667	3.69
1990	3,998,675	3,433,842	564,833	70,000	13,783	83,783	6.74
1991	4,021,713	3,617,600	404,113	74,000	11,320	85,320	4.74
1992	4,209,585	3,878,041	331,544	78,000	8,280	86,280	3.84
1993	4,600,744	4,176,906	423,838	82,000	5,080	87,080	4.87
1994	4,815,338	4,373,094	442,244	86,000	1,720	87,720	5.04
1995	5,208,892	4,298,269	910,623				
1996	5,614,803	4,723,966	890,837				

(1) Amount does not include depreciation or interest expenses.

CITY OF SLIDELL, LOUISIANA

TABLE 12

PROPERTY VALUE AND CONSTRUCTION
LAST TEN FISCAL YEARS

Fiscal Year	Commercial Construction		Residential Construction		Assessed Property Value	
	Number of Units	Value	Number of Units	Value	Commercial	Residential
1987	138	\$ 6,900,000	206	\$3,152,000	\$108,973,000	\$612,595,000
1988	143	11,419,266	200	1,072,305	131,952,087	642,786,850
1989	115	16,412,379	198	1,226,246	128,074,060	653,950,580
1990	114	16,030,681	172	869,079	139,369,380	646,896,010
1991	118	16,727,273	143	1,890,710	148,661,993	671,792,350
1992	72	7,403,478	207	3,278,310	165,640,913	653,217,380
1993	108	5,276,044	207	3,713,008	174,146,447	669,359,500
1994	112	10,826,727	195	2,966,283	196,024,687	669,998,600
1995	161	16,495,803	194	3,496,079	219,346,527	686,689,250
1996	153	13,501,297	231	4,769,635	234,611,008	685,837,450

Source of data - City of Slidell permits department; tax rolls

Data on bank deposits is not available

CITY OF SLIDELL, LOUISIANA

TABLE 13

**SPECIAL ASSESSMENT BILLINGS AND COLLECTIONS
LAST TEN FISCAL YEARS**

Fiscal Year	Current Assessments Billed	Current Assessments Collected	Ratio of Collections to Amount Due(1)	Total Outstanding Assessments
1987	\$101,760	\$125,517	123.3	\$ 830,576
1988	91,935	479,862	522.0	350,714
1989	45,281	50,905	112.4	299,809
1990	53,744	55,243	102.8	244,566
1991	40,118	33,631	83.8	143,639
1992	31,223	35,726	114.4	108,954
1993	25,474	30,096	118.1	78,859
1994	6,597	23,072	349.7	55,787
1995		10,938		21,939
1996		3,692		

(1) Collections in excess of amounts billed are due to the exercise of prepayment options.

CITY OF SLIDELL, LOUISIANA

TABLE 14

**PRINCIPAL TAXPAYERS
JUNE 30, 1996**

Taxpayer	Type of Business	Fiscal 1996 Assessed Valuation*	Percentage of Total Assessed Valuation
South Central Bell	Telephone Utility	\$ 4,500,880	4.34 %
Central Louisiana Electric Co.	Electric Utility	3,049,100	2.94
Northshore Regional Medical Center	Hospital	1,936,470	1.87
Health Care Property Partnership	Medical Facility	1,439,190	1.39
Northwestern Mutual Life	Shopping Center	1,114,670	1.07
Wal-Mart	Retail Store	893,440	0.86
Dillard Department Stores, Inc.	Shopping Center	873,770	0.84
Louisiana Gas	Gas Utility	842,506	0.81
NME Hospitals, Inc.	Hospital	699,220	0.67
Southern Diagnostic Prof. Bldg. Partnership	Medical Facility	<u>507,430</u>	<u>0.49</u>
		<u>\$ 15,856,676</u>	<u>15.28 %</u>

