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AUDITED FINANCIAL STATEMENTS

**CITY COURT OF SLIDELL
SLIDELL, LOUISIANA
December 31, 1995**

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 _____

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NEUBURGER, COERVER & GOINS

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INDEPENDENT AUDITOR'S REPORT

**The Honorable Judge James R. Strain, Jr.
City Court of Slidell
Slidell, Louisiana**

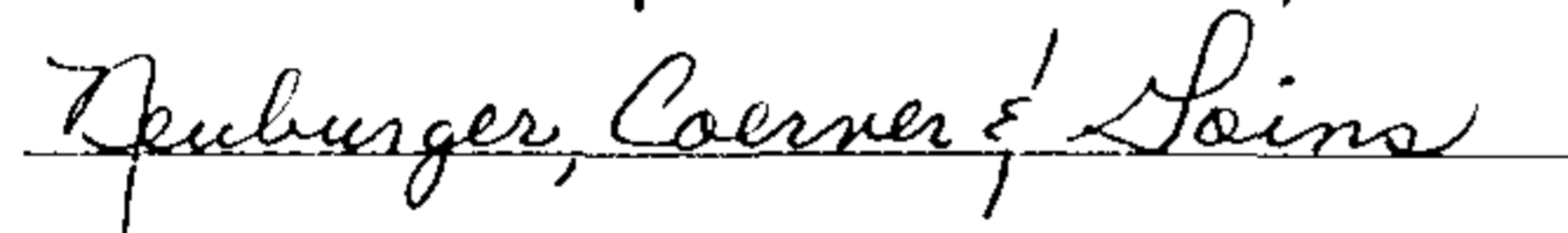
We have audited the accompanying financial statements of the General Fund of the City Court of Slidell, Slidell, Louisiana, as of and for the year ended December 31, 1995, as listed in the table of contents. These financial statements are the responsibility of the Court's management. Our responsibility 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 generally accepted government auditing standards. 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 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.

As discussed in Note 2, the financial statements present only the general fund and are not intended to present fairly the financial position and results of operations of the City Court of Slidell, in conformity with generally accepted accounting principles.

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of the General Fund of the City Court of Slidell, Slidell, Louisiana, as of December 31, 1995, and the results of that fund's operations for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued a report dated June 26, 1996 on our consideration of the General Fund of the City Court's internal control structure and a report dated June 26, 1996 on its compliance with laws and regulations.



NEUBURGER, COERVER, & GOINS
Certified Public Accountants
June 26, 1996

BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
CITY COURT OF SLIDELL
Slidell, Louisiana
December 31, 1995

	GOVERNMENT FUND TYPE GENERAL	FIDUCIARY FUND TYPE AGENCY FUNDS	ACCOUNT GROUP GENERAL FIXED ASSETS	TOTAL (MEMORANDUM) ONLY
ASSETS				
Cash on hand and in banks				
- Note 9	\$ 945,132	\$ -0-	\$ -0-	\$ 945,132
Due from General Fund				
- Note 1		159,614		159,614
Due from City of Slidell				
- Note 3	1,296			1,296
Restricted assets:				
Deferred compensation benefits				
Investments - Note 6		162,399		162,399
Property, plant and equipment				
Office equipment				
- Notes 1,3, & 5	<u>-0-</u>	<u>-0-</u>	118,393	<u>118,393</u>
TOTAL ASSETS	\$ <u>946,428</u>	\$ <u>322,013</u>	\$ <u>118,393</u>	\$ <u>1,386,834</u>
 LIABILITIES AND FUND EQUITY				
LIABILITIES				
Accounts payable	\$ 4,286	\$ -0-	\$ -0-	\$ 4,286
Payroll deductions and withholding	5,735			5,735
Due to Agency Funds - Notes 1 & 2	159,614			159,614
Payable from restricted assets:				
Deferred compensation benefits				
due employees - Note 6		162,399		162,399
Due to other government agencies				
- Note 1		159,614		159,614
Appearance bonds pending - Note 10	100,709			100,709
Deferred revenues - Note 11	<u>108,706</u>	<u>-0-</u>	<u>-0-</u>	<u>108,706</u>
TOTAL LIABILITIES	\$ <u>379,050</u>	\$ <u>322,013</u>	\$ <u>-0-</u>	\$ <u>701,063</u>
 FUND EQUITY				
Investment in general fixed assets	\$ -0-	\$ -0-	\$ 118,393	\$ 118,393
Fund balance - unreserved and				
undesignated	<u>567,378</u>	<u>-0-</u>	<u>-0-</u>	<u>567,378</u>
TOTAL FUND EQUITY	\$ <u>567,378</u>	\$ <u>-0-</u>	\$ <u>118,393</u>	\$ <u>685,771</u>
TOTAL LIABILITIES AND FUND EQUITY	\$ <u>946,428</u>	\$ <u>322,013</u>	\$ <u>118,393</u>	\$ <u>1,386,834</u>

