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AUDITED FINANCIAL STATEMENTS

CITY COURT OF SLIDELL
Slidell, Louisiana
December 31, 1997

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.

NOV 11 1998

Release Date _____

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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, 1997, 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 generally 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, 1997, 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 November 1, 1998 on our consideration of the General Fund of the City Court's internal control structure and a report dated November 1, 1998 on its compliance with laws and regulations.



NEUBURGER, COERVER, & GOINS

Certified Public Accountants

November 1, 1998

BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
CITY COURT OF SLIDELL
 Slidell, Louisiana
 December 31, 1997

	GOVERNMENT FUND TYPE GENERAL	FIDUCIARY FUND TYPE AGENCY FUNDS	ACCOUNT GROUP GENERAL FIXED ASSETS	TOTAL (MEMORANDUM ONLY)
ASSETS				
Cash on hand and in banks	\$ 1,027,073	\$ 0	\$ 0	\$ 1,027,073
Due from General Fund	0	245,759	0	245,759
Restricted Assets:				0
Deferred compensation benefits				0
Investments	0	258,646	0	258,646
Property, plant, and equipment:				
Office equipment	0	0	186,848	186,848
TOTAL ASSETS	\$ 1,027,073	\$ 504,405	\$ 186,848	\$ 1,718,326
LIABILITIES AND FUND EQUITY				
LIABILITIES				
Accounts payable	\$ 8,613	\$ 0	\$ 0	\$ 8,613
Payroll deductions and withholding	9,824	0	0	9,824
Due to Agency Funds	245,759	0	0	245,759
Payable from restricted assets:				
Deferred compensation benefits				
due employees	0	258,646	0	258,646
Due to other government agencies	0	245,759	0	245,759
Appearance bonds pending	19,507	0	0	19,507
Deferred revenues	14,666	0	0	14,666
	\$ 298,369	\$ 504,405	\$ 0	\$ 802,774
FUND EQUITY				
Investment in general fixed assets	\$ 0	\$ 0	\$ 186,848	\$ 186,848
Fund balance - unreserved and undesignated	728,704	0	0	728,704
TOTAL FUND EQUITY	\$ 728,704	\$ 0	\$ 186,848	\$ 915,552
TOTAL LIABILITIES AND FUND EQUITY	\$ 1,027,073	\$ 504,405	\$ 186,848	\$ 1,718,326

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, 1997

REVENUES

Current court revenues:		
Court costs	\$	197,712
Criminal Court fees		215,400
Probation fees		303,085
DWI classes		16,114
Witness fees		10,158
Other governments		61,058
Interest earned		46,540
		<u>46,540</u>
	TOTAL REVENUES	\$ 850,067

EXPENDITURES

Current court operating expenditures:		
Salaries and related benefits:		
Salaries	\$	186,300
Payroll taxes		6,246
Deferred compensation plan		22,620
Contractual services:		
Witness fees		27,900
Telephone		5,514
Maintenance		19,210
Dues and subscriptions		685
Professional fees		18,928
Computer services		99,152
Insurance		21,592
Court security		2,609
Materials and supplies:		
Office supplies		20,068
Operating supplies		7,661
Postage		13,697
Miscellaneous		18,724
Capital outlays		57,809
		<u>57,809</u>
	TOTAL EXPENDITURES	\$ 528,715

Excess of revenues over expenditures \$ 321,352

OTHER FINANCING USES

Transfers to City of Slidell for new courthouse		<u>(312,410)</u>
Excess of revenues over expenditures and other financing uses	\$	8,942
Fund balance at beginning of year		<u>719,762</u>
Fund balance at end of year	\$	<u>728,704</u>

The accompanying notes are an integral part of these statements.

NOTES TO FINANCIAL STATEMENTS
CITY COURT OF SLIDELL
Slidell, Louisiana
December 31, 1997

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 statement 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 - continued
CITY COURT OF SLIDELL
Slidell, Louisiana
December 31, 1997

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, forfeitures, 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.

NOTES TO FINANCIAL STATEMENTS - continued
CITY COURT OF SLIDELL
 Slidell, Louisiana
 December 31, 1997

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 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. Inter-fund eliminations have not been made in the aggregation of this data.

NOTE 5 - CHANGES IN GENERAL FIXED ASSETS

A summary of changes in general fixed assets follows:

	<u>BALANCE</u> <u>1 - 31 - 97</u>	<u>ADDITIONS</u>	<u>BALANCE</u> <u>12 - 31 - 97</u>
Office equipment	\$ <u>129,039</u>	\$ <u>57,809</u>	\$ <u>186,848</u>

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, 1997

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 \$ 22,620 to the plan in 1997.

The market value of the Plans assets as of December 31, 1997 is \$ 258,646.

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	\$ 79,443	\$ 100,000	FDIC Insurance
		\$ 160,950	Federal Securities
First NBC - Probation Checking	\$ 879,077	\$ 100,000	FDIC Insurance
		\$1,078,194	U. S. Treasury Notes
First NBC - Savings	\$ 68,452	\$ 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.

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.