Source of data - Current ad valorem tax rolls

*Total assessed valuation - \$103,775,396

CITY OF SLIDELL, LOUISIANA

TABLE 15

**SALARIES OF PRINCIPAL OFFICIALS
YEAR ENDED JUNE 30, 1996**

Name	Title	Method of Selection	Annual Salary	Surety Bonds
Salvatore A. "Sam" Caruso	Mayor	Election	\$61,021	\$ 100,000
Ben O. Morris	Chief of Police	Election	54,918	100,000
Dudley D. Smith	Councilman at Large	Election	10,500	100,000
Alvin D. Singletary	Councilman at Large	Election	10,500	100,000
Lionel J. Washington	Councilman Dist. A	Election	10,500	100,000
Bob Callahan	Councilman Dist. B	Election	10,500	100,000
Richard B. Van Sandt	Councilman Dist. C	Election	10,500	100,000
Belinda Levy	Councilman Dist. D	Election	10,500	100,000
Marti J. Livaudais	Councilman Dist. E	Election	10,500	100,000
J. T. "Tom" Schedler	Councilman Dist. F	Election	10,500	100,000
Michael J. Molbert	Councilman Dist. F	Election	10,500	100,000
Pearl Williams	Councilman Dist. G	Election	10,500	100,000
Davis Dautreuil	Council Administrator/ Clerk of Council	Appointed	56,291	100,000
Reinhard Dearing	Chief of Staff	Appointed	56,291	100,000
Carmel Williams	Secretary to Mayor	Appointed	26,137	100,000
Sharon Howes	Director of Finance	Appointed	48,000	100,000
Martin Bruno	Director of Planning	Appointed	48,185	100,000
Dean Bern	Director of Permits	Appointed	48,063	100,000
Stanley Polvick	City Engineer	Appointed	51,534	100,000
Larry Abney	Director of Recreation and Parks	Appointed	40,934	100,000
Sue Herron	Director of Civil Service	Appointed	31,699	100,000
Suzanne Parsons	Director of Cultural Affairs	Appointed	34,424	100,000
Tim Mathison	City Attorney	Appointed	55,000	100,000
Laura Zaidain	Airport Manager	Appointed	29,274	100,000

CITY OF SLIDELL, LOUISIANA

DEMOGRAPHIC STATISTICS

JUNE 30, 1996

DATE OF SETTLEMENT	1888
DATE PRESENT CHARTER ADOPTED	1978
FORM OF GOVERNMENT	MAYOR COUNCIL
AREA SQUARE MILES	11.19
MILES OF STREETS:	
Paved	113.7
Unimproved	1.3
BUILDING PERMITS:	
New residential	52
Residential additions	179
New commercial	21
Commercial additions	132
POLICE PROTECTION:	
Number of employees	MUNICIPAL 93
FIRE PROTECTION:	
Number of stations	DISTRICT 3
RECREATION:	
Parks - number of acres	369
Number of playgrounds	18
Number of picnic areas	6
NUMBER OF STREET LIGHTS	2,424
NUMBER OF TRAFFIC SIGNALS	41
NUMBER OF WATER STORAGE TANKS:	
Total capacity of water storage tanks	1,500,000 GAL.
MUNICIPAL WATER DISTRIBUTION SYSTEM:	
Number of accounts	9,090
Number of metered accounts	8,935
Daily average consumption	4.5MGD
Productive capacity	17 MGD
Miles of water mains - City	146

TABLE 16

MUNICIPAL SEWER PLANT:	
Number of accounts	8,912
Daily average treated wastewater	4.1 MGD.
Plant capacity	6.0 MGD.
Miles of sewer mains - City	92
AUTHORIZED FULL TIME EQUIVALENT EMPLOYEES:	
Merit - elected, appointed & classified	320
School crossing guards	<u>18</u>
Total employees	<u>338</u>
ELECTION:	
Registered voters	14,794
Number of votes cast, last local election	9,523
Percentage of registered voters voting	67%
POPULATION:	
1890	354
1900	1,129
1910	2,188
1920	2,958
1930	2,807
1940	2,864
1950	3,464
1960	6,356
1970	16,101
1980	26,718
1990	24,013

