

COMPREHENSIVE ANNUAL FINANCIAL REPORT

City of Slidell

For Fiscal Year Ended
June 30, 1999



Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited entity, the audited 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 NOV 24 1999

COMPREHENSIVE ANNUAL FINANCIAL REPORT



Prepared by the Department of Finance

City of Slidell

Salvatore A. Caruso, Mayor
For Fiscal Year Ended
June 30, 1999

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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 12, 1999

We are pleased to present the Comprehensive Annual Financial Report (CAFR) of the City of Slidell, Louisiana for the fiscal year ended June 30, 1999.

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.

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, the Single Audit Act Amendments of 1996 and U.S. Office of Management & Budget Circular A-133, "Audits of State and Local Governments" regarding federal and state grants along with related schedules of expenditures 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 financial reporting entity consists of the primary government, organizations for which the primary government is financially accountable, and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. No component units are included in the reporting entity. A more detailed discussion of reporting entity is included in Note A1 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. A major parish-wide movement is underway to identify and attract various industries to the surrounding area in an effort to diversify and stabilize the basis of the local economy.

In 1999 the City experienced an 8% increase in sales tax revenue from the previous fiscal year. The increase is primarily attributed to new business development within the City limits and to new residential growth both within and beyond the City limits.

Due to a growing trend for New Orleanians to move north of Lake Pontchartrain, the Parish experienced continued growth in population during the 1999 year. Since 1990 the Parish has experienced a 25 percent growth rate.

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. In addition, three major retailers with a combined square footage of 440,000 to 500,000 square feet will all be open for business by December of 1999. Slidell should continue to see growth in commercial developments keep pace with residential growth demands.

MAJOR INITIATIVES

During the Year

We completed a \$5 million water/sewer rehabilitation project and a \$2 million asphalt street overlay project. Several minor local drainage projects were also completed this year.

A new public swimming pool is being built in Possum Hollow Park. It will accommodate up to 200 people at a time. A bathhouse will also be included in the project, along with a kiddie wading pool.

A five year computer technology plan was approved and scheduled for implementation.

District Day (D-Day), programs have been implemented concentrating work efforts in each district one day per month on a rotating basis.

For the Future

Managing growth continues to be one of our major management objectives. The City receives requests for annexation into the city on a weekly basis. Both commercial and residential building are booming in Slidell. This has stretched the capacity of many different departments, from the Utilities Division of Public Operations to Permits and Inspections. We are seeking ways to keep pace with the growing demand for city workers.

Department Focus

Airport:

Completed plans and specifications for the reconstruction of the parallel taxiway. This project will include the total reconstruction of the 3,000 foot asphalt taxiway. The estimated cost of this project is \$890,000. The project is being funded with a 90% grant from the Federal Aviation Administration and a 10% grant from the Louisiana Department of Transportation-Aviation Division. Construction of the project started August 1999 and will take approximately four months to complete.

Completed the airport master plan update and forwarded the document to the Federal Aviation Administration for final approval.

Permits:

A total of 3,918 permits were issued for property valued at \$50.7 million.

Police:

Crime is down 6% in Slidell from 1998 to 1999.

In November, 1998 the department was reaccredited. Slidell Police department has been nationally accredited since 1995.

Public Operations:

Completed 3,737 work orders in 1999.

Cleaned 17,390 feet of major drainage canal and 9,000 feet of roadside ditches.

Completed over 1,500 repairs including cave-ins, concrete repairs and asphalt cut outs.

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

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 \$21,506,000 (see Table 2) for the 1999 fiscal year; an increase of approximately \$998,000 from 1998. This increase is primarily attributable to an increase in sales tax revenues due to new business development within the City limits and to new residential growth both within and beyond the City limits

The following table illustrates the revenues by source for 1999 and the increase (decrease) over prior year by general functions:

**General and Special Revenue Funds (budgetary basis)
and Debt Service Fund**

	Amount	% of	Increase	Percent of
	1999	Total	(Decrease)	Increase
	<u>From 1998</u>			<u>(Decrease)</u>
	<i>(In thousands of dollars)</i>			
Sales Tax	\$12,394	58%	\$ 897	8 %
Property Tax	2,980	14%	(68)	(2) %
Licenses/Permit	1,590	7%	186	13 %
Franchise Tax	1,114	5%	57	5 %
Intergovernmental	2,011	9%	(74)	(4) %
Interest/Other	783	4%	(11)	(1) %
Payment in Lieu of Tax	435	2%	11	3 %
Fines/Forfeitures	199	1%	0	0 %
	<u>\$21,506</u>	<u>100%</u>	<u>\$ 998</u>	

Expenditures by Function

General Government related expenditures were approximately \$20,375,000 (see Table 1) in 1999 compared to \$20,582,000 in fiscal 1998. The following table presents the various general City expenditures grouped according to function.

**General and Special Revenue Funds (budgetary basis)
and Debt Service Fund**

	Amount <u>1999</u>	% of <u>Total</u>	Increase (Decrease) <u>From 1998</u>	Percent of Increase <u>(Decrease)</u>
	<small>(In thousands of dollars)</small>			
Public Safety	\$ 4,716	23%	\$ 525	13 %
Public Works	2,955	15%	122	4 %
General Government	4,277	21%	464	12 %
Debt Service	4,417	22%	(9)	0 %
Capital Outlay	2,724	13%	(1,405)	(34) %
Parks and Recreation	983	5%	69	8 %
Judicial System	303	1%	27	10 %
	<u>\$ 20,375</u>	<u>100%</u>	<u>\$ (207)</u>	

Decrease in expenditures is primarily due to a decrease in expenditures for capital outlay offset by increases in expenditures for public safety, general government, and public works. In 1998, in conjunction with funds from bond proceeds, the Sales Tax Fund included expenditures for major concrete and asphalt street improvements. The increase in expenditures for public safety, general government and public works is primarily attributable to an increase in salaries and benefits due to implementation of a new pay plan in 1999 for all classified and unclassified employees.

Expenditures Comparison by Activity

The following data represent a comparison of fiscal 1998 and 1999 expenditures by activity:

**General and Special Revenue Funds (budgetary basis)
And Debt Service Fund**

	Amount <u>1999</u>	% of <u>Total</u>	Increase (Decrease) <u>From 1998</u>	Percent of Increase <u>(Decrease)</u>
	<small>(In thousands of dollars)</small>			
Salaries and Benefits	\$10,139	50%	\$1,007	11 %
Debt Service	4,417	22%	(9)	0 %
Capital Outlay	2,724	13%	(1,405)	(34) %
Supplies & Materials	1,045	5%	(75)	(7) %
Contractual Services	1,502	7%	148	11 %
Claims	349	2%	118	51 %
9-1-1 Service	102	1%	1	1 %
Community Services	51	0%	2	4 %
Equipment	46	0%	6	15 %
	<u>\$20,375</u>	<u>100%</u>	<u>\$ (207)</u>	

Decrease in expenditures is primarily due to a decrease in expenditures for capital outlay offset by an increase in expenditures for salaries and benefits. These fluctuations are discussed in the preceding paragraph.

Fund Balances

Unreserved, undesignated fund balance reported in the General Fund and Sales Tax Fund as of June 30, 1999 is \$952,000 and \$870,000, respectively, for a combined total of \$1,822,000. This is the twelfth 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 1999 fiscal year was as follows: (See Table 6)

General Bonded Debt Ratio

Net General Bonded Debt (in thousands of dollars)	Ratio of Net Bonded Debt to Assessed Value of Taxable Property	Bonded Debt Per Capita
\$12,414	10.85%	\$428

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 \$1,046,000 and \$2,989,000 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 \$803,000 were made on utility system improvements and infrastructure (general fixed assets) during the 1999 fiscal year.

Interest of \$134,000 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 and Utility Funds received federal and state assistance totaling \$96,000 in 1999.

Segment information as of and for the years ended June 30, 1999 and 1998, respectively, is presented below:

	1999			1998		
	Utility	Airport	Total	Utility	Airport	Total
Operating Revenues	\$6,202,089	\$ 37,220	\$ 6,239,309	\$6,011,732	\$ 49,084	\$ 6,060,816
Depreciation Expense	1,249,146	286,247	1,535,393	1,231,384	266,642	1,498,026
Operating Loss	(264,775)	(339,665)	(604,420)	(65,419)	(312,870)	(378,289)
Net Loss	(422,497)	(274,195)	(696,692)	(90,390)	(229,929)	(320,319)
Capital Contributions	228,405	83,355	311,760	-0-	33,525	33,525
Property, Plant and Equipment Additions	1,143,080	83,356	1,226,436	4,227,530	51,232	4,278,762
Net Working Capital	2,488,861	71,977	2,560,838	1,265,248	59,925	1,325,173
Total Assets	39,315,814	1,648,467	40,964,281	38,028,295	1,824,390	39,852,685
Bonds payable from Operating Revenues	5,982,704	-0-	5,982,704	4,550,503	-0-	4,550,503
Total Equity	32,143,000	1,626,313	33,769,313	32,337,092	1,817,152	34,154,244

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 1999 totaled \$768,000 compared to \$961,000 earned during the previous year. The decrease in investment income is related to smaller investment balances.

Risk Management

The City is currently enrolled in partial self-insurance programs for liability, dental 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 1999, 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 \$1,075,000 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 Rebowe & Company APC as the independent auditors, and their report is included in this Comprehensive Annual Financial Report. For 1999, the City again used the single audit approach, and the CAFR complies with the Single Audit Act of 1984 and the Single Audit Act Amendments of 1996. 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, 1998. This is the thirteenth 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.

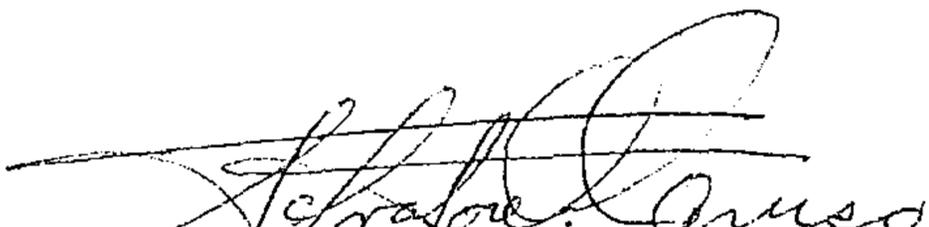
A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to Certificate of Achievement program requirements.

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/SH/fm

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, 1998

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.



Douglas R. Ellsworth
President

Jeffrey L. Ecker
Executive Director

**CITY OF SLIDELL
PRINCIPAL SELECTED OFFICIALS
JUNE 30, 1999**

CITY ADMINISTRATION

Salvatore A. "Sam" Caruso - Mayor

Ben O. Morris - Chief of Police

COUNCIL MEMBERS

Alvin D. Singletary - Councilman-at-Large

Dudley Smith - Councilman-at-Large

Lionel J. Washington - District A, President

Jerry Binder - District B, Vice President

Landon Cusimano - District C

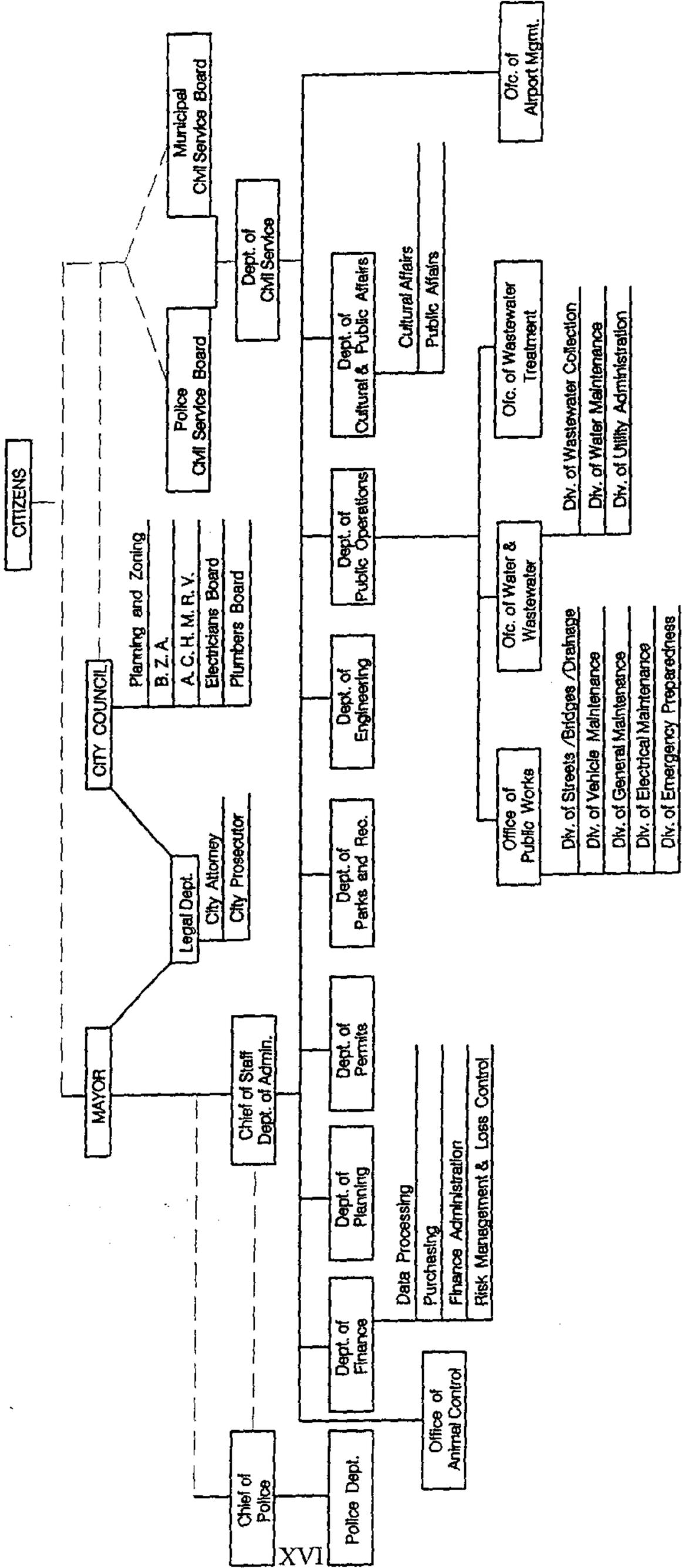
Kevin Kingston - District D

Marti J. Livaudais - District E

Jack Cerny - District F

Pearl Williams - District G

ORGANIZATIONAL PLAN for the GOVERNMENT of the CITY of SLIDELL 1999



REBOWE & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS
CONSULTANTS
A PROFESSIONAL CORPORATION

3501 N. Causeway Blvd. • Suite 810 • P.O. Box 6952 • Metairie, LA 70009
Phone (504) 837-9116 • Fax (504) 837-0123 • E-mail rebowe@rebowe.com

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying general-purpose financial statements and the combining and individual fund and account group financial statements of the **City of Slidell, Louisiana**, as of and for the years ended June 30, 1999 and 1998, as listed in the table of contents. These financial statements are the responsibility of the **City of Slidell's** management. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements of the **City of Slidell, Louisiana** as of June 30, 1998 were audited by other auditors whose report dated September 11, 1998, expressed an unqualified opinion on those statements.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *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 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 audits provides a reasonable basis for our opinion.