The accompanying notes are an integral part of these statements.

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
GENERAL FUND
CITY COURT OF SLIDELL
SLIDELL, LOUISIANA
Year Ended December 31, 1995**

REVENUES

Current court revenues:	
Court costs	\$ 136,805
Criminal Court fees	227,206
Probation fees	237,014
DWI classes	32,950
Witness fees	9,904
Other governments	10,824
Interest earned	<u>17,983</u>
TOTAL REVENUES	\$ <u>672,686</u>

EXPENDITURES

Current Court operating expenditures:	
Salaries and related benefits:	
Salaries	\$ 164,012
Payroll taxes	3,105
Deferred compensation plan	16,024
Contractual services:	
Witness fees	33,209
Telephone	5,126
Maintenance	7,106
Dues and subscriptions	1,651
Professional fees	28,075
Computer services	42,705
Insurance	5,734
Office renovations	50,000
Materials and supplies:	
Office supplies	22,241
Operating supplies	2,208
Postage	12,558
Miscellaneous	<u>15,532</u>
TOTAL EXPENDITURES	\$ <u>409,286</u>

Excess of revenues over expenditures	\$ 263,400
Fund balance at beginning of year	<u>303,978</u>
Fund balance at end of year	\$ <u>567,378</u>

The accompanying notes are an integral part of these statements.

NOTES TO FINANCIAL STATEMENTS

CITY COURT OF SLIDELL

Slidell, Louisiana

December 31, 1995

NOTE 1 - DESCRIPTION OF FUNDS AND ACCOUNT GROUPS

The accounts of the City Court of Slidell are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprises its assets, liabilities, fund equity, revenues and expenditures. The City Court of Slidell revenues are accounted for in these individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The funds presented in the financial statements are described as follows:

GENERAL FUND

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

AGENCY FUNDS

Agency Funds are used to account for assets held as an agent for individuals, private organizations, other governments, and/or other funds. Agency Funds are custodial in nature (assets equal liabilities) and do not value measurement of results of operations.

GENERAL FIXED ASSETS ACCOUNT GROUPS

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group, rather than in governmental funds. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost.

NOTE 2 - DEFINITION OF CITY COURT OF SLIDELL ENTITY

The City Court of Slidell, Slidell, Louisiana was established by an act of the Louisiana State Legislature. The City Court has territorial jurisdiction extending throughout all of Wards 8 and 9 of St. Tammany Parish excluding the Town of Pearl River.

The City Court of Slidell is composed of a city judge, a marshal, and a clerk of court of said court. The judge and the marshal of the city court are elected at the congressional election every six years.

The City of Slidell and the Parish of St. Tammany share equally a portion of the salaries of the city judge, the marshal, and the clerk of court. The City of Slidell is required to furnish a suitable city court room and suitable offices for the city clerk and marshal. The City of Slidell is also required to furnish adequate fireproof vaults or other filing equipment for the preservation of the records of the court. The expenses of operation and maintenance of the court room and offices shall be borne by the City of Slidell and the Police Jury of St. Tammany Parish, Louisiana, in equal portions.