Source of data - City and parish records

CITY OF SLIDELL, LOUISIANA

TABLE 17

INSURANCE COVERAGE
JUNE 30, 1996

Policy Number	Insurer	Expires	Policy Type of Coverage	Limits
651-000271-5	Coregis	7/1/97	General Liability	\$1M/\$2M
651-000271-5	Coregis	7/1/97	Auto Liability	\$1M/\$2M
651-000271-5	Coregis	7/1/97	Employee Benefit	\$1M/\$2M
1140	Associated Intl. Ins. Co.	7/1/97	Police Professionals	\$1M/\$1M
1141	Associated Intl. Ins. Co.	7/1/97	Public Officials E&O	\$1M/\$1M
P-630-637J4423-TIL-95	Travelers	7/1/97	Property	\$30,170,674
AGC-3884-LA	Safety National	7/1/97	Workers' Compensation	\$1M/Statutory
435R842101	Hartford Insurance Co.	7/1/97	Police Volunteers	\$15,000
435BJ50959	Hartford Insurance Co.	7/1/97	Summer Recreation	\$2,500 P.O.U.
M51-660-54IK6384-TIL-95	Travelers	7/1/97	Boiler & Machinery	\$25,000,000
AP 3229316-02	AIG Aviation (Texas), Inc.	7/1/97	Airport Liability	\$1M
091288	Community Health Network	7/1/97	Employee Medical	Fully insured

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CITY OF SLIDELL, LOUISIANA

**INDEPENDENT AUDITORS' REPORT ON THE INTERNAL CONTROL STRUCTURE
BASED ON THE AUDIT OF THE FINANCIAL STATEMENTS**

The Honorable Mayor and Members
of the City Council of the
City of Slidell, Louisiana

We have audited the general purpose financial statements of the City of Slidell, Louisiana, as of and for the year ended June 30, 1996, and have issued our report thereon dated September 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 City of Slidell, Louisiana, is responsible for establishing and maintaining the 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 City of Slidell, 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.

Deloitte Touche
Tomatsu
International

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 specific internal control structure elements does not reduce to a relatively low level the risk that errors or 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.

However, we have communicated other observations involving the internal control structure and its operation to the management of the City of Slidell, Louisiana, in a separate letter dated September 13, 1996.

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

Deloitte & Touche LLP

September 13, 1996

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CITY OF SLIDELL, LOUISIANA

**INDEPENDENT AUDITORS' REPORT ON THE INTERNAL CONTROL STRUCTURE
USED IN ADMINISTERING FEDERAL FINANCIAL ASSISTANCE**

The Honorable Mayor and Members
of the City Council of the
City of Slidell, Louisiana

We have audited the general purpose financial statements of the City of Slidell, Louisiana, as of and for the year ended June 30, 1996, and have issued our report thereon dated September 13, 1996. We have also audited the City of Slidell, Louisiana's compliance with requirements applicable to major federal financial assistance programs and have issued our report thereon dated September 13, 1996.

We conducted our audits 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*. These standards and OMB Circular A-128 require that we plan and perform the audits to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement and about whether the City of Slidell, Louisiana, complied with laws and regulations, noncompliance with which would be material to a major federal financial assistance program.

In planning and performing our audits for the year ended June 30, 1996, we considered the City's internal control structure and assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinions on the City's general purpose financial statements and on its compliance with requirements applicable to major programs, 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 September 13, 1996.