In our opinion, the general-purpose financial statements referred to above presents fairly, in all material respects, the financial position of the City of Slidell, as of June 30, 1999 and 1998, and the results of its operations and the cash flows of its proprietary fund type for the years then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 24, 1999 on our consideration of the **City of Slidell's** internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants.

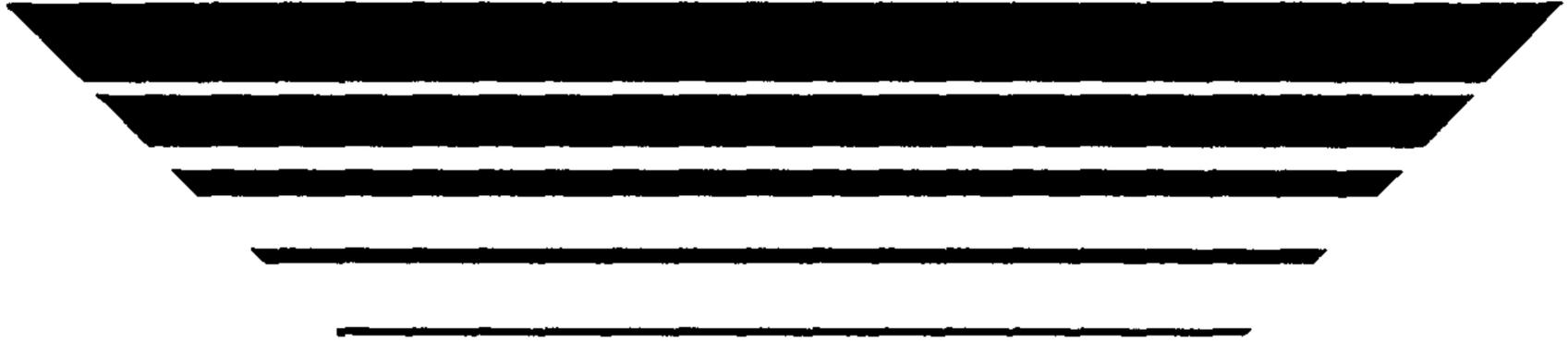
Our audits were performed for the purpose of forming an opinion on the general-purpose financial statements of the **City of Slidell, Louisiana**, taken as a whole, and on the combining and individual fund account group financial statements. The accompanying financial information listed as supplementary information and statistical data in the table of contents is presented for purposes of additional analysis and is not a required part of the general-purpose financial statements of the City of Slidell, Louisiana. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the general-purpose financial statements. Such information, except for that portion marked "unaudited", on which we express no opinion, has been subjected to the auditing procedures applied in the audit of the general-purpose, combining and individual fund and account group financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general-purpose, combining and individual fund and account group financial statements taken as a whole.

The year 2000 supplementary information on page 39 is not a required part of the general-purpose financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and do not express an opinion on it. In addition, we do not provide assurance that City of Slidell is or will become year 2000 compliant, that City of Slidell's year 2000 remediation efforts will be successful in whole or in part, or that parties with which City of Slidell does business are or will become year 2000 compliant.

Rebowe & Company

September 24, 1999

General Purpose Financial Statements



**CITY OF SLIDELL, LOUISIANA
COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
June 30, 1999**

	Governmental Fund Types			
	General Fund	Special Revenue Funds	Debt Service Funds	Capital Projects Funds
Assets and Other Debits				
Assets				
Cash and cash equivalents	\$ 3,746,658	\$ -	\$ -	\$ 7,728
Investments	5,032,465	976,931	1,040,496	2,351,187
Receivables:				
Taxes	324,016	1,172,495	-	-
Water, sewerage and garbage	-	-	-	-
Unbilled receivable	-	-	-	-
Accrued interest	10,467	-	1,387	4,269
Other	15,738	2,127	-	-
Due from other governments				
U.S. Government	14,999	212,112	-	-
State of Louisiana	151,252	51,237	-	100,463
Local entities	47,792	-	-	-
Due from other funds	67,279	2,823,891	18,861	272,488
Inventory	88,133	30,142	-	-
Prepaid items	277,577	-	-	-
Other assets	-	-	-	-
Restricted assets				
Cash	328,196	784,579	-	-
Investment	275,000	2,251,659	-	-
Land, buildings, and equipment (net, where applicable, of accumulated depreciation)	-	-	-	-
Other debits				
Amount available in debt service funds	-	-	-	-
Amount to be provided for retirement of general long-term obligations	-	-	-	-
Total Assets and Other Debits	\$ 10,379,572	\$ 8,305,173	\$ 1,060,744	\$ 2,736,135

(Continued)

Proprietary Fund Type	Fiduciary Fund Type	Account Groups		Total (Memorandum Only)	
		Enterprise Funds	Expendable Trust	General Fixed Assets	General Long-term Obligations
\$ 139,817	\$ 1,482	\$ -	\$ -	\$ 3,895,685	\$ 3,869,611
-	-	-	-	9,401,079	6,524,923
-	-	-	-	1,496,511	1,343,780
524,843	-	-	-	524,843	533,071
198,766	-	-	-	198,766	207,707
-	-	-	-	16,123	23,926
8,017	-	-	-	25,882	19,025
34,320	-	-	-	261,431	308,807
5,573	-	-	-	308,525	259,884
-	1,069	-	-	48,861	71,387
2,857,057	51,597	-	-	6,091,173	3,326,546
239,709	-	-	-	357,984	335,304
-	-	-	-	277,577	243,954
131,264	-	-	-	131,264	121,772
126,427	18,648	-	-	1,257,850	915,907
1,456,147	-	-	-	3,982,806	4,276,160
35,242,341	-	70,014,007	-	105,256,348	103,874,086
-	-	-	4,034,978	4,034,978	4,012,083
-	-	-	32,360,740	32,360,740	34,435,206
<u>\$ 40,964,281</u>	<u>\$ 72,796</u>	<u>\$ 70,014,007</u>	<u>\$ 36,395,718</u>	<u>\$ 169,928,426</u>	<u>\$ 164,703,139</u>

CITY OF SLIDELL, LOUISIANA
COMBINED BALANCE SHEET (CONTINUED)
ALL FUND TYPES AND ACCOUNT GROUPS
June 30, 1999

	Governmental Fund Types			
	General Fund	Special Revenue Funds	Debt Service Funds	Capital Projects Funds
Liabilities, Equity, and Other Credits				
Liabilities				
Accounts payable	\$ 1,605,721	\$ 1,091,271	\$ 14,734	\$ 90,597
Revenue bonds payable, current	-	-	-	-
DEQ revolving loan, current	-	-	-	-
Due to other funds	6,023,894	66,813	-	466
Deferred revenue	-	2,100	-	-
Payable from restricted assets:				
Customer deposits	-	-	-	-
Bonds and other long term debt payable	-	-	-	-
DEQ revolving loan	-	-	-	-
Claims and judgments	852,512	-	-	-
Long term accrued compensatory absences	-	-	-	-
Total liabilities	8,482,127	1,160,184	14,734	91,063
Fund equity and other credits				
Contributed capital	-	-	-	-
Investment in general fixed assets	-	-	-	-
Retained deficit:				
Unreserved	-	-	-	-
Fund balance:				
Reserved for				
Prepaid items	277,577	30,142	-	-
Inventory	88,133	-	-	-
Insurance	275,000	-	-	-
Capital outlay	-	58,981	-	-
Spray neuter	-	-	-	-
Debt service	-	-	1,046,010	-
Bond reserve fund	-	2,251,659	-	-
Bond sinking fund	-	737,310	-	-
Trust purposes	-	-	-	-
Unreserved				
Capital outlay	-	2,068,958	-	2,645,072
Operating reserves	-	100,000	-	-
Contingencies	305,000	1,000,000	-	-
Training academy	-	28,274	-	-
Unreserved, undesignated	951,735	869,665	-	-
Total fund equity and other credits	1,897,445	7,144,989	1,046,010	2,645,072
Total Liabilities, Equity, and Other Credits	\$ 10,379,572	\$ 8,305,173	\$ 1,060,744	\$ 2,736,135

The accompanying notes are an integral part of this statement.

Proprietary Fund Type	Fiduciary Fund Type	Account Groups		Total	
		General	General	(Memorandum Only)	
		Fixed Assets	Long-term Obligations	1999	1998
Enterprise Funds	Expendable Trust				
\$ 914,993	\$ 874	\$ -	\$ -	\$ 3,718,190	\$ 3,055,880
90,000	-	-	-	90,000	85,000
145,000	-	-	-	145,000	-
-	-	-	-	6,091,173	3,326,546
-	-	-	-	2,100	-
297,271	-	-	-	297,271	291,899
2,240,000	-	-	35,725,232	37,965,232	40,154,590
3,507,704	-	-	-	3,507,704	2,135,503
-	-	-	223,486	1,075,998	1,013,722
-	-	-	447,000	447,000	367,963
<u>7,194,968</u>	<u>874</u>	<u>-</u>	<u>36,395,718</u>	<u>53,339,668</u>	<u>50,431,103</u>
34,105,520	-	-	-	34,105,520	34,380,973
-	-	70,014,007	-	70,014,007	68,322,784
(336,207)	-	-	-	(336,207)	(226,729)
-	-	-	-	307,719	243,954
-	-	-	-	88,133	101,952
-	-	-	-	275,000	289,846
-	-	-	-	58,981	100,823
-	3,466	-	-	3,466	3,466
-	-	-	-	1,046,010	1,042,396
-	-	-	-	2,251,659	2,251,928
-	-	-	-	737,310	717,759
-	68,456	-	-	68,456	47,357
-	-	-	-	4,714,030	4,090,563
-	-	-	-	100,000	100,000
-	-	-	-	1,305,000	1,228,000
-	-	-	-	28,274	48,701
-	-	-	-	1,821,400	1,528,263
<u>33,769,313</u>	<u>71,922</u>	<u>70,014,007</u>	<u>-</u>	<u>116,588,758</u>	<u>114,272,036</u>
<u>\$ 40,964,281</u>	<u>\$ 72,796</u>	<u>\$ 70,014,007</u>	<u>\$ 36,395,718</u>	<u>\$ 169,928,426</u>	<u>\$ 164,703,139</u>

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, 1999

	Governmental Fund Types		
	General Fund	Special Revenue Funds	Debt Service Funds
Revenues			
Taxes and assessments:			
Sales and use taxes	\$ -	\$ 12,394,359	\$ -
Ad valorem	1,311,797	283,117	1,384,858
Franchise	1,114,443	-	-
Licenses and permits	1,589,968	-	-
Intergovernmental revenues:			
HUD grants	-	308,172	-
State revenue sharing	770,527	-	-
Other Federal/State grants	190,908	626,148	-
Other state and local governmental revenues	114,876	-	-
State supplemental pay	235,101	-	-
Payment in lieu of taxes	434,953	-	-
Fines and forfeitures	198,638	-	-
Contributions	-	-	-
Other revenue, primarily interest and tuition	408,501	320,898	53,439
Total Revenues	6,369,712	13,932,694	1,438,297
Expenditures			
General government	2,816,190	1,461,342	-
Public works	525,842	2,429,231	-
Public safety	4,950,889	-	-
Parks and recreation	-	983,108	-
Judicial system	303,369	-	-
Capital outlay	-	2,962,844	-
Debt service:			
Fiscal agency fees	-	-	27,492
Principal retirement	-	-	2,338,092
Interest	-	-	2,051,575
Total Expenditures	\$ 8,596,290	\$ 7,836,525	\$ 4,417,159

(Continued)

Capital Projects Funds	Fiduciary Fund Type	Total (Memorandum Only)	
	Expendable Trust	Reporting Entity	
		1999	1998
\$ -	\$ -	\$ 12,394,359	\$ 11,497,071
-	-	2,979,772	3,047,706
-	-	1,114,443	1,056,668
-	-	1,589,968	1,404,141
-	-	308,172	428,302
-	-	770,527	728,259
-	-	817,056	1,374,415
-	-	114,876	529,976
-	-	235,101	230,051
-	-	434,953	423,538
-	-	198,638	199,364
-	-	-	78,895
134,431	68,578	985,847	1,155,422
134,431	68,578	21,943,712	22,153,808
-	-	4,277,532	3,813,311
-	47,479	3,002,552	3,482,056
-	-	4,950,889	4,650,613
-	-	983,108	913,464
-	-	303,369	275,827
802,787	-	3,765,631	16,176,988
-	-	27,492	14,002
-	-	2,338,092	2,210,743
-	-	2,051,575	2,201,209
\$ 802,787	\$ 47,479	\$ 21,700,240	\$ 33,738,213

CITY OF SLIDELL, LOUISIANA
COMBINED STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES (CONTINUED)
ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS
Year Ended June 30, 1999

	Governmental Fund Types		
	General Fund	Special Revenue Funds	Debt Service Funds
Excess (Deficiency) of Revenues Over Expenditures	\$ (2,226,578)	\$ 6,096,169	\$ (2,978,862)
Other Financing Sources (Uses)			
Operating transfers in	2,262,806	122,830	2,982,476
Operating transfers out	(25,525)	(5,433,582)	-
Capital lease	-	238,734	-
Proceeds from the sale of fixed assets	386	-	-
Total Other Financing Sources (Uses)	<u>2,237,667</u>	<u>(5,072,018)</u>	<u>2,982,476</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	11,089	1,024,151	3,614
Fund Balances, Beginning of Year	<u>1,886,356</u>	<u>6,120,838</u>	<u>1,042,396</u>
Fund Balances, End of Year	<u>\$ 1,897,445</u>	<u>\$ 7,144,989</u>	<u>\$ 1,046,010</u>

The accompanying notes are an integral part of this statement.