NOTES TO FINANCIAL STATEMENTS - continued
CITY COURT OF SLIDELL
 Slidell, Louisiana
 December 31, 1997

NOTE 12 - CHANGES IN AGENCY FUNDS

A summary of changes in agency funds follows:

	<u>BEGINNING BALANCE</u>	<u>ADDITIONS</u>	<u>REDUCTIONS</u>	<u>ENDING BALANCE</u>
City of Slidell Funds	\$ 53,985	\$ 232,509	\$ 201,934	\$ 84,560
Parish of St. Tammany	11,820	11,135	0	22,955
City Marshal's Fund	6,516	69,364	71,742	4,702
Indigent Defenders Fund	8,574	107,029	74,742	40,861
Victims of Crime Fund	583	14,845	11,043	4,385
Supreme Court	12,259	19,205	7,520	23,944
District Attorney's Fund	2,940	5,823	7,905	858
Louisiana Commission on Law Enforcement Fund	5,520	8,452	10,617	3,355
Dept. Of Public Safety Fund	10,000	25,392	0	35,392
Juvenile Detention Center Fund	2,512	27,966	23,453	7,025
Restitution Fund	12,315	4,384	6,566	10,133
Special D.W.I. Fund	<u>7,589</u>	<u>0</u>	<u>0</u>	<u>7,589</u>
TOTAL ALL AGENCY FUNDS	\$ <u>134,613</u>	\$ <u>526,104</u>	\$ <u>414,958</u>	\$ <u>245,759</u>

NOTE 13 - OTHER FINANCIAL USES

The City of Slidell is building a new courthouse building for the City Court of Slidell. The City Court agreed to pay the City of Slidell \$ 312,410 for a portion of the construction cost. Because the City Court will not have an ownership interest in the building this transaction has been treated as "other financing uses" rather than as a capital outlay.

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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, 1997 and have issued our report thereon dated November 1, 1998.

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 judgements 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 no absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with managements' 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, 1997 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 their internal control structure. Accordingly, we do not express such an opinion.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a 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

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

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 no intended to limit the distribution of this report, which is a matter of public record.

Neuburger, Coerver & Goins

NEUBURGER, COERVER, & GOINS
Certified Public Accountants
November 1, 1998

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 statement of the City Court of Slidell, Slidell, Louisiana as of and for the year ended December 31, 1997, and have issued our report thereon dated November 1, 1998.

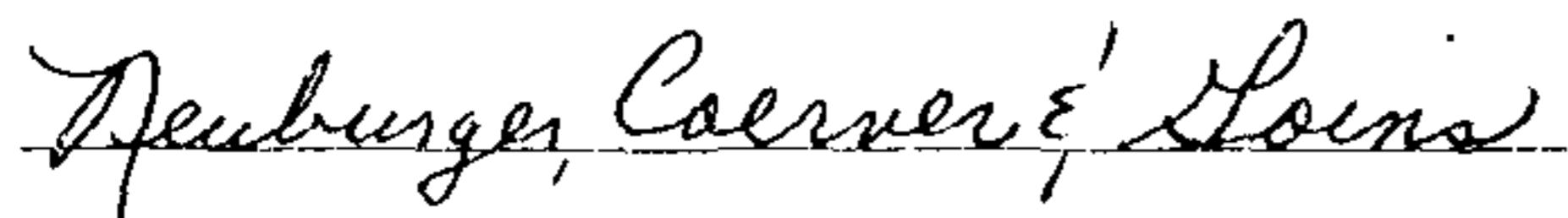
We conducted our audit in accordance with generally accepted auditing standards and the Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements 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 test disclosed the following material instance of noncompliance that is required to be reported herein under Government Auditing Standards, which has no effect upon the financial statements. The audit report was not completed and submitted to the Louisiana Legislative Auditor by June 30, 1998 as required by state law. This was caused by health conditions of the auditor in charge, not by the actions of the employees of the City Court of Slidell. The circumstances that caused the audit report to be late are explained more fully in the management letter.

We considered this instance of noncompliance in forming our opinion on whether the City Court of Slidell's 1997 financial statements are presented fairly in all material respects, in conformity with generally accepted accounting principles, and this report does not affect our report dated November 1, 1998 on those financial statements.

This report is intended for the information of the Judges 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
November 1, 1998

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November 1, 1998

MANAGEMENT LETTER

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

Dear Judge Strain:

We want to thank you and your staff for your cooperation when we were auditing the financial statements for the year ended December 31, 1997.

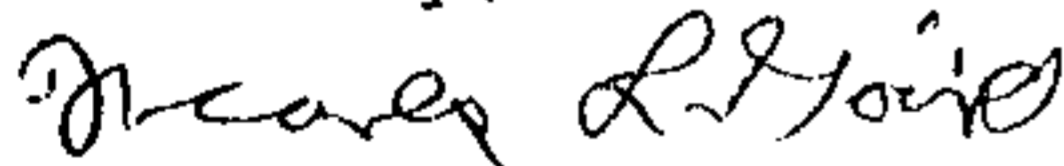
As you know, the financial statements have to be audited and copies sent to the Legislative Auditor by June 30, 1998. This was not possible due to ongoing health problems I have incurred. I am still not able to work a full eight hour day. I am only able to work 2 to 3 hours a day a few days a week. This is a result of chemotherapy, radiation therapy, and bypass surgery I had last year. I have not fully recovered from these treatments.

Because I can not work full time, the audit of your financial statements was not completed within six months of your year end, as required by law.

Due to continuing health problems, I am retiring November 15, 1998.

I appreciate your patience and understanding.

Sincerely,



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