The management of the City of Slidell, 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,

Deloitte Touche
Tohmatsu
International

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:

Accounting Applications

- Revenue/receipts
- Purchases/disbursements
- Payroll
- Property and equipment
- External financial reporting
- General ledger

General Requirements

- Political activity (Hatch Act and Intergovernmental Personnel Act of 1970, as amended)
- Davis-Bacon Act
- Civil rights
- Cash management
- Relocation assistance and real property acquisition
- Federal financial reports
- Allowable costs/cost principles
- Drug-Free Workplace Act
- Administration requirements

Specific Requirements

- Types of services
- Eligibility
- Matching, level of effort, or earmarking
- Reporting
- Cost allocation
- Special requirements, if any

Claims for Advances and Reimbursements

Amounts Claimed or Used for Matching

For all of the internal control structure 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 City of Slidell, Louisiana, expended 78 percent 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 requirements governing claims for advances and reimbursements and amounts claimed or used for matching that are applicable to each of the City's major federal financial assistance programs, which are identified in the accompanying Schedule of Federal and State 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 used in administering federal financial assistance programs and its operation that we consider to be material weaknesses as defined above.

We also noted matters involving the internal control structure and its operation based on our audit of the general purpose financial statements that we reported to management of the City of Slidell, Louisiana, in a report dated September 13, 1996.

We have also communicated other observations involving the internal control structure and its operation to management of the City of Slidell, Louisiana, in a separate letter dated September 13, 1996.

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

Deloitte + Touche LLP

September 13, 1996

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CITY OF SLIDELL, LOUISIANA

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE BASED ON THE
AUDIT OF FINANCIAL STATEMENTS**

The Honorable Mayor and Members
of the City Council of the
City of Slidell, Louisiana

We have audited the general purpose financial statements of the City of Slidell, Louisiana, as of June 30, 1996 and for the year then ended, and have issued our report thereon dated September 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 financial statements are free of material misstatement.

Compliance with laws, regulations, contracts and grants applicable to the City of Slidell, Louisiana, is the responsibility of the management of the City of Slidell, Louisiana. As part of obtaining reasonable assurance about whether the general purpose financial statements are free of material misstatement, we performed tests of the City of Slidell, Louisiana'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 herein under *Government Auditing Standards*.

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

Deloitte & Touche LLP

September 13, 1996

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CITY OF SLIDELL, LOUISIANA

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH THE GENERAL
REQUIREMENTS APPLICABLE TO FEDERAL FINANCIAL ASSISTANCE**

The Honorable Mayor and Members
of the City Council of the
City of Slidell, Louisiana

We have audited the general purpose financial statements of the City of Slidell, Louisiana, as of and for the year ended June 30, 1996, and have issued our report thereon dated September 13, 1996. We have also audited the City of Slidell, Louisiana's compliance applicable to requirements of major federal financial assistance programs and have issued our report thereon dated September 13, 1996.

We have applied procedures to test the City of Slidell, Louisiana's compliance with the following requirements applicable to its major federal financial assistance programs, which are identified in the Schedule of Federal and State Financial Assistance, for the year ended June 30, 1996:

- Political activity (Hatch Act and Intergovernmental Personnel Act of 1970, as amended)
- Davis-Bacon Act
- Civil rights
- Cash management
- Federal financial reports
- Allowable costs/cost principles
- Drug-Free Workplace Act
- Administrative requirements

The requirements of relocation assistance and real property acquisition are not applicable to the federal financial assistance programs, which are identified in the Schedule of Federal and State Financial Assistance.

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 City of Slidell, 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 these 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 City of Slidell, Louisiana, had not complied, in all material respects, with those requirements.

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

Deloitte & Touche LLP

September 13, 1996

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CITY OF SLIDELL, LOUISIANA

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH SPECIFIC REQUIREMENTS APPLICABLE TO MAJOR FEDERAL FINANCIAL ASSISTANCE PROGRAMS

The Honorable Mayor and Members
of the City Council of the
City of Slidell, Louisiana

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

We have audited the City of Slidell, Louisiana's compliance with the requirements governing types of services allowed or unallowed; eligibility; matching; level of effort, or earmarking; reporting; special tests related to the Community Development Block Grant and Flood Disaster Assistance Programs; claims for advances and reimbursements; and amounts claimed or used for matching that are applicable to each of its major federal financial assistance programs, which are identified in the accompanying Schedule of Federal and State Financial Assistance, for the year ended June 30, 1996. The management of the City of Slidell, Louisiana, is responsible for the City of Slidell, 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 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 City of Slidell, Louisiana's compliance with those requirements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the City of Slidell, Louisiana, complied, in all material respects, with the requirements governing types of services allowed or unallowed; matching; level of effort, or earmarking; reporting; claims for advances and reimbursements; and amounts claimed or used for matching that are applicable to the each of its major federal financial assistance programs for the year ended June 30, 1996.