Capital Projects Funds	Fiduciary Fund Type	Total (Memorandum Only)	
	Expendable Trust	Reporting Entity	
		1999	1998
\$ (668,356)	\$ 21,099	\$ 243,472	\$ (11,584,405)
-	-	5,368,112	4,977,958
-	-	(5,459,107)	(5,093,823)
-	-	238,734	-
618,833	-	619,219	-
618,833	-	766,958	(115,865)
(49,523)	21,099	1,010,430	(11,700,270)
2,694,595	50,823	11,795,008	23,495,278
<u>\$ 2,645,072</u>	<u>\$ 71,922</u>	<u>\$ 12,805,438</u>	<u>\$ 11,795,008</u>

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, 1999

	General Fund		
	Actual (Adjusted to Budgetary Basis)	Budget	Variance Favorable (Unfavorable)
Revenues			
Taxes:			
Sales and use	\$ -	\$ -	\$ -
Ad valorem	1,311,797	1,350,480	(38,683)
Franchise	1,114,443	1,000,000	114,443
Licenses and permits	1,589,968	1,265,000	324,968
Intergovernmental revenues:			
State revenue sharing	770,527	475,000	295,527
Other Federal/State grants	190,908	184,000	6,908
Other state and local governmental revenues	114,876	117,600	(2,724)
Payment in lieu of taxes	434,953	434,953	-
Fines and forfeitures	198,638	180,000	18,638
Other revenue, primarily interest	408,501	197,000	211,501
Total Revenues	6,134,611	5,204,033	930,578
Expenditures			
Current:			
General government	2,816,190	2,835,591	19,401
Public works	525,842	540,825	14,983
Public safety	4,715,788	4,747,648	31,860
Parks and recreation	-	-	-
Judicial system	303,369	303,849	480
Capital outlay	-	-	-
Total Expenditures	\$ 8,361,189	\$ 8,427,913	\$ 66,724

(Continued)

Special Revenue Funds			Total (Memorandum Only)		
Actual (Adjusted to Budgetary Basis)	Budget	Variance Favorable (Unfavorable)	Actual (Adjusted to Budgetary Basis)	Budget	Variance Favorable (Unfavorable)
\$ 12,394,359	\$ 11,497,000	\$ 897,359	\$ 12,394,359	\$ 11,497,000	\$ 897,359
283,117	287,618	(4,501)	1,594,914	1,638,098	(43,184)
-	-	-	1,114,443	1,000,000	114,443
-	-	-	1,589,968	1,265,000	324,968
626,148	803,500	(177,352)	1,396,675	1,278,500	118,175
308,172	472,531	(164,359)	499,080	656,531	(157,451)
-	-	-	114,876	117,600	(2,724)
-	-	-	434,953	434,953	-
-	-	-	198,638	180,000	18,638
320,898	246,000	74,898	729,399	443,000	286,399
<u>13,932,694</u>	<u>13,306,649</u>	<u>626,045</u>	<u>20,067,305</u>	<u>18,510,682</u>	<u>1,556,623</u>
1,461,342	1,497,643	36,301	4,277,532	4,333,234	55,702
2,429,231	2,483,785	54,554	2,955,073	3,024,610	69,537
-	-	-	4,715,788	4,747,648	31,860
983,108	1,006,099	22,991	983,108	1,006,099	22,991
-	-	-	303,369	303,849	480
2,724,110	5,195,526	2,471,416	2,724,110	5,195,526	2,471,416
<u>\$ 7,597,791</u>	<u>\$ 10,183,053</u>	<u>\$ 2,585,262</u>	<u>\$ 15,958,980</u>	<u>\$ 18,610,966</u>	<u>\$ 2,651,986</u>

CITY OF SLIDELL, LOUISIANA
COMBINED STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES (CONTINUED)
ACTUAL (ADJUSTED TO BUDGETARY BASIS) AND BUDGET
GENERAL AND SPECIAL REVENUE FUND TYPES
Year Ended June 30, 1999

	General Fund		
	Actual (Adjusted to Budgetary Basis)	Budget	Variance Favorable (Unfavorable)
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (2,226,578)</u>	<u>\$(3,223,880)</u>	<u>\$ 997,302</u>
Other Financing Sources (Uses)			
Operating transfers in	2,262,806	2,262,806	-
Operating transfers out	(25,525)	(25,525)	-
Proceeds from the sale of property	386	-	386
Total Other Financing Sources (Uses)	<u>2,237,667</u>	<u>2,237,281</u>	<u>386</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	11,089	(986,599)	997,688
Fund Balances, Beginning of Year	<u>1,886,356</u>	<u>1,886,356</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ 1,897,445</u>	<u>\$ 899,757</u>	<u>\$ 997,688</u>

The accompanying notes are an integral part of this statement.

Special Revenue Funds			Total (Memorandum Only)		
Actual (Adjusted to Budgetary Basis)	Budget	Variance Favorable (Unfavorable)	Actual (Adjusted to Budgetary Basis)	Budget	Variance Favorable (Unfavorable)
<u>\$ 6,334,903</u>	<u>\$ 3,123,596</u>	<u>\$ 3,211,307</u>	<u>\$ 4,108,325</u>	<u>\$ (100,284)</u>	<u>\$ 4,208,609</u>
122,830	122,830	-	2,385,636	2,385,636	-
(5,433,582)	(5,433,582)	-	(5,459,107)	(5,459,107)	-
-	-	-	386	-	386
<u>(5,310,752)</u>	<u>(5,310,752)</u>	<u>-</u>	<u>(3,073,085)</u>	<u>(3,073,471)</u>	<u>386</u>
1,024,151	(2,187,156)	3,211,307	1,035,240	(3,173,755)	4,208,995
<u>6,120,838</u>	<u>6,120,838</u>	<u>-</u>	<u>8,007,194</u>	<u>8,007,194</u>	<u>-</u>
<u><u>\$ 7,144,989</u></u>	<u><u>\$ 3,933,682</u></u>	<u><u>\$ 3,211,307</u></u>	<u><u>\$ 9,042,434</u></u>	<u><u>\$ 4,833,439</u></u>	<u><u>\$ 4,208,995</u></u>

**CITY OF SLIDELL, LOUISIANA
 COMBINED STATEMENT OF REVENUES, EXPENSES,
 AND CHANGES IN RETAINED DEFICIT
 ENTERPRISE FUNDS**

Year Ended June 30, 1999 (With Comparative Totals for June 30, 1998)

	1999	1998
Operating Revenues		
Water revenues	\$ 1,960,189	\$ 1,905,429
Sewerage revenues	2,079,013	1,956,265
Solid waste disposal revenues	791,762	784,252
Ad valorem taxes assessed for sewerage maintenance	559,474	562,504
Ad valorem taxes assessed for garbage service	559,474	562,504
Connection charges	162,122	155,261
Tie down and rental revenues	37,220	49,084
Penalties	90,055	85,517
	<u>6,239,309</u>	<u>6,060,816</u>
Operating expenses		
Salaries, wages and related benefits	2,046,001	1,833,990
Solid waste disposal	1,520,550	1,469,101
Repairs and maintenance	547,222	413,357
Materials and supplies	188,742	207,348
Utilities	350,964	352,800
Gas and oil	30,283	34,026
Insurance	82,250	98,850
Office expense	30,092	32,989
Certification and training	12,054	10,878
Other	49,146	43,188
Payment in lieu of taxes	434,953	423,538
Bad debt expense	16,079	21,014
	<u>5,308,336</u>	<u>4,941,079</u>
Total operating expenses before depreciation		
	<u>5,308,336</u>	<u>4,941,079</u>
Operating income (loss) before depreciation	930,973	1,119,737
Depreciation	1,535,393	1,498,026
Non-operating income (expense)		
Operating loss	(604,420)	(378,289)
	<u>(604,420)</u>	<u>(378,289)</u>
Non-operating income (expense)		
Other income, primarily interest	73,708	104,156
Grant revenue	12,758	54,644
Interest and fiscal charges	(256,975)	(156,951)
Other expenses	(12,758)	(59,744)
	<u>(183,267)</u>	<u>(57,895)</u>
Net nonoperating income (expense)	\$ (183,267)	\$ (57,895)

(Continued)

**CITY OF SLIDELL, LOUISIANA
 COMBINED STATEMENT OF REVENUES, EXPENSES,
 AND CHANGES IN RETAINED DEFICIT (CONTINUED)
 ENTERPRISE FUNDS**

Year Ended June 30, 1999 (With Comparative Totals for June 30, 1998)

	1999	1998
Net loss before operating transfers	\$ (787,687)	\$ (436,184)
Operating transfers in (out)		
Operating transfers in	90,995	115,865
Net income (loss)	(696,692)	(320,319)
Depreciation on assets acquired with externally restricted capital contributions which reduces contributed capital	587,214	549,775
Retained earnings, beginning of year	(226,729)	(456,185)
Retained earnings, end of year	\$ (336,207)	\$ (226,729)

The accompanying notes are an integral part of this statement.

**CITY OF SLIDELL, LOUISIANA
COMBINED STATEMENT OF CASH FLOWS
ENTERPRISE FUNDS**

Year Ended June 30, 1999 (With Comparative Totals for June 30, 1998)

	Total	
	1999	1998
Cash flows from operating activities		
Receipts from operations	\$ 5,127,012	\$ 5,227,298
Payments for goods and services	(2,184,913)	(2,156,275)
Payments for employee services	(1,895,001)	(1,833,990)
Payments in lieu of taxes	(434,953)	(423,538)
Payments for direct and indirect costs	(494,414)	(505,716)
Other operating income	1,118,948	1,125,008
Net cash provided by (used in) operating activities	1,236,679	1,432,787
 Cash flows from noncapital financing activities		
Operating transfers in, net	90,995	115,865
Interfund loan	(1,331,210)	-
Proceeds from federal grant	12,758	56,618
Payments for study	(12,758)	(52,345)
Net cash provided (used) by noncapital financing activities	(1,240,215)	120,138
 Cash flows from capital and related financing activities		
Proceeds from issuance of debt	1,657,201	2,082,593
Principal paid on bond maturities	(225,000)	(85,000)
Capital contributed by others	311,760	33,525
Acquisition and construction of capital assets	(1,500,120)	(4,112,360)
Interest paid on debt	(231,860)	(151,163)
Issuance cost	(17,010)	-
Net cash provided by (used in) capital and related financing activities	(5,029)	(2,232,405)
 Cash flows from investing activities		
Purchase of investments	(6,421,653)	(5,397,769)
Proceeds from maturities and sale of investments	6,511,000	6,005,890
Proceeds from interest income	13,323	93,448
Net cash provided by (used in) investing activities	\$ 102,670	\$ 701,569

(Continued)

CITY OF SLIDELL, LOUISIANA
COMBINED STATEMENT OF CASH FLOWS (CONTINUED)
ENTERPRISE FUNDS
Year Ended June 30, 1999 (With Comparative Totals for June 30, 1998)

	Total	
	1999	1998
Net increase (decrease) in cash	\$ 94,105	\$ 22,089
Cash and cash equivalents, beginning of year	172,139	150,050
Cash and cash equivalents, end of year	\$ 266,244	\$ 172,139
Reconciliation of operating loss to net cash provided by operating activities:		
Operating loss	\$ (604,420)	\$ (378,289)
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	1,535,393	1,498,026
Bad debt expense	16,079	21,014
Change in asset and liabilities:		
(Increase) decrease in accounts receivable	(984)	287,616
(Increase) decrease in inventory	(6,357)	233
Increase in accounts payable	296,967	4,187
Net cash provided by operating activities	\$ 1,236,678	\$ 1,432,787

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, 1999 and 1998 was an increase of \$587,214 and \$549,775, respectively, with corresponding decreases in contributed capital.

The accompanying notes are an integral part of this statement.

CITY OF SLIDELL, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
June 30, 1999

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of City of Slidell, Louisiana have been prepared in conformity with generally accepted accounting principles (GAAP), these financial statements present the City as the primary government. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below.