NOTES TO FINANCIAL STATEMENTS

CITY COURT OF SLIDELL

Slidell, Louisiana

December 31, 1995

NOTE 2 - DEFINITION OF CITY COURT OF SLIDELL ENTITY - continued

While the City of Slidell and the Police Jury of St. Tammany Parish, Louisiana are obligated to provide certain services to the City Court, neither of them has any authority or control over the City Court. The City Judge is that governing authority in matters of finance, management, budgeting, and is accountable for fiscal matters. The City Court is not considered a component of the City of Slidell.

The City Court has a Civil Fund that is not included in these financial statements. This fund is not subject to being audited.

In 1989, the City Court established a Probation Supervision Department within the General Fund. This department is included in the financial statements of the General Fund.

NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Financial statements and accounting policies of the General Fund of the City Court of Slidell, Slidell, Louisiana conform to generally accepted accounting principles as prescribed by the American Institute of Certified Public Accountants and the Governmental Accounting Standards Board.

MODIFIED ACCRUAL BASIS OF ACCOUNTING

All City Court 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. Charges for fines, forfeits, and miscellaneous revenues are recorded as revenues when each individual case has been settled.

Expenditures are recorded at the time the liabilities are incurred. Also, capital outlays are recorded as expenditures at the time of acquisition.

BUDGET POLICIES

The City Court is not legally required to adopt a budget. The City Court did not adopt a budget; therefore, there is no budgetary comparison between budgeted and actual revenues, expenditures and changes in fund balance.

FIXED ASSETS AND DEPRECIATION

Fixed assets are recorded at cost and depreciation is not recorded on general fixed assets.

Current capital expenditures are recorded as expenditures at the time of purchase. The related assets are then recorded in the General Fixed Assets account group.

NOTE 3 - continued

REVENUES FROM OTHER GOVERNMENTS

In 1989, the City of Slidell began giving financial assistance to the City Court of Slidell, Slidell, Louisiana. The receivable represents one month of pension expenditures due from the City of Slidell. The City Court records the pension reimbursements as revenues from other governments

NOTE 4 - TOTAL COLUMNS ON COMBINED STATEMENTS - OVERVIEW

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

NOTE 5 - CHANGES IN GENERAL FIXED ASSETS

There were no additions or reductions in fixed assets during the year.

NOTE 6 - PENSION PLAN

The City Judge and Clerk of Court are partially covered under the pension plan of the City of Slidell and the Parish of St. Tammany, Louisiana, at no cost to the City Court. The City's plan also pays the pension of retired Judges.

In 1991 the City Court adopted a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all Court employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency.

The City Court funds all amounts of compensation deferred under the Plan, at the direction of the covered employees, through investments in annuity contracts underwritten by Great-West Life, which is the Plan administrator. The Court contributes 10% of gross salary to the plan.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are (until paid or made available to the employees or other beneficiary) solely the property and rights of the City Court subject only to the claims of the City Court's general creditors. Participants' rights under the plan are equal to those of general creditors of the City Court in an amount equal to the fair market value of the deferred account for each participant.

NOTES TO FINANCIAL STATEMENTS - continued
CITY COURT OF SLIDELL
 Slidell, Louisiana
 December 31, 1995

NOTE 6 - PENSION PLAN - continued

The City Court has no liability for losses under the plan but does have the duty of due care that would be required of an ordinary prudent investor. The City Court believes that it is unlikely that it will use the assets to satisfy the claims of general creditors in the future. The City Court contributed \$16,024 to the plan in 1995.

The market value of the Plans assets as of December 31, 1995 is \$162,399.

NOTE 7 - VACATION AND SICK LEAVE

The City Court has adopted the following vacation and sick leave plan.

Vacation Pay - Two weeks vacation after one year of employment.

Sick Leave - Six days sick leave after one year of employment.

Vacation and sick leave can not be accumulated beyond one year.

Accrued vacation and sick pay have not been recorded because they are not material to the financial statements.

NOTE 8 - LITIGATION

The City Court of Slidell is not involved in any litigation which would result in a significant liability to the court.