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

Deloitte + Touche LLP

September 13, 1996

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CITY OF SLIDELL, LOUISIANA

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH
REQUIREMENTS APPLICABLE TO NONMAJOR FEDERAL
FINANCIAL ASSISTANCE PROGRAM TRANSACTIONS**

The Honorable Mayor and Members
of the City Council of the
City of Slidell, Louisiana

We have audited the general purpose financial statements of the City of Slidell, Louisiana, as of and for the year ended June 30, 1996, and have issued our report thereon dated September 13, 1996. We have also audited the City of Slidell, Louisiana's compliance applicable to requirements of major federal financial assistance programs and applied procedures to test compliance with general requirements applicable to federal financial assistance programs and have issued our reports thereon dated September 13, 1996.

In connection with our audit of the 1996 general purpose financial statements of the City of Slidell, Louisiana, and with our consideration of the City of Slidell, Louisiana's control structure used to administer federal financial assistance programs, as required by Office of Management and Budget (OMB) Circular A-128, *Audits of State and Local Governments*, we selected certain transactions applicable to certain nonmajor federal financial assistance programs for the year ended June 30, 1996.

As required by OMB Circular A-128, we have performed auditing procedures to test compliance with the requirements governing types of services allowed or unallowed; eligibility; and other special tests and provisions that are applicable to those transactions. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the City of Slidell, Louisiana's compliance with these requirements. 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 preceding paragraph. With respect to items not tested, nothing came to our attention that caused us to believe that the City of Slidell, Louisiana, had not complied, in all material respects, with those requirements.

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

Deloitte + Touche LLP

September 13, 1996

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CITY OF SLIDELL, LOUISIANA

**INDEPENDENT AUDITORS' REPORT ON THE SUPPLEMENTARY SCHEDULE OF
FEDERAL AND STATE FINANCIAL ASSISTANCE**

The Honorable Mayor and Members
of the City Council of the
City of Slidell, Louisiana

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

We conducted our audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the 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 City of Slidell, Louisiana, taken as a whole. The accompanying Schedule of Federal and State Financial Assistance is presented for the purpose of additional analysis and is not a required part of the general purpose financial statements. This schedule is the responsibility of the management of the City of Slidell, Louisiana. The information in that schedule has been subjected to the auditing procedures applied in our audit of the general purpose financial statements and, in our opinion, is fairly stated in all material respects when considered in relation to the general purpose financial statements taken as a whole.