1. 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.

2. FUND ACCOUNTING

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, proprietary and fiduciary. 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 E), 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 the normal recurring activities of the police training facility.

Debt Service Fund - This governmental fund is used to accumulate monies for the payment of bond and certificate of indebtedness issues. There is no reserve or sinking fund established to cover defaults by property owners.

CITY OF SLIDELL, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 1999

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 proceeds from the sales of city property. 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 1999 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.

Fund Equity - Reservations of fund balance represent amounts that are not appropriable or are legally segregated for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change. The proprietary fund's contributed capital represents equity acquired through capital grants and capital contributions from developers, customers or other funds.

CITY OF SLIDELL, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 1999

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3. BASIS OF ACCOUNTING

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 funds are 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 funds 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 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.

CITY OF SLIDELL, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 1999

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4. BUDGETARY ACCOUNTING

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. State supplemental pay (\$235,101 in 1999) to police officers are not treated as budgeted revenues and expenditures of the General Fund. Payments under capital leases are treated as expenditures in the year of payment for budgetary purposes. 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 (see page 10 and 11) includes the effect of such appropriation amendments approved by the City Council during the current year. These amendments may reappropriate designated 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.

5. 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. There were no encumbrances outstanding at June 30, 1999.

6. 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 maturity of three months or less when purchased to be cash equivalents.

7. INVESTMENTS

Louisiana statutes permit the City to invest in United States bonds, treasury notes, or certificates, or other obligations of the U.S. Government and agencies of the U.S. Government, which are federally sponsored, and certificates of deposit of state banks, organized under the State of Louisiana and national banks having their

CITY OF SLIDELL, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 1999

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

7. INVESTMENTS (CONTINUED)

principal office in the State of Louisiana, or in mutual or trust fund institutions which are registered and which have underlying investments limited to securities of the U.S. Government or its agencies.

8. 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.

9. 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.

10. 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.

11. 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 1987, 1988 and 1996 Public Improvement Bonds, and the 1993A and 1993B Refunding Bonds (bond sinking fund and reserve fund, see Note F). A corresponding amount of fund balance is reserved as these monies are legally segregated for a specific future use.

Restricted investments 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 cash on the balance sheet of the General Fund totaling \$328,196 represents cash received through a grant and \$269,423

CITY OF SLIDELL, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 1999

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

11. RESTRICTED ASSETS (CONTINUED)

received through various law enforcement seizures which are restricted for future law enforcement activity.

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 and 1996A Utilities Revenue Bonds.

12. 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 that 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:

<u>Asset Description</u>	<u>Asset Life</u>
<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

CITY OF SLIDELL, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 1999

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

13. 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

14. AD VALOREM TAXES

Ad valorem taxes are levied based on a calendar year. The tax is due and becomes an enforceable lien on the property when the tax bills are mailed in early December. Although the bill states the property taxes are due on December 31, penalties are assessed for any payment not received by January 15. Taxes are billed and collected by the St. Tammany Sheriff's Office, which receives a fee per property tax bill for its services. 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.

15. TOTAL COLUMNS ON COMBINED STATEMENTS

Total columns on the combined statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns does not present financial position and results of operations in conformity with generally accepted accounting principles. Interfund eliminations have not been made in the aggregation of this data.

NOTE B - CASH AND INVESTMENTS

As reflected in the Combined Balance Sheet, the City had the following cash and investments as of June 30, 1999.

<u>Cash and Investments</u>	<u>Total</u>
Unrestricted	\$ 13,296,764
Restricted	<u>5,240,656</u>
	<u>\$ 18,537,420</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.

CITY OF SLIDELL, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 1999

NOTE B - CASH AND INVESTMENTS (CONTINUED)

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, 1999, the carrying amount of the City's cash and certificates of deposit was \$5,453,535 of which \$300,000 is classified as investments at June 30, 1999, and the bank balance was \$5,197,632. The difference is primarily due to deposits in transit. 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 fair value in accordance with Government Accounting Standards Board Statement (GASBS) No 31. 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, 1999 were as follows:

	Category			Fair Value
	1	2	3	
U S Government Securities	\$ 4,860,542	\$ -	\$ -	\$ 4,860,542
U S Government Agency Securities	8,223,343	-	-	8,223,343
Total	\$13,083,885	\$ -	\$ -	\$ 13,083,885

NOTE C - 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 \$8,959,000 for fiscal 1999. Contributions to these retirement systems were based on participating full-time employee earnings which were approximately as follows for fiscal 1999:

Municipal System	\$ 5,241,000
Police System	2,183,000
Total	\$ 7,424,000

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

CITY OF SLIDELL, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 1999

NOTE C – RETIREMENT PLANS (CONTINUED)

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 5.75% 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 15% of participating employee earnings to the Municipal System for 1999. The City's contributions to the Police System were 16.5% of the participating policemen's wages for 1999. The City's contributions to the Municipal System for the years ending June 30, 1999, 1998 and 1997 were approximately \$785,000, \$738,000 and \$775,000, respectively, equal to the required contribution for each year. The City's contributions to the Police System for the years ending June 30, 1999, 1998 and 1997 were approximately \$360,000, \$335,000 and \$321,000, respectively, equal to the required contribution for each year.

NOTE D - 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 A, 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	\$ 190,908
Special Revenue Funds	934,320
Enterprise Funds	<u>12,758</u>
	<u>\$ 1,137,986</u>

CITY OF SLIDELL, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 1999

NOTE D - GRANTS FROM OTHER GOVERNMENTAL ENTITIES (CONTINUED)

The City also received \$83,355 during fiscal 1999 as the result of federal and state grants which were externally restricted for improvements to the airport. These funds were recorded as contributed capital in the Enterprise Funds.

NOTE E - 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 M3 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 revenue bonds (see Note F).

CITY OF SLIDELL, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 1999

NOTE F - LONG-TERM DEBT

The following is a summary of long-term debt transactions of the City for the year ended June 30, 1999:

	<u>Balance 6/30/98</u>	<u>Issues or Additions</u>	<u>Payments or Expenditures</u>	<u>Balance 6/30/99</u>
Governmental Fund Types				
General Obligation Bonds	\$ 14,115,000	\$ -	\$ 655,000	\$ 13,460,000
Sales Tax Revenue Bonds	20,335,375	-	1,073,000	19,262,375
Certificate of Indebtedness	3,374,215	-	610,092	2,764,123
Compensated Absences (Note A)	367,963	79,037	-	447,000
Capital Lease Obligation (Note F)	-	308,650	69,916	238,734
Claims and Judgments (Note L)	<u>254,736</u>	<u>-</u>	<u>31,250</u>	<u>223,486</u>
Total Governmental Fund Type	<u>38,447,289</u>	<u>387,687</u>	<u>2,439,258</u>	<u>36,395,718</u>
Proprietary Fund Types				
Utility Revenue Bonds	2,415,000	-	85,000	2,330,000
DEQ Revolving Loan	<u>2,135,503</u>	<u>1,657,201</u>	<u>140,000</u>	<u>3,652,704</u>
Total Proprietary Fund Types	<u>4,550,503</u>	<u>1,657,201</u>	<u>225,000</u>	<u>5,982,704</u>
Total All Fund Types	<u>\$ 42,997,792</u>	<u>\$ 2,044,888</u>	<u>\$ 2,664,258</u>	<u>\$ 42,378,422</u>

CITY OF SLIDELL, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 1999

NOTE F - LONG-TERM DEBT (CONTINUED)

Details on the City's long-term debt as of June 30, 1999 are as follows:

General Obligation Bonds secured by ad valorem taxes:

Refunding Bonds, Series 1994, bearing interest from 3.15% to 5.50%, payable annually through 2009	\$ 4,605,000
Drainage Bonds, Series 1996, bearing interest from 4.43% to 10.00%, payable annually through 2016	<u>8,855,000</u>
	<u>\$ 13,460,000</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	\$ 517,375
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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	1,640,000
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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	5,560,000
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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	2,955,000
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Public Improvement Bonds, Series ST-1996, 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 5.375% to 10%, payable annually through 2016	<u>8,590,000</u>
	<u>\$ 19,262,375</u>

CITY OF SLIDELL, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 1999

NOTE F - LONG-TERM DEBT (CONTINUED)

Certificates of Indebtedness, bearing interest from 4.3% to 5.3% payable annually through 2005	\$ 2,475,000
Certificates of Indebtedness, bearing interest at 5.10% payable annually through 1999	<u>289,123</u> <u>\$ 2,764,123</u>
Utility Revenue Bonds, Series 1996, secured by revenues of the Utility Fund, bearing interest from 3.90% to 5.55% payable annually through 2016	\$ 2,330,000
Current portion	<u>(90,000)</u>
Long-term debt	<u>\$ 2,240,000</u>

DEQ Revolving Loan

On May 28, 1997, the City entered into a loan and pledge agreement with the Louisiana Department of Environmental Quality (DEQ) Loan No. CS-221136-01. The purpose of the loan is to pay a portion of the cost of constructing improvements to the wastewater system of the City. Under the terms of the agreement, the DEQ, through its Municipal Facilities Revolving Loan Fund, will loan the City an amount not to exceed \$3,900,000. Upon completion of the project, the actual amount borrowed will be determined and the City will issue Utility Revenue Bonds to evidence the debt as authorized by ordinance No 2727. The bonds will be payable over a 20 year period and will bear an interest rate of 3.45 percent. As of June 30, 1999, \$3,797,704 has been drawn down on the loan and a principal repayment of \$145,000 has been made resulting in a balance of \$3,652,704. This amount is recorded as a liability in the financial statements of the Utility Enterprise Fund. Under the terms of the agreement, the City is subject to compliance with certain provisions and covenants. As of June 30, 1999, the City is in compliance with all significant provisions and covenants.

The annual requirements, including interest payments of \$15,828,817, to amortize all debt outstanding as of June 30, 1999 is as follows:

<u>Year ending June 30,</u>	<u>General Obligation</u>	<u>Sales Tax</u>	<u>Certificates of Indebtedness</u>	<u>Utility Revenue</u>	<u>Total</u>
2000	\$ 1,392,941	\$ 2,200,744	\$ 784,082	\$ 212,188	\$ 4,589,955
2001	1,373,042	2,190,481	482,464	213,408	4,259,395
2002	1,360,706	2,193,127	488,714	214,322	4,256,869
2003	1,369,098	2,190,092	488,714	214,922	4,262,826
2004	1,377,190	2,184,610	497,294	215,092	4,274,186
2005-2009	6,979,030	10,162,318	499,344	1,068,802	18,709,494
2010-2014	3,928,750	4,669,137	-	1,057,808	9,655,695
2015-2019	<u>1,613,750</u>	<u>1,600,400</u>	<u>-</u>	<u>422,745</u>	<u>3,636,895</u>
	<u>\$19,394,507</u>	<u>\$27,390,909</u>	<u>\$ 3,240,612</u>	<u>\$ 3,619,287</u>	<u>\$ 53,645,315</u>

CITY OF SLIDELL, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 1999

NOTE F - LONG-TERM DEBT (CONTINUED)

At June 30, 1999, the following amounts are considered available for the retirement of general long-term debt:

Special Revenue Funds	\$ 2,988,969
Debt Service Fund	<u>1,046,010</u>
	<u>\$ 4,034,979</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, 1999, the City was in compliance with these statutes.

Pursuant to the Revenue Bond Resolution and the Recreation Bonds of 1980, Series 1987, 1988 and 1996 Public Improvement Bond ordinances, and the 1993A and 1993B Refunding Bond ordinances, and Utility Revenue Bonds, Series 1996, certain assets of the Special Revenue and Enterprise Funds are restricted (see Note A). As of June 30, 1999, 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, 1999, \$4,365,000 of general obligation bonds is considered defeased.

Capital Lease

In 1999, the City entered into a capital lease agreement for the lease/purchase of police radios which require five yearly payments of \$69,916 beginning in August 1998. At the conclusion of the lease on August 1, 2003, the title to those radios will be transferred to the City.

The following is a summary of the annual requirements to retire long-term obligations for capital lease including interest of \$40,930 at June 30, 1999. This amount has been recorded in the General Long-Term Debt Account Group.

<u>Year End</u> <u>June 30,</u>	<u>Capital</u> <u>Lease</u>
2000	\$ 69,916
2001	69,916
2002	69,916
2003	<u>69,916</u>
Less amount representing interest	<u>40,930</u>
	<u>\$ 238,734</u>

CITY OF SLIDELL, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 1999

NOTE G - INTERFUND TRANSACTIONS

Interfund Assets/Liabilities

Individual fund interfund receivables and payables at June 30, 1999 are as follows:

<u>Fund</u>	<u>Receivable Fund</u>	<u>Payable Fund</u>
General Fund	\$ 67,279	\$ 6,023,894
Special Revenue:		
Sales Tax	2,788,803	-
Community Development Block Grant	-	66,813
Regional Training Facility Debt Service Fund	35,088	-
Debt service	18,861	-
Capital Projects Funds:		
Public Works	107,498	-
Water Improvements	5,841	-
Drainage Improvements	80,149	-
Sewerage Improvements	173	-
Streets Improvements	-	466
City Capital	78,827	-
Enterprise Funds:		
Utility Fund	2,807,849	-
Airport	49,208	-
Expendable Trust Funds:		
Christmas Under the Stars	30,955	-
Old Towne Development	81	-
Animal Assistance League of Slidell	20,298	-
Green	263	-
	<u>\$ 6,091,173</u>	<u>\$ 6,091,173</u>

A summary of operating transfers by fund type for the year ended June 30, 1999 is as follows:

<u>Fund</u>	<u>Transfers To Or From</u>	<u>Operating Transfers In</u>	<u>Operating Transfers Out</u>
General Fund	Special Revenue Funds	\$ 2,262,806	\$ -
	Enterprise Funds	-	25,525
		<u>2,262,806</u>	<u>25,525</u>
Special Revenue Funds	General Fund	-	2,262,806
	Special Revenue Funds	122,830	65,470
	Debt Service Funds	-	2,982,476
	Capital Projects Funds	-	122,830
		<u>122,830</u>	<u>5,433,582</u>
Debt Service Funds	Special Revenue Funds	2,982,476	-
		<u>2,982,476</u>	<u>-</u>

CITY OF SLIDELL, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 1999

NOTE G - INTERFUND TRANSACTIONS (CONTINUED)

<u>Fund</u>	<u>Transfers To Or From</u>	<u>Operating Transfers In</u>	<u>Operating Transfers Out</u>
Enterprise Funds	General Fund	25,525	-
	Special Revenue Funds	<u>65,470</u>	<u>-</u>
		<u>90,995</u>	<u>-</u>
Total Operating Transfers		<u>\$ 5,459,107</u>	<u>\$ 5,459,107</u>

As of June 30, 1999, the Utility Fund's retained deficit is \$422,402.