NOTE 9 - BANK ACCOUNTS

The following is a summary of the bank accounts and the securities:

	<u>AMOUNT</u>	<u>SECURITY</u>	
Parish National Bank -- Checking	\$ 253,221	\$ 100,000	FDIC Insurance
		\$ 352,398	U.S. Treasury Notes
First NBC - Probation Checking	\$ 618,202	\$ 100,000	FDIC Insurance
		\$ 632,819	U.S. Treasury Notes
Peoples Bank - Savings	\$ 62,498	\$ 100,000	FDIC Insurance

NOTE 10 - APPEARANCE BONDS PENDING

Appearance bonds pending represents amounts collected for cases that have not been settled at year end. When these cases are settled, the Court will record its share of these amounts as revenues and the remaining amounts will be distributed to other agencies.

NOTES TO FINANCIAL STATEMENTS - continued
CITY COURT OF SLIDELL
 Slidell, Louisiana
 December 31, 1995

NOTE 11 - DEFERRED REVENUE

This account represents partial payments on fines collected by the Probation Department. Once the fines have been collected in full, the Court records its share of the fines as revenues and distributes the remaining amounts that are collected for other agencies.

NOTE 12 - CHANGES IN AGENCY FUNDS

A summary of changes in agency funds follows:

	<u>BEGINNING</u> <u>BALANCE</u>	<u>ADDITIONS</u>	<u>REDUCTIONS</u>	<u>ENDING</u> <u>BALANCE</u>
City of Slidell Funds	\$ 54,961	\$ 233,395	\$ 217,853	\$ 70,503
Parish of St. Tammany	7,955	10,948	16,438	2,465
City Marshall's Fund	3,717	61,206	60,977	3,946
Indigent Defenders Fund	6,420	98,281	99,277	5,424
Victims of Crime Fund	2,693	10,801	11,387	2,107
Louisiana Supreme Court	2,006	13,579	4,733	10,852
District Attorney's Fund	2,867	6,657	-0-	9,524
Louisiana Commission on Law Enforcement Fund	2,210	7,872	8,379	1,703
Dept. of Public Safety Fund	142	20,710	-0-	20,852
Juvenile Detention Center Fund	7,183	9,297	-0-	16,480
Restitution Fund	1,495	8,277	1,603	8,169
Special D.W.I. Fund	5,880	1,709	-0-	7,589
Louisiana State Police	<u>1,105</u>	<u>-0-</u>	<u>1,105</u>	<u>-0-</u>
TOTAL ALL AGENCY FUNDS	\$ <u>98,634</u>	\$ <u>482,732</u>	\$ <u>421,752</u>	\$ <u>159,614</u>

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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL STRUCTURE
RELATED MATTERS NOTED IN A FINANCIAL STATEMENT AUDIT CONDUCTED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

**The Honorable Judge James R. Strain, Jr.
City Court of Slidell
Slidell, Louisiana**

We have audited the financial statements of the General Fund of the City Court of Slidell, Slidell, Louisiana, as of and for the year ended December 31, 1995, and have issued our report thereon dated June 26, 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. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

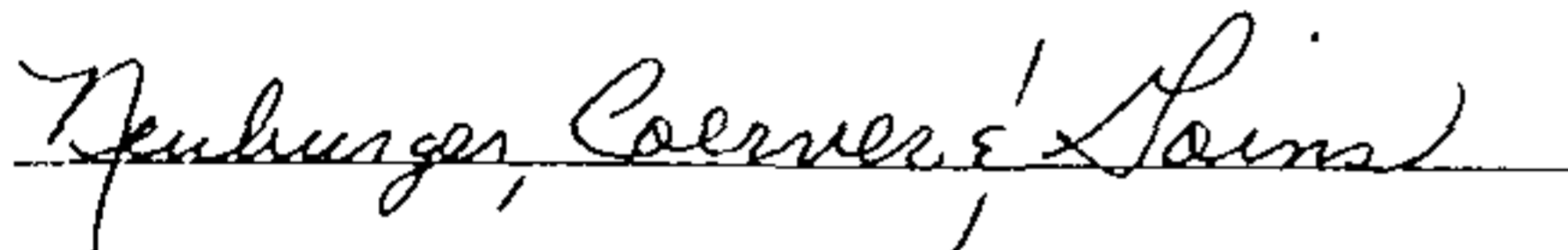
The management of the General Fund is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of 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 financial statements of the General Fund for the year ended December 31, 1995, 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 financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL STRUCTURE
RELATED MATTERS NOTED IN A FINANCIAL STATEMENT AUDIT CONDUCTED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS - continued**

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 reportable condition in which the design or operation 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.