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

Deloitte + Touche LLP

September 13, 1996

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CITY OF SLIDELL, LOUISIANA

**SUPPLEMENTARY SCHEDULE OF FEDERAL AND STATE FINANCIAL ASSISTANCE
YEAR ENDED JUNE 30, 1996**

	CFDA Number	Federal Federal/State Grant Number	Program or Award Amount	Receipts or Revenue Recognized	Disbursements/ Expenditures
Department of Housing and Urban Development					
Community Planning and Development					
Division					
Community Development Block Grant, Entitlement Grant					
	14.218	B93-MC-22-0010 B94-MC-22-0010 B95-MC-22-0010	\$ 234,000 276,000 257,000	\$ 82,217 97,748 -	\$ 82,217 97,748 -
Office of Community Services					
Emergency Shelter Grant					
	14.231	360-610606490	58,000	18,854	18,854
Total Department of Housing and Urban Development					
				198,816	198,816
Department of Justice					
Office of Community Oriented Policing Services					
COPS Part					
		95-C6-WX-4662	(28,837)	14,186	14,186
Department of Transportation					
Federal Aviation Administration					
Taxiway Extension					
	20.106	3-22-0060-95	814,710	744,185	744,185*
TOTAL FEDERAL GRANTS					
				957,181	957,181
Department of Culture, Recreation, and Tourism					
Office of Cultural Development					
Division of Arts Grant					
		FY960601	22,936	22,996	22,936
Subgrant through Arts Council of New Orleans					
Decentralized Arts Funding - 1996					
			32,254	53,130	53,130
Total Department of Culture, Recreation, and Tourism					
				76,026	76,026
Department of Transportation and Development					
Office of Public Works					
Schneider Canal Pumping Station					
		576-52-004, 5, and 6	1,202,705	67,429	67,429
Maintenance Division					
Highway Maintenance Grant					
		737-08-22	16,522	16,522	16,522
Division of Aviation					
Fire Access Road					
		952-01-0003	209,574	182,446	182,446
Taxiway Extension					
		953-01-0007	90,523	82,689	82,689
Airport/Line Parking Lot					
		952-01-0009	236,715	24,892	24,892
Total Department of Transportation and Development					
				322,112	322,112
Commission on Law Enforcement and Administration of Criminal Justice					
Subgrants through MTTAC					
D.A.R.E.					
		8-95-8-061	38,202	4,977	4,977
D.A.R.E.					
		8-96-7-020	12,068	12,774	12,774
Slidell Academy Equipment					
		1-96-8-11-00120	6,000	5,868	5,868
POST Basic Training					
			1,500	1,500	1,500
Total Commission on Law Enforcement and Administration of Criminal Justice					
				25,119	25,119
Department of Wildlife and Fisheries (Subgrant)					
Bayou Breleuse Boat Launch					
		10-01-00-86-6	150,000	70,470	70,470
Highway Safety Commission (Subgrant)					
A Safer Slidell - DWI					
		9509	65,558	12,304	12,304
A Safer Slidell - DWI					
		9507	65,558	40,389	40,388
95 Summertime Holidays - Safe & Sober Campaign					
		9510-54	3,888	1,806	1,268
Total Highway Safety Commission					
				54,559	54,559
TOTAL STATE GRANTS					
				599,326	599,326
TOTAL FEDERAL AND STATE GRANTS					
				1,556,507	1,556,507

*This grant has been identified as a major program.

CITY OF SLIDELL, LOUISIANA

NOTES TO SUPPLEMENTARY SCHEDULE OF FEDERAL AND STATE FINANCIAL ASSISTANCE YEAR ENDED JUNE 30, 1996

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation - The accompanying statement of selected grant activity has been prepared on the accrual basis of accounting. Grant revenues are recorded for financial reporting purposes when the City of Slidell, Louisiana (the City), has met the cost reimbursement or funding qualifications for the respective grants.

Accrued Reimbursement - Various reimbursement procedures are used for federal and state awards received by the City. Consequently, timing differences between expenditures and program reimbursements exist at the beginning and end of the year. Grants receivable balances included in the accompanying general purpose financial statements represent an excess of expenditures over cash reimbursements received to date.

2. DESCRIPTION OF GRANTS

United States Department of Housing and Urban Development (HUD) Community Development Block Grant (CDBG), Entitlement Grant

HUD provides the City with funds on a reimbursement basis for expenditures incurred by the City in connection with activities that meet one of the following objectives: (1) benefiting low and moderate-income families, (2) aiding in the prevention or elimination of slums and blight, and (3) meeting other community development needs having a particular urgency because existing conditions pose a serious and immediate threat to the health and welfare of the community and other financial resources are not available to meet such needs.

Emergency Shelter Grant

The Caring Center, Inc., a 501(c)(3) non-profit organization, operates a shelter for homeless women and children in the community on behalf of the City. HUD reimburses for costs to provide shelter, homeless prevention, and essential services at the emergency shelter. HUD also pays a small administrative fee to the City. The City provides matching funds, primarily in the value of rent equivalent for the building. The Caring Center also provides matching funds through donations of cash, goods and services.