NOTE H - ALLOWANCE FOR DOUBTFUL ACCOUNTS

The water, sewerage and garbage receivable balance of \$524,843 is net of an allowance for doubtful accounts of \$61,625.

NOTE I - PROPERTY, PLANT AND EQUIPMENT AND CONTRIBUTED CAPITAL

A summary of changes in general fixed assets for the year ended June 30, 1999 is as follows:

	<u>June 30, 1998</u>	<u>Additions</u>	<u>Reductions</u>	<u>Construction In Progress</u>	<u>June 30, 1999</u>
Land and buildings	\$ 14,632,910	\$ 104,559	\$ 731,028	\$ 142,564	\$ 14,149,005
Recreation facilities	1,029,207	18,128	-	-	1,047,335
Streets	18,650,662	490,111	12,920	354,307	19,482,160
Drainage	18,282,200	380,042	-	3,477,010	22,139,252
Office equipment	1,652,866	554,671	47,097	-	2,160,440
Machinery and equipment	1,662,358	145,694	105,435	-	1,702,617
Vehicles	3,310,405	359,389	236,871	-	3,432,923
Bridges	619,084	-	-	-	619,084
Construction-in-progress	<u>8,483,092</u>	<u>771,980</u>	<u>-</u>	<u>(3,973,881)</u>	<u>5,281,191</u>
	<u>\$ 68,322,784</u>	<u>\$ 2,824,574</u>	<u>\$ 1,133,351</u>	<u>\$ -</u>	<u>\$ 70,014,007</u>

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

CITY OF SLIDELL, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 1999

NOTE I – PROPERTY, PLANT AND EQUIPMENT AND CONTRIBUTED CAPITAL (CONTINUED)

A summary of property, plant, and equipment of the Enterprise Funds as of June 30, 1999 follows:

Land	\$ 75,658
Land improvements	262,075
Water system	17,390,974
Sewerage system	24,317,043
General equipment	2,181,141
Airport facility	2,470,178
Construction-in-progress	<u>5,361,356</u>
	52,058,425
Less: Accumulated depreciation	<u>(16,816,084)</u>
Property, plant, and equipment, Net	<u>\$ 35,242,341</u>

A detail of the changes in contributed capital of the Enterprise Funds for the year ended June 30, 1999 follows:

	<u>June 30, 1998</u>	<u>Additions</u>	<u>Reductions</u>	<u>June 30, 1999</u>
Contributions from:				
Federal grants	\$10,870,945	\$ 75,020	\$ 521,962	\$ 10,424,003
Municipalities	12,545,636	228,405	-	12,774,041
Sales and use tax	7,901,248	-	-	7,901,248
Special assessments	1,233,582	-	-	1,233,582
State government	986,542	8,335	65,252	929,625
Other	<u>843,020</u>	<u>-</u>	<u>-</u>	<u>843,020</u>
	<u>\$34,380,973</u>	<u>\$ 311,760</u>	<u>\$ 587,214</u>	<u>\$ 34,105,520</u>

Depreciation of \$587,214 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.

NOTE J – 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. The total amount paid by the City in 1999 for street lighting under this agreement was approximately \$264,000.

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, 2004, require the City to pay a monthly fee of \$12.96 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 \$1,401,000 for sanitation services under this contract in 1999. 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, which amounted to approximately \$16,000 for 1999.

CITY OF SLIDELL, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 1999

NOTE J – COMMITMENTS (CONTINUED)

The City has authorized approximately \$28.9 million of various capital projects as of June 30, 1999 of which approximately \$26.7 million has been expended and approximately \$2.2 million of existing financing has been committed.

NOTE K – 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 a number of claims and lawsuits resulting principally from personal injury, property damage, and construction claims. The City Attorney and the outside administrator has reviewed these claims and lawsuits in order to evaluate the likelihood of an unfavorable outcome to the City and to arrive at an estimate, if any, of the amount or range of potential loss to the City. As a result of such review, the various claims and lawsuits have been categorized into "probable," "reasonably possible," and "remote" contingencies, as defined in National Council on Governmental Accounting Statement 4 for Claims and Judgments. The City's "reasonably possible" loss contingencies at June 30, 1999, for which an amount of liability can be estimated, approximates \$300,000.

NOTE L – 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 1999.

In 1988, the City initiated a self-insured retention program in order to deal with certain other potential liabilities. In 1990 the City became self-insured for employee medical and dental insurance and in 1997 the City elected full coverage 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. The City also has an aggregate stop loss of \$1,200,000 for the three-year period ending December 31, 1999 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 approximately \$224,000 is reported in the General Long-Term Debt Account Group (see Note F). The Sales Tax Fund, Regional Training Facility Fund and the Enterprise Funds make contributions to the General Fund for workers' compensation and employee dental 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 trend. Changes in the claims liability amounts are as follows:

CITY OF SLIDELL, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 1999

NOTE L - RISK MANAGEMENT (CONTINUED)

	<u>Automobile General Liability</u>	<u>Workers Compensation</u>	<u>Employee Dental</u>	<u>Total</u>
Balance, June 30, 1997	\$ 639,266	\$ 439,017	\$ 57,369	\$1,135,652
Claims and changes in estimates	311,736	254,545	136,613	702,894
Claim payments	<u>(414,169)</u>	<u>(253,535)</u>	<u>(157,120)</u>	<u>(824,824)</u>
Balance, June 30, 1998	536,833	440,027	36,862	1,013,722
Claims and changes in estimates	368,210	150,002	161,334	679,546
Claim payments	<u>(316,662)</u>	<u>(150,616)</u>	<u>(149,990)</u>	<u>(617,270)</u>
Balance, June 30, 1999	<u>\$ 588,381</u>	<u>\$ 439,411</u>	<u>\$ 48,206</u>	<u>\$1,075,998</u>

NOTE M - OTHER POST EMPLOYMENT BENEFITS

In addition to the retirement benefits described in Note C, 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-four retirees of the City meet these requirements and are participating. The City paid premiums totaling \$154,000 on behalf of retirees in 1999.

NOTE N - SEGMENT INFORMATION - ENTERPRISE FUNDS

The City maintains two enterprise funds that 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, 1999 is presented below:

	<u>Utility</u>	<u>Airport</u>	<u>Total</u>
Operating revenues	\$ 6,202,089	\$ 37,220	\$ 6,239,309
Operating expenses (excluding depreciation)	5,217,698	90,638	5,308,336
Depreciation expense	1,249,146	286,247	1,535,393
Operating loss	(264,775)	(339,665)	(604,420)
Non-operating revenues (expenses)	(183,267)	-	(183,267)
Operating transfer in	25,525	65,470	90,995
Net loss	(422,497)	(274,195)	(696,692)
Capital contributions	228,405	83,355	311,760
Property, plant, and equipment additions	1,143,080	83,356	1,226,436
Net working capital	2,488,861	71,977	2,560,838
Total assets	39,315,814	1,648,467	40,964,281
Bonds payable from operating revenues	5,982,704	-	5,982,704
Total fund equity	32,143,000	1,626,313	33,769,313

CITY OF SLIDELL, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 1999

NOTE O - SUBSEQUENT EVENT

The residents of St. Tammany Parish voted to discontinue video poker throughout the parish effective July 1, 1999. Video poker revenues were approximately \$565,000 per year for the City of Slidell. The City of Slidell anticipates that increasing sales tax revenues will more than compensate for the loss of future video poker revenue. Thus, the City of Slidell has not reflected any significant reductions in its budget nor expects any significant affect on its financial position.

NOTE P - RECLASSIFICATION

Certain amounts from the 1998 financial statements have been reclassified to conform with current year presentation with no effect on net income.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF SLIDELL, LOUISIANA
REQUIRED SUPPLEMENTARY INFORMATION
YEAR 2000 ISSUE (UNAUDITED)
June 30, 1999

The Year 2000 issue is the result of shortcomings in many electronic data processing systems and other electronic equipment that may adversely affect the operations of the City.

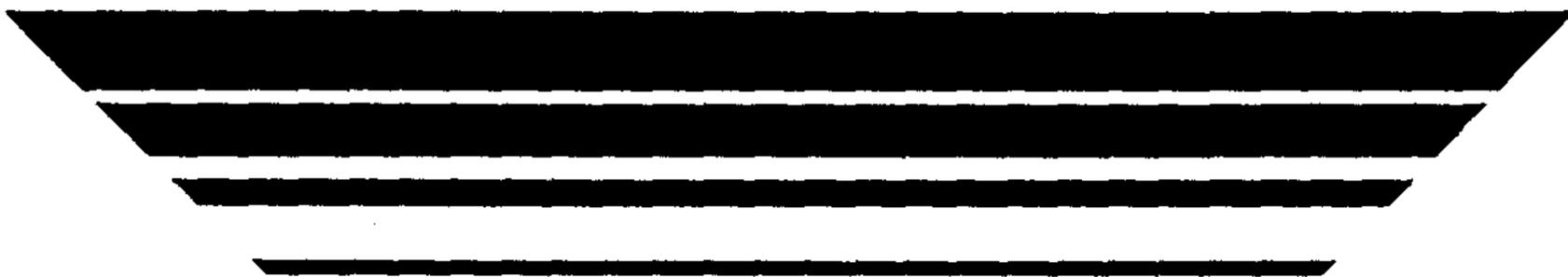
As of June 30, 1999, the City completed the awareness stage and began the assessment stage necessary to implement a Year 2000-compliant system. These stages include establishing a project plan to address the Year 2000 issues and identify systems and individual system components that may be affected by the Year 2000 and that are necessary to conducting the City operations.

The City completed validation and testing of system changes for financial, public operations and administrative functions by September 30, 1999. Law enforcement systems are expected to complete validation and testing procedures by December 14, 1999.

The City has also initiated formal communications with a substantial majority of its significant suppliers to determine their plans to address the Year 2000 issue. While the City expects a successful resolution of all issues, there can be no guarantee that the systems of other companies on which the City relies will be converted by a supplier or that a failure to convert by a supplier would not have a material adverse effect on the City.

Because of the unprecedented nature of the Year 2000 issue, its effects and the success of related remediation efforts will not be fully determinable until the Year 2000 and thereafter. Management cannot assure that the City is or will be Year 2000 ready, that the City remediation efforts will be successful in whole or in part, or that parties with whom the City does business will be Year 2000 ready.

General Fund



The General Fund is 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.

**CITY OF SLIDELL, LOUISIANA
GENERAL FUND
COMPARATIVE BALANCE SHEETS
June 30, 1999 and 1998**

	1999	1998
Assets		
Current assets		
Cash and cash equivalents	\$ 3,746,658	\$ 3,620,163
Investments	5,032,465	1,470,916
Receivables		
Taxes	324,016	262,128
Accrued interest	10,467	10,386
Other	15,738	11,565
Due from other governments:		
U.S. government	14,999	13,335
State of Louisiana	151,252	142,244
Local entities	47,792	67,987
Due from other funds:		
Community Development Block Grant	66,813	100,159
City Capital Construction	-	114,718
Olde Towne Development	-	519
Drainage Improvements	-	950
Street Improvements	466	127,858
Inventory	88,133	75,957
Prepaid items	277,577	243,954
	<u>9,776,376</u>	<u>6,262,839</u>
Restricted assets		
Cash and cash equivalents	328,196	53,273
Investments	275,000	289,846
	<u>603,196</u>	<u>343,119</u>
Total assets	<u>\$ 10,379,572</u>	<u>\$ 6,605,958</u>

(Continued)

CITY OF SLIDELL, LOUISIANA
GENERAL FUND
COMPARATIVE BALANCE SHEETS (CONTINUED)
June 30, 1999 and 1998

	1999	1998
Liabilities and fund balance		
Liabilities		
Accounts payable and accrued expenditures	\$ 1,605,721	\$ 978,274
Due to other funds:		
Utility	2,807,849	1,478,082
Sales Tax	2,788,803	1,330,726
Public Works Improvement	107,498	10,647
Drainage Improvements	80,149	-
City Capital Construction	78,827	-
Airport	49,208	47,764
Regional Training Facility	35,088	45,221
Christmas Under the Stars	30,955	28,153
Animal Assistance League of Slidell	20,298	16,360
Debt Service	18,861	20,191
Water Improvement	5,841	4,066
Green	263	274
Sewerage Improvement	173	858
Olde Towne Development	81	-
Total current liabilities	7,629,615	3,960,616
Claims and judgments	852,512	758,986
Total liabilities	8,482,127	4,719,602
Fund balance		
Reserved for		
Prepaid items	277,577	243,954
Inventory	88,133	75,957
Insurance	275,000	289,846
Unreserved		
Designated for Contingencies	305,000	290,000
Unreserved, undesignated	951,735	986,599
Total fund balance	1,897,445	1,886,356
Total liabilities and fund balance	\$ 10,379,572	\$ 6,605,958

The accompanying notes are an integral part of this statement.