This report is intended for the information of the management and the Louisiana Legislative Auditor's office. This restriction is not intended to limit the distribution of this report, which is a matter of public record.



NEUBURGER, COERVER, & GOINS
Certified Public Accountants

June 26, 1996

NEUBURGER, COERVER & GOINS

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH LAWS AND
REGULATIONS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

**The Honorable Judge James R. Strain, Jr.
City Court of Slidell
Slidell, Louisiana**

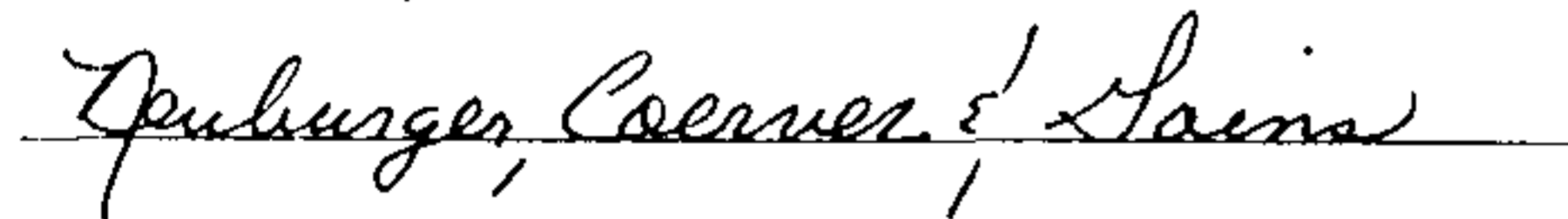
We have audited the financial statements of the City Court of Slidell, Slidell, Louisiana as of and for the year ended December 31, 1995, and have issued our report thereon dated June 26, 1996.

We conducted our audit in accordance with generally accepted auditing standards and the 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 Court of Slidell, Slidell, Louisiana is the responsibility of the Court's management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatements, we performed tests of the Court's compliance with certain provisions of laws, regulations, contracts, and grants. However, it should be noted that our objective was not to provide an opinion on overall compliance with such provisions.

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

This report is intended for the information of management, and the Louisiana Legislative Auditor's office. This restriction is not intended to limit the distribution of this report, which is a matter of public record.



**NEUBURGER, COERVER, & GOINS
Certified Public Accountants
June 26, 1996**

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June 26, 1996

MANAGEMENT LETTER

**The Honorable Judge James R. Strain, Jr.
City Court of Slidell
Slidell, Louisiana**

Dear Judge James R. Strain, Jr.:

We wish to thank you and your staff for the cooperation we received during the course of our audit of your financial statements for the year ended December 31, 1995. Our audit did not note any internal control weakness or any noncompliance with laws.

Our management letter dated July 24, 1995 for the year ended December 31, 1994 indicated three items that needed corrective action. The following is a summary of those items and the corrective action taken:

1. No general ledger for Probation Department:
We prepared a general ledger for the Probation Department and processed all transactions on a monthly basis.
2. Non compliance with laws:
All funds were not fully secured during various times of the year. The bank automatically reviewed the Court's balances on a monthly basis and adjusted the pledged securities so that all funds were fully secured each month.
3. Late audit report:
As mentioned in our management letter dated July 24, 1995, the audit report was late because our computer broke on June 23, 1995 and we were unable to have it repaired until July 5, 1995. The late audit report was not the fault of the City Court.

The audit report for the year ended December 31, 1995 has been completed as of June 26, 1996 and all necessary copies were mailed to the Legislative Auditor's office on June 27, 1996.

If you have any questions, please call me.

Very truly yours,


Frank L. Goins
NEUBURGER, COERVER, & GOINS
Certified Public Accountants