United States Department of Justice COPS Fast Grant

The Department of Justice is providing funds to hire two new police officers as part of a program to increase community oriented police activity. The grant provides reimbursement for 75% of base wages and benefits for three years with increasing City participation throughout the grant period. The City must show plans to fund the additional officers after the grant period.

**United States Department of Transportation
Taxiway Extension Grant**

The Federal Aviation Administration provides the City with funds under a grant on a reimbursement basis for 90% of construction expenditures incurred by the City in connection with its airport runway improvements. The remaining 10% of costs are reimbursed by the Louisiana Department of Transportation and Development.

**Louisiana Department of Culture, Recreation and Tourism
Division of Arts Grant**

The Office of Cultural Development is providing the City with funds to be used as general operating support for the City's Department of Cultural Affairs.

Decentralized Art Funding

The Louisiana Decentralized Arts Funding Program enables the Arts Council of New Orleans to act as a Regional Distributing Agent to regrant funds and provide technical services to the City's Department of Cultural Affairs. 90% of the funds are regranted by the City to local recipients and 10% is used for administrative costs.

**Louisiana Department of Transportation and Development
Schneider Canal Pumping Station**

The Office of Public Works is the source of 70% reimbursement of a portion of the costs to construct a levee and pumping station to help protect the south central part of the City from flooding. The City will provide the balance of funding needed to complete the project.

Highway Maintenance Grant

The Maintenance Division provides funds to maintain approximately 18 miles of federal and state highways.

Division of Aviation - Airport Improvements Grants

Fire Access Road

The State is providing 100% reimbursement for costs to construct a fire truck access lane and apron lighting.

Taxiway Extension

The State is providing 10% reimbursement on the FAA Grant mentioned above to construct runway improvements.

Automobile Parking Lot

The State is providing 100% reimbursement for costs associated with construction of an auto parking area and associated security lighting.

**Louisiana Commission on Law Enforcement and
Administration of Criminal Justice
Subgrants through the Metropolitan District Law Enforcement
Planning and Action Committee (METLAC)**

D.A.R.E. Grant

Funding is provided for base pay and related fringe benefits, travel, equipment, supplies and other direct costs incurred in the Drug Abuse Resistance Education (DARE) Program implemented through the City Police Department in area schools.

Slidell Academy Equipment Grant

The State reimbursed 100% of the cost of equipment purchased to be used at the Slidell Regional Public Safety Academy, a police and fire personnel training facility operated by the City.

POST Basic Training Grant

The State reimbursed the City for \$500 per officer for three new full time police officers at the completion of their training.

Louisiana Department of Wildlife and Fisheries

Bayou Bonfouca Boat Launch

The State reimbursed the City for 75% of costs relating to the design and construction of a public boat launch on Bayou Bonfouca. The monies were made available by the Federal Aid in Sport Fish Restoration Act through the United States Department of the Interior. The City provided the 25% balance of the costs.

Louisiana Highway Safety Commission

A Safer Slidell

Federal Funds controlled by the National Highway Traffic Safety Administration and the Federal Highway Administration have been subgranted to the City for several years to provide reimbursement for personnel, supplies, and other direct costs expended in activities designed to reduce alcohol-related deaths in the city. The major activities are additional police patrols and dissemination of educational materials and car seats. The City provides matching funds in excess of the grant amount by providing vehicles, fuel, maintenance and supervisory personnel costs.

95 Summertime Holidays - Safe and Sober Campaign

The Louisiana Highway Safety Commission also subgranted to the city these funds to provide occupant protection enforcement for Memorial Day, Fourth of July and Labor Day holiday weekends. The City was reimbursed for personnel costs for overtime. The City also had to provide 25% match for other direct costs which included fuel, equipment, uniforms, and support personnel costs.

CITY OF SLIDELL, LOUISIANA

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 1996**

There were no findings and questioned costs for the year ended June 30, 1996.