**CITY OF SLIDELL, LOUISIANA
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
Year Ended June 30, 1999 and 1998**

	1999	1998
Revenues		
Taxes:		
Ad valorem	\$ 1,311,797	\$ 1,323,112
Franchise	1,114,443	1,056,668
Licenses and permits	1,589,968	1,404,141
Intergovernmental revenues:		
State revenue sharing	770,527	728,259
Other Federal/State grants	190,908	189,227
Other state and local governmental revenues	114,876	330,851
State supplemental pay	235,101	230,051
Payment in lieu of taxes	434,953	423,538
Fines and forfeitures	198,638	199,364
Other revenues, primarily interest	408,501	403,772
	6,369,712	6,288,983
Expenditures		
General government:		
Administrative	375,300	347,639
Finance	440,111	413,349
Legal	477,439	301,250
Data processing	169,978	159,832
Purchasing	216,173	205,662
Civil service	176,621	140,546
Legislative	394,162	346,624
Animal control	220,266	210,641
Risk management	346,140	299,502
	2,816,190	2,425,045
Public works		
Permits	349,929	270,346
Planning	175,913	176,831
	525,842	447,177
Public safety		
Police	4,950,889	4,650,613
	4,950,889	4,650,613
Judicial system	303,369	275,827
	303,369	275,827
Total Expenditures	\$ 8,596,290	\$ 7,798,662

(Continued)

CITY OF SLIDELL, LOUISIANA
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE (CONTINUED)
Year Ended June 30, 1999 and 1998

	1999	1998
Excess (Deficiency) of Revenues Over Expenditures	\$ (2,226,578)	\$ (1,509,679)
Other Financing Sources (Uses)		
Operating transfers in	2,262,806	1,856,995
Operating transfers out	(25,525)	(25,525)
Proceeds from the sale of fixed assets	386	-
Total Other Financing Sources (Uses)	2,237,667	1,831,470
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	11,089	321,791
Fund Balances, Beginning of Year	1,886,356	1,564,565
Fund Balances, End of Year	\$ 1,897,445	\$ 1,886,356

The accompanying notes are an integral part of this statement.

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, 1999

	Actual (Adjusted to Budgetary Basis)	Budget	Variance Favorable (Unfavorable)
Revenues			
Taxes:			
Ad valorem	\$ 1,311,797	\$ 1,350,480	\$ (38,683)
Franchise	1,114,443	1,000,000	114,443
Licenses and permits	1,589,968	1,265,000	324,968
Intergovernmental revenues:			
State revenue sharing	770,527	475,000	295,527
Other Federal/State grants	190,908	184,000	6,908
Other state and local governmental revenues	114,876	117,600	(2,724)
Payment in lieu of taxes	434,953	434,953	-
Fines and forfeitures	198,638	180,000	18,638
Other revenue, primarily interest	408,501	197,000	211,501
Total Revenues	<u>6,134,611</u>	<u>5,204,033</u>	<u>930,578</u>
Expenditures			
General government:			
Administrative	375,300	375,889	589
Finance	440,111	453,937	13,826
Legal	477,439	477,439	-
Data processing	169,978	177,224	7,246
Purchasing	216,173	218,446	2,273
Civil service	176,621	176,622	1
Legislative	394,162	394,547	385
Animal control	220,266	228,776	8,510
Risk management	346,140	332,711	(13,429)
	<u>2,816,190</u>	<u>2,835,591</u>	<u>19,401</u>
Public works			
Permits	349,929	355,904	5,975
Planning	175,913	184,921	9,008
	<u>525,842</u>	<u>540,825</u>	<u>14,983</u>
Public safety			
Police	4,715,788	4,747,648	31,860
Judicial system	303,369	303,849	480
Total Expenditures	<u>\$ 8,361,189</u>	<u>\$ 8,427,913</u>	<u>\$ 66,724</u>

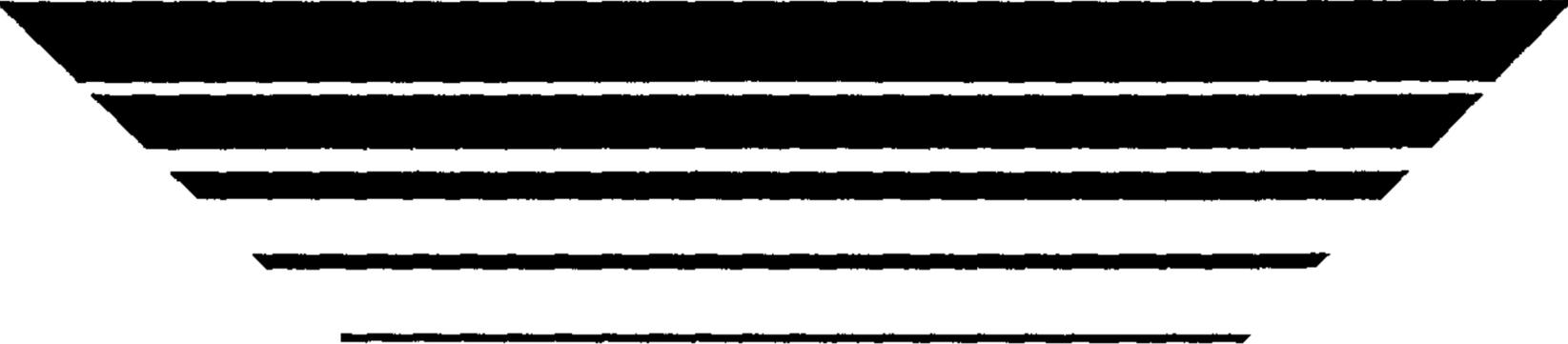
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CITY OF SLIDELL, LOUISIANA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE (CONTINUED)
ACTUAL (ADJUSTED TO BUDGETARY BASIS) AND BUDGET
Year Ended June 30, 1999

	Actual (Adjusted to Budgetary Basis)	Budget	Variance Favorable (Unfavorable)
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (2,226,578)</u>	<u>\$(3,223,880)</u>	<u>\$ 997,302</u>
Other Financing Sources (Uses)			
Operating transfers in	2,262,806	2,262,806	-
Operating transfers out	(25,525)	(25,525)	-
Proceeds from the sale of fixed assets	386	-	386
Total Other Financing Sources (Uses)	<u>2,237,667</u>	<u>2,237,281</u>	<u>386</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	11,089	(986,599)	997,688
Fund Balances, Beginning of Year	<u>1,886,356</u>	<u>1,886,356</u>	<u>-</u>
Fund Balances, End of Year	<u><u>\$ 1,897,445</u></u>	<u><u>\$ 899,757</u></u>	<u><u>\$ 997,688</u></u>

The accompanying notes are an integral part of this statement.

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, 1999 (With Comparative Totals for June 30, 1998)

	Regional	Sales Tax	Community	Total	
	Training Facility		Development Block Grant	1999	1998
Assets					
Current assets					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ 90,817
Investments	-	976,931	-	976,931	890,674
Receivables - Taxes	-	1,172,495	-	1,172,495	1,081,652
Other Receivables	-	2,127	-	2,127	2,127
<i>Due from other governments:</i>					
U.S. Government	-	68,014	144,098	212,112	275,983
State of Louisiana	1,500	49,737	-	51,237	15,533
Local entities	-	-	-	-	2,800
Due from General Fund	35,088	2,788,803	-	2,823,891	1,375,946
Inventory	-	30,142	-	30,142	25,995
Total current assets	36,588	5,088,249	144,098	5,268,935	3,761,527
Restricted assets					
Cash and cash equivalents	-	737,310	47,269	784,579	717,759
Investments	-	2,251,659	-	2,251,659	2,500,595
Total restricted assets	-	2,988,969	47,269	3,036,238	3,218,354
Total assets	\$ 36,588	\$ 8,077,218	\$ 191,367	\$ 8,305,173	\$ 6,979,881
Liabilities and fund balance					
Liabilities					
Accounts payable and accrued expenditures	\$ 6,214	\$ 960,503	\$ 124,554	\$ 1,091,271	\$ 758,884
Due to General Fund	-	-	66,813	66,813	100,159
Deferred revenue	2,100	-	-	2,100	-
Total liabilities	8,314	960,503	191,367	1,160,184	859,043
Fund balance					
Reserved for encumbrances					
Inventory	-	30,142	-	30,142	25,995
Capital outlay	-	58,981	-	58,981	100,823
Bond reserve fund	-	2,251,659	-	2,251,659	2,251,928
Bond sinking fund	-	737,310	-	737,310	717,759
Unreserved					
Designated for					
Capital outlay	-	2,068,958	-	2,068,958	1,395,968
Operating reserves	-	100,000	-	100,000	100,000
Contingencies	-	1,000,000	-	1,000,000	938,000
Training academy	28,274	-	-	28,274	48,701
Unreserved, undesignated	-	869,665	-	869,665	541,664
Total fund balance	28,274	7,116,715	-	7,144,989	6,120,838
Total liabilities and fund balance	\$ 36,588	\$ 8,077,218	\$ 191,367	\$ 8,305,173	\$ 6,979,881

The accompanying notes are an integral part of this statement.

CITY OF SLIDELL, LOUISIANA
SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
Year Ended June 30, 1999 (With Comparative Totals for June 30, 1998)

	Regional Training Facility	Sales Tax	Community Development Block Grant	Total	
				1999	1998
Revenues					
Taxes					
Ad valorem	\$ -	\$ 283,117	\$ -	\$ 283,117	\$ 284,585
Sales and use	-	12,394,359	-	12,394,359	11,497,071
Intergovernmental revenues					
Federal/state grants	1,500	624,648	-	626,148	639,143
HUD grants	-	-	308,172	308,172	428,302
Other revenues, primarily interest and tuition	83,650	237,248	-	320,898	341,742
Total revenues	85,150	13,539,372	308,172	13,932,694	13,190,843
Expenditures					
General government					
Administrative	228,407	1,063,357	10,147	1,301,911	1,238,806
Arts Council	-	142,220	-	142,220	134,132
Public information	-	17,211	-	17,211	15,328
	<u>228,407</u>	<u>1,222,788</u>	<u>10,147</u>	<u>1,461,342</u>	<u>1,388,266</u>
Public works					
Streets, bridges and drainage	-	1,309,866	-	1,309,866	1,269,193
Engineering	-	281,371	-	281,371	311,510
Electrical	-	187,937	-	187,937	175,775
General maintenance	-	226,956	-	226,956	238,407
Vehicle maintenance	-	423,101	-	423,101	390,909
	<u>-</u>	<u>2,429,231</u>	<u>-</u>	<u>2,429,231</u>	<u>2,385,794</u>
Parks and recreation	-	983,108	-	983,108	913,464
Capital outlay	-	2,664,819	298,025	2,962,844	4,129,633
Total expenditures	228,407	7,299,946	308,172	7,836,525	8,817,157
Excess (Deficiency) of revenues over expenditures	(143,257)	6,239,426	-	6,096,169	4,373,686
Other financing sources (uses)					
Operating transfers in	122,830	-	-	122,830	137,957
Operating transfers out	-	(5,433,582)	-	(5,433,582)	(5,068,298)
Capital lease:					
Proceeds	-	308,650	-	308,650	-
Payments	-	(69,916)	-	(69,916)	-
Total other financing sources (uses)	122,830	(5,194,848)	-	(5,072,018)	(4,930,341)
Excess (Deficiency) of revenues and other sources over expenditures and other financing sources (uses)	(20,427)	1,044,578	-	1,024,151	(556,655)
Fund balances, beginning of year	48,701	6,072,137	-	6,120,838	6,677,493
Fund balances, end of year	\$ 28,274	\$ 7,116,715	\$ -	\$ 7,144,989	\$ 6,120,838

The accompanying notes are an integral part of this statement.

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, 1999

	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	\$ -	\$ -	\$ -	\$ 12,394,359	\$ 11,497,000	\$ 897,359
Ad valorem	-	-	-	283,117	287,618	(4,501)
Intergovernmental revenues						
Federal/state grants	1,500	-	1,500	624,648	803,500	(178,852)
HUD grants	-	-	-	-	-	-
Other revenues, primarily interest and tuition	83,650	62,000	21,650	237,248	184,000	53,248
Total revenues	<u>85,150</u>	<u>62,000</u>	<u>23,150</u>	<u>13,539,372</u>	<u>12,772,118</u>	<u>767,254</u>
Expenditures						
General government						
Administrative	228,407	233,531	5,124	1,063,357	1,074,081	10,724
Arts Council	-	-	-	142,220	152,881	10,661
Public information	-	-	-	17,211	17,150	(61)
	<u>228,407</u>	<u>233,531</u>	<u>5,124</u>	<u>1,222,788</u>	<u>1,244,112</u>	<u>21,324</u>
Public works						
Streets, bridges and drainage	-	-	-	1,309,866	1,355,108	45,242
Engineering	-	-	-	281,371	288,164	6,793
Electrical	-	-	-	187,937	187,861	(76)
General maintenance	-	-	-	226,956	226,467	(489)
Vehicle maintenance	-	-	-	423,101	426,185	3,084
	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,429,231</u>	<u>2,483,785</u>	<u>54,554</u>
Parks and recreation						
Capital outlay	-	-	-	983,108	1,006,099	22,991
	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,426,085</u>	<u>4,742,995</u>	<u>2,316,910</u>
Total expenditures	<u>228,407</u>	<u>233,531</u>	<u>5,124</u>	<u>7,061,212</u>	<u>9,476,991</u>	<u>2,415,779</u>
Excess (Deficiency) of revenues over expenditures	<u>(143,257)</u>	<u>(171,531)</u>	<u>28,274</u>	<u>6,478,160</u>	<u>3,295,127</u>	<u>3,183,033</u>
Other financing sources (uses)						
Operating transfers in	122,830	122,830	-	-	-	-
Operating transfers out	-	-	-	(5,433,582)	(5,433,582)	-
Total other financing sources (uses)	<u>122,830</u>	<u>122,830</u>	<u>-</u>	<u>(5,433,582)</u>	<u>(5,433,582)</u>	<u>-</u>
Excess (Deficiency) of revenues and other sources over expenditures and other financing sources (uses)	<u>(20,427)</u>	<u>(48,701)</u>	<u>28,274</u>	<u>1,044,578</u>	<u>(2,138,455)</u>	<u>3,183,033</u>
Fund balances, beginning of year	<u>48,701</u>	<u>48,701</u>	<u>-</u>	<u>6,072,137</u>	<u>6,072,137</u>	<u>-</u>
Fund balances, end of year	<u>\$ 28,274</u>	<u>\$ -</u>	<u>\$ 28,274</u>	<u>\$ 7,116,715</u>	<u>\$ 3,933,682</u>	<u>\$ 3,183,033</u>

(Continued)

Community Development Block Grant Fund			Total		
Actual (Adjusted to Budgetary Basis)	Budget	Variance Favorable (Unfavorable)	Actual (Adjusted to Budgetary Basis)	Budget	Variance Favorable (Unfavorable)
\$ -	\$ -	\$ -	\$ 12,394,359	\$ 11,497,000	\$ 897,359
-	-	-	283,117	287,618	(4,501)
-	-	-	626,148	803,500	(177,352)
308,172	472,531	(164,359)	308,172	472,531	(164,359)
-	-	-	320,898	246,000	74,898
<u>308,172</u>	<u>472,531</u>	<u>(164,359)</u>	<u>13,932,694</u>	<u>13,306,649</u>	<u>626,045</u>
10,147	20,000	9,853	1,301,911	1,327,612	25,701
-	-	-	142,220	152,881	10,661
-	-	-	17,211	17,150	(61)
<u>10,147</u>	<u>20,000</u>	<u>9,853</u>	<u>1,461,342</u>	<u>1,497,643</u>	<u>36,301</u>
-	-	-	1,309,866	1,355,108	45,242
-	-	-	281,371	288,164	6,793
-	-	-	187,937	187,861	(76)
-	-	-	226,956	226,467	(489)
-	-	-	423,101	426,185	3,084
-	-	-	<u>2,429,231</u>	<u>2,483,785</u>	<u>54,554</u>
-	-	-	983,108	1,006,099	22,991
298,025	452,531	154,506	2,724,110	5,195,526	2,471,416
<u>308,172</u>	<u>472,531</u>	<u>164,359</u>	<u>7,597,791</u>	<u>10,183,053</u>	<u>2,585,262</u>
-	-	-	6,334,903	3,123,596	3,211,307
-	-	-	122,830	122,830	-
-	-	-	(5,433,582)	(5,433,582)	-
-	-	-	(5,310,752)	(5,310,752)	-
-	-	-	1,024,151	(2,187,156)	3,211,307
-	-	-	6,120,838	6,120,838	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,144,989</u>	<u>\$ 3,933,682</u>	<u>\$ 3,211,307</u>

The accompanying notes are an integral part of this statement.

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
DEBT SERVICE FUNDS
COMPARATIVE BALANCE SHEETS
June 30, 1999 and 1998**

	1999	1998
Assets		
Investments	\$ 1,040,496	\$ 1,022,228
Receivables:		
Accrued Interest	1,387	1,387
Due from General Fund	18,861	20,191
Total assets	1,060,744	1,043,806
 Liabilities and fund balance		
Liabilities		
Accounts payable	14,734	1,410
Total liabilities	14,734	1,410
Fund balance		
Reserved for general obligation bond debt service	1,046,010	1,042,396
Total fund balance	1,046,010	1,042,396
Total liabilities and fund balance	\$ 1,060,744	\$ 1,043,806

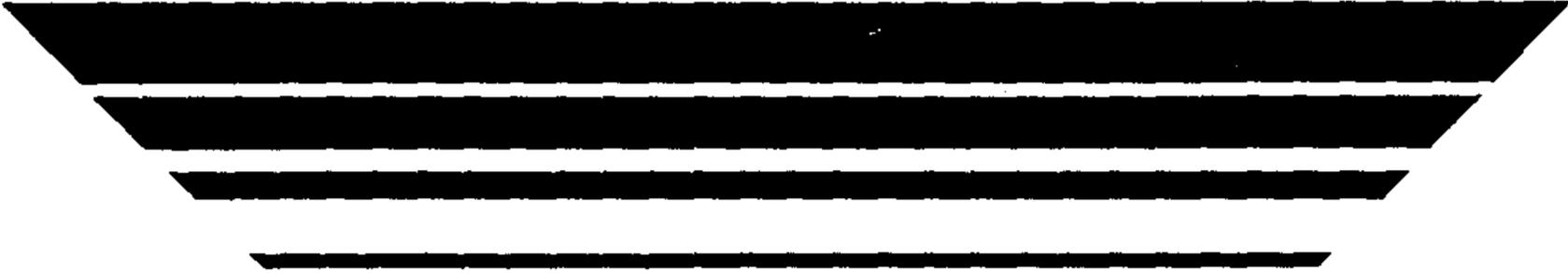
The accompanying notes are an integral part of this statement.

CITY OF SLIDELL, LOUISIANA
DEBT SERVICE FUNDS
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
Years Ended June 30, 1999 and 1998

	<u>1999</u>	<u>1998</u>
Revenues		
Ad valorem taxes	\$ 1,384,858	\$ 1,440,009
Interest income	53,439	48,470
Total revenues	<u>1,438,297</u>	<u>1,488,479</u>
Expenditures		
Debt service		
Financial and administrative	27,492	14,002
Principal retirement	2,338,092	2,210,743
Interest	2,051,575	2,201,209
Total expenditures	<u>4,417,159</u>	<u>4,425,954</u>
Excess (Deficiency) of revenues over expenditures	<u>(2,978,862)</u>	<u>(2,937,475)</u>
Other financing sources		
Operating transfers in	2,982,476	2,983,006
Total other financing sources	<u>2,982,476</u>	<u>2,983,006</u>
Excess (Deficiency) of revenues and other sources over expenditures and other uses	3,614	45,531
Fund balances, beginning of year	<u>1,042,396</u>	<u>996,865</u>
Fund balances, end of year	<u>\$ 1,046,010</u>	<u>\$ 1,042,396</u>

The accompanying notes are an integral part of this statement.

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
CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET
June 30, 1999 (With Comparative Totals for June 30, 1998)**

	<u>Public Works Improvement</u>	<u>Water Improvement</u>	<u>Sewerage Improvement</u>	<u>City Capital Construction</u>
Assets				
Cash and cash equivalents	\$ -	\$ -	\$ 7,728	\$ -
Investments	-	-	-	876,167
Accrued interest receivable	-	-	-	4,269
Due from U.S. government	-	-	-	-
Due from State of Louisiana	-	-	-	-
Due from General Fund	107,498	5,841	173	78,827
	<u>107,498</u>	<u>5,841</u>	<u>173</u>	<u>78,827</u>
Total assets	<u>\$ 107,498</u>	<u>\$ 5,841</u>	<u>\$ 7,901</u>	<u>\$ 959,263</u>
Liabilities and fund balance				
Liabilities				
Accounts payable	\$ 11,091	\$ -	\$ -	\$ 5,069
Due to General Fund	-	-	-	-
	<u>11,091</u>	<u>-</u>	<u>-</u>	<u>5,069</u>
Total liabilities	<u>11,091</u>	<u>-</u>	<u>-</u>	<u>5,069</u>
Fund balance				
Unreserved:				
Designated for capital outlay	96,407	5,841	7,901	954,194
Total fund balance	<u>96,407</u>	<u>5,841</u>	<u>7,901</u>	<u>954,194</u>
Total liabilities and fund balance	<u>\$ 107,498</u>	<u>\$ 5,841</u>	<u>\$ 7,901</u>	<u>\$ 959,263</u>

(Continued)

Drainage Improvements	Street Improvements	Total	
		1999	1998
\$ -	\$ -	\$ 7,728	\$ 120,792
1,170,056	304,964	2,351,187	3,141,105
-	-	4,269	12,153
-	-	-	4,690
100,463	-	100,463	100,463
80,149	-	272,488	15,571
<u>\$ 1,350,668</u>	<u>\$ 304,964</u>	<u>\$ 2,736,135</u>	<u>\$ 3,394,774</u>
\$ 74,437	\$ -	\$ 90,597	\$ 456,653
-	466	466	243,526
<u>74,437</u>	<u>466</u>	<u>91,063</u>	<u>700,179</u>
1,276,231	304,498	2,645,072	2,694,595
<u>1,276,231</u>	<u>304,498</u>	<u>2,645,072</u>	<u>2,694,595</u>
<u>\$ 1,350,668</u>	<u>\$ 304,964</u>	<u>\$ 2,736,135</u>	<u>\$ 3,394,774</u>

The accompanying notes are an integral part of this statement.

CITY OF SLIDELL, LOUISIANA
CAPITAL PROJECTS FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
Year Ended June 30, 1999 (With Comparative Totals for June 30, 1998)

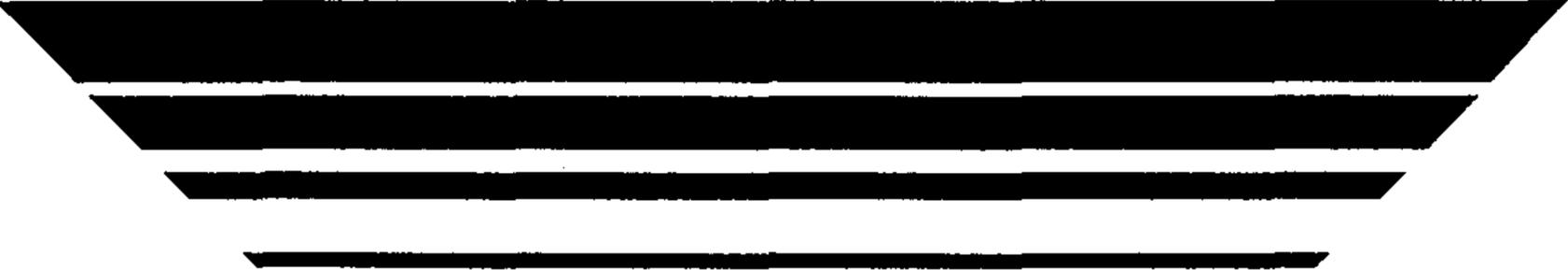
	Public Works Improvement	Water Improvement	Sewerage Improvement	City Capital Construction
Revenues				
Federal/state grants	\$ -	\$ -	\$ -	\$ -
From other local governments	-	-	-	-
Other revenues, primarily interest	9,193	1,475	1,170	36,281
Total revenues	<u>9,193</u>	<u>1,475</u>	<u>1,170</u>	<u>36,281</u>
Expenditures				
Capital outlay	113,787	92,700	21,919	37,915
Total expenditures	<u>113,787</u>	<u>92,700</u>	<u>21,919</u>	<u>37,915</u>
Excess (Deficiency) of revenues over expenditures	<u>(104,594)</u>	<u>(91,225)</u>	<u>(20,749)</u>	<u>(1,634)</u>
Other financing sources (uses)				
Proceeds from sale of fixed assets	-	-	-	618,833
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>618,833</u>
Excess (Deficiency) of revenues and other sources over expenditures and other uses	<u>(104,594)</u>	<u>(91,225)</u>	<u>(20,749)</u>	<u>617,199</u>
Fund balances, beginning of year	<u>201,001</u>	<u>97,066</u>	<u>28,650</u>	<u>336,995</u>
Fund balances, end of year	<u>\$ 96,407</u>	<u>\$ 5,841</u>	<u>\$ 7,901</u>	<u>\$ 954,194</u>

(Continued)

Drainage Improvements	Street Improvements	Total	
		1999	1998
\$ -	\$ -	\$ -	\$ 546,045
-	-	-	199,125
67,686	18,626	134,431	361,438
67,686	18,626	134,431	1,106,608
499,337	37,129	802,787	12,633,103
499,337	37,129	802,787	12,633,103
(431,651)	(18,503)	(668,356)	(11,526,495)
-	-	618,833	-
-	-	618,833	-
(431,651)	(18,503)	(49,523)	(11,526,495)
1,707,882	323,001	2,694,595	14,221,090
<u>\$ 1,276,231</u>	<u>\$ 304,498</u>	<u>\$ 2,645,072</u>	<u>\$ 2,694,595</u>

The accompanying notes are an integral part of this statement.

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, 1999 (With Comparative Totals for June 30, 1998)

	Utilities	Airport	Total	
			1999	1998
Assets				
Current assets				
Cash and cash equivalents	\$ 139,817	\$ -	\$ 139,817	\$ 36,358
Accounts receivable, net of allowances for doubtful accounts of \$61,625 in 1999 and \$44,777 in 1998	524,843	-	524,843	533,071
Unbilled receivable	198,766	-	198,766	207,707
Other receivables	2,987	5,030	8,017	5,333
Due from U.S. Government	-	34,320	34,320	14,799
Due from State of Louisiana	-	5,573	5,573	1,644
Due from General Fund	2,807,849	49,208	2,857,057	1,525,847
Inventory	239,709	-	239,709	233,352
Total current assets	3,913,971	94,131	4,008,102	2,558,111
Restricted assets				
Cash and cash equivalents	126,427	-	126,427	135,781
Investments	1,456,147	-	1,456,147	1,485,719
Total restricted assets	1,582,574	-	1,582,574	1,621,500
Property, plant & equipment				
Land	75,559	99	75,658	75,658
Land improvements	-	262,075	262,075	262,075
Water system	17,390,974	-	17,390,974	17,136,159
Sewerage system	24,317,043	-	24,317,043	24,092,482
General equipment	2,138,207	42,934	2,181,141	2,084,691
Airport facility	-	2,470,178	2,470,178	2,470,178
Construction in progress	5,277,453	83,903	5,361,356	4,855,307
Total property, plant & equipment	49,199,236	2,859,189	52,058,425	50,976,550
Less: accumulated depreciation	(15,511,231)	(1,304,853)	(16,816,084)	(15,425,248)
Net property, plant & equipment	33,688,005	1,554,336	35,242,341	35,551,302
Other assets				
Other assets	131,264	-	131,264	121,772
Total assets	\$ 39,315,814	\$ 1,648,467	\$ 40,964,281	\$ 39,852,685

(Continued)

CITY OF SLIDELL, LOUISIANA
ENTERPRISE FUNDS
COMBINING BALANCE SHEET (CONTINUED)
June 30, 1999 (With Comparative Totals for June 30, 1998)

	Utilities	Airport	Total	
			1999	1998
Liabilities and fund balance				
Liabilities				
Current liabilities payable from current assets				
Accounts, salaries payable and accrued expenses	\$ 892,839	\$ 22,154	\$ 914,993	\$ 856,039
Customer deposits	297,271	-	297,271	291,899
Revenue bonds payable, current	90,000	-	90,000	85,000
DEQ revolving loan, current	145,000	-	145,000	-
Total current liabilities (including approximately \$298,000 and \$293,000 payable from restricted assets in 1999 and 1998)	<u>1,425,110</u>	<u>22,154</u>	<u>1,447,264</u>	<u>1,232,938</u>
Long-term liabilities				
Revenue bonds payable, net of current portion (including approximately \$268,000 and \$215,000 payable from restricted assets in 1999 and 1998)	2,240,000	-	2,240,000	2,330,000
DEQ revolving loan, net of current portion (including approximately \$370,000 and \$298,000 payable from restricted assets in 1999 and 1998)	<u>3,507,704</u>	<u>-</u>	<u>3,507,704</u>	<u>2,135,503</u>
Total long-term liabilities	<u>5,747,704</u>	<u>-</u>	<u>5,747,704</u>	<u>4,465,503</u>
Total liabilities	<u>7,172,814</u>	<u>22,154</u>	<u>7,194,968</u>	<u>5,698,441</u>
Fund equity				
Contributed capital	32,565,402	1,540,118	34,105,520	34,380,973
Retained earnings (deficit)				
Unreserved	(422,402)	86,195	(336,207)	(226,729)
Total fund equity	<u>32,143,000</u>	<u>1,626,313</u>	<u>33,769,313</u>	<u>34,154,244</u>
Total liabilities and fund equity	<u>\$ 39,315,814</u>	<u>\$ 1,648,467</u>	<u>\$ 40,964,281</u>	<u>\$ 39,852,685</u>

The accompanying notes are an integral part of this statement.

CITY OF SLIDELL, LOUISIANA
ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN RETAINED EARNINGS (DEFICIT)
Year Ended June 30, 1999 (With Comparative Totals for June 30, 1998)

	Utilities	Airport	Total	
			1999	1998
Operating Revenues				
Water revenues	\$ 1,960,189	\$ -	\$ 1,960,189	\$ 1,905,429
Sewerage revenues	2,079,013	-	2,079,013	1,956,265
Solid waste disposal revenues	791,762	-	791,762	784,252
Ad valorem taxes assessed for sewerage maintenance	559,474	-	559,474	562,504
Ad valorem taxes assessed for garbage service	559,474	-	559,474	562,504
Connection charges	162,122	-	162,122	155,261
Tie down and rental revenues	-	37,220	37,220	49,084
Penalties	90,055	-	90,055	85,517
Total revenues	6,202,089	37,220	6,239,309	6,060,816
Operating expenses				
Salaries, wages and related benefits	1,985,522	60,479	2,046,001	1,833,990
Solid waste disposal	1,520,550	-	1,520,550	1,469,101
Repairs and maintenance	540,680	6,542	547,222	413,357
Materials and supplies	187,442	1,300	188,742	207,348
Utilities	342,938	8,026	350,964	352,800
Gas and oil	29,865	418	30,283	34,026
Insurance	79,300	2,950	82,250	98,850
Office expense	29,060	1,032	30,092	32,989
Certification and training	6,101	5,953	12,054	10,878
Other	45,208	3,938	49,146	43,188
Payment in lieu of taxes	434,953	-	434,953	423,538
Bad debt expense	16,079	-	16,079	21,014
Total operating expenses before depreciation	5,217,698	90,638	5,308,336	4,941,079
Operating income (loss) before depreciation	984,391	(53,418)	930,973	1,119,737
Depreciation	1,249,146	286,247	1,535,393	1,498,026
Operating loss	(264,755)	(339,665)	(604,420)	(378,289)
Non-operating income (expense)				
Other income, primarily interest	73,708	-	73,708	104,156
Grant revenue	-	12,758	12,758	54,644
Interest and fiscal charges	(256,975)	-	(256,975)	(156,951)
Other expenses	-	(12,758)	(12,758)	(59,744)
Net non-operating income (expense)	\$ (183,267)	\$ -	\$ (183,267)	\$ (57,895)

(Continued)

CITY OF SLIDELL, LOUISIANA
ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN RETAINED EARNINGS (DEFICIT) (CONTINUED)
Year Ended June 30, 1999 (With Comparative Totals for June 30, 1998)

	Utilities	Airport	Total	
			1999	1998
Net loss before operating transfers	\$ (448,022)	\$ (339,665)	\$ (787,687)	\$ (436,184)
Operating transfers in (out)				
Operating transfers in	25,525	65,470	90,995	115,865
Net income (loss)	(422,497)	(274,195)	(696,692)	(320,319)
Depreciation on assets acquired with externally restricted capital contributions which reduces contributed capital	306,307	280,907	587,214	549,775
Retained earnings, beginning of year	(306,212)	79,483	(226,729)	(456,185)
Retained earnings, end of year	<u>\$ (422,402)</u>	<u>\$ 86,195</u>	<u>\$ (336,207)</u>	<u>\$ (226,729)</u>

The accompanying notes are an integral part of this statement.

CITY OF SLIDELL, LOUISIANA
ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
Year Ended June 30, 1999 (With Comparative Totals for June 30, 1998)

	Utilities	Airport	Total	
			1999	1998
Cash flows from operating activities				
Receipts from operations	\$ 5,091,866	\$ 35,146	\$ 5,127,012	\$ 5,227,298
Payments for goods and services	(2,190,538)	5,625	(2,184,913)	(2,156,275)
Payments for employee services	(1,834,522)	(60,479)	(1,895,001)	(1,833,990)
Payments in lieu of taxes	(434,953)	-	(434,953)	(423,538)
Payments for direct and indirect costs	(473,547)	(20,867)	(494,414)	(505,716)
Other operating income	1,118,948	-	1,118,948	1,125,008
Net cash provided by (used in) operating activities	<u>1,277,254</u>	<u>(40,575)</u>	<u>1,236,679</u>	<u>1,432,787</u>
Cash flows from noncapital financing activities				
Operating transfers in, net	25,525	65,470	90,995	115,865
Interfund Loan	(1,329,766)	(1,444)	(1,331,210)	-
Proceeds from federal grant	-	12,758	12,758	56,618
Payments for study	-	(12,758)	(12,758)	(52,345)
Net cash provided (used) by noncapital financing activities	<u>(1,304,241)</u>	<u>64,026</u>	<u>(1,240,215)</u>	<u>120,138</u>
Cash flows from capital and related financing activities				
Proceeds from issuance of debt	1,657,201	-	1,657,201	2,082,593
Principal paid on bond maturities	(225,000)	-	(225,000)	(85,000)
Capital contributed by others	228,405	83,355	311,760	33,525
Acquisition and construction of capital assets	(1,393,314)	(106,806)	(1,500,120)	(4,112,360)
Interest paid on debt	(231,860)	-	(231,860)	(151,163)
Issuance cost	(17,010)	-	(17,010)	-
Net cash provided by (used in) capital and related financing activities	<u>18,422</u>	<u>(23,451)</u>	<u>(5,029)</u>	<u>(2,232,405)</u>
Cash flows from investing activities				
Purchase of investments	(6,421,653)	-	(6,421,653)	(5,397,769)
Proceeds from maturities and sale of investments	6,511,000	-	6,511,000	6,005,890
Proceeds from interest income	13,323	-	13,323	93,448
Net cash provided by (used in) investing activities	<u>\$ 102,670</u>	<u>\$ -</u>	<u>\$ 102,670</u>	<u>\$ 701,569</u>

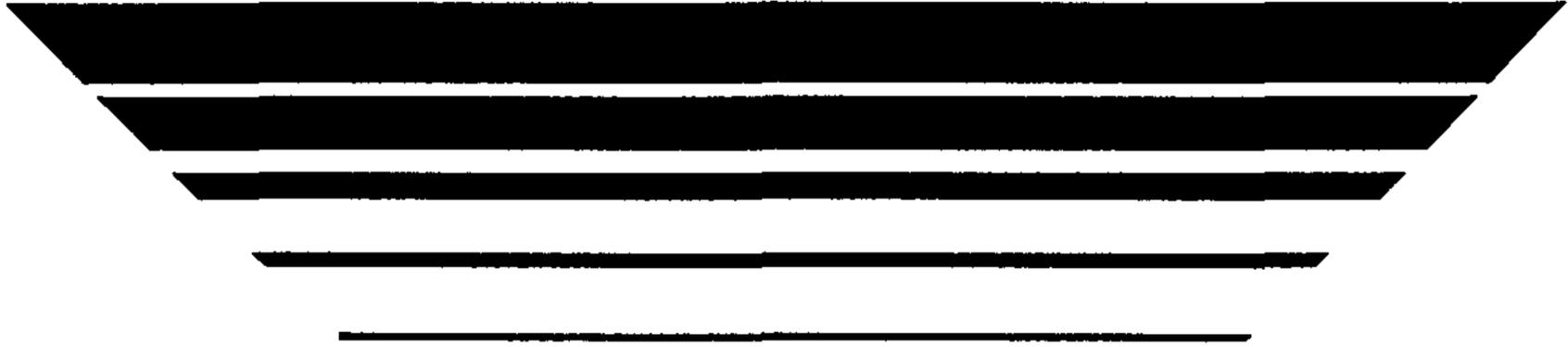
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CITY OF SLIDELL, LOUISIANA
ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS (CONTINUED)
Year Ended June 30, 1999 (With Comparative Totals for June 30, 1998)

	Utility	Airport	Total	
			1999	1998
Net increase (decrease) in cash	\$ 94,105	\$ -	\$ 94,105	\$ 22,089
Cash and cash equivalents, beginning of year	172,139	-	172,139	150,050
Cash and cash equivalents, end of year	<u>\$ 266,244</u>	<u>\$ -</u>	<u>\$ 266,244</u>	<u>\$ 172,139</u>
Reconciliation of operating loss to net cash provided by operating activities:				
Operating loss	\$ (264,755)	\$ (339,665)	\$ (604,420)	\$ (378,289)
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	1,249,146	286,247	1,535,393	1,498,026
Bad debt expense	16,079	-	16,079	21,014
Change in asset and liabilities:				
(Increase) decrease in accounts receivable	1,090	(2,074)	(984)	287,616
(Increase) decrease in inventory	(6,357)	-	(6,357)	233
Increase in accounts payable	282,051	14,916	296,967	4,187
Net cash provided by operating activities	<u>\$ 1,277,254</u>	<u>\$ (40,576)</u>	<u>\$ 1,236,678</u>	<u>\$ 1,432,787</u>

The accompanying notes are an integral part of this statement.

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
EXPENDABLE TRUST FUNDS
COMBINING BALANCE SHEET
June 30, 1999 (With Comparative Totals for June 30, 1998)**

	Christmas Under The Stars	Old Towne Development	Animal Assistance League of Slidell	Green	Total	
					1999	1998
Assets						
Cash and cash equivalents	\$ -	\$ -	\$ 1,050	\$ 432	\$ 1,482	\$ 1,481
Restricted cash	-	-	18,648	-	18,648	9,094
Due from local entities	-	600	469	-	1,069	600
Due from General Fund	30,955	81	20,298	263	51,597	44,787
Total assets	\$ 30,955	\$ 681	\$ 40,465	\$ 695	\$ 72,796	\$ 55,962
Liabilities and fund balance						
Liabilities						
Accounts payable	\$ -	\$ -	\$ 874	\$ -	\$ 874	\$ 4,620
Due to General Fund	-	-	-	-	-	519
Total liabilities	-	-	874	-	874	5,139
Fund balance						
Reserved for spay neuter	-	-	3,466	-	3,466	3,466
Reserved for trust purposes	30,955	681	36,125	695	68,456	47,357
Total fund balance	30,955	681	39,591	695	71,922	50,823
Total liabilities and fund balance	\$ 30,955	\$ 681	\$ 40,465	\$ 695	\$ 72,796	\$ 55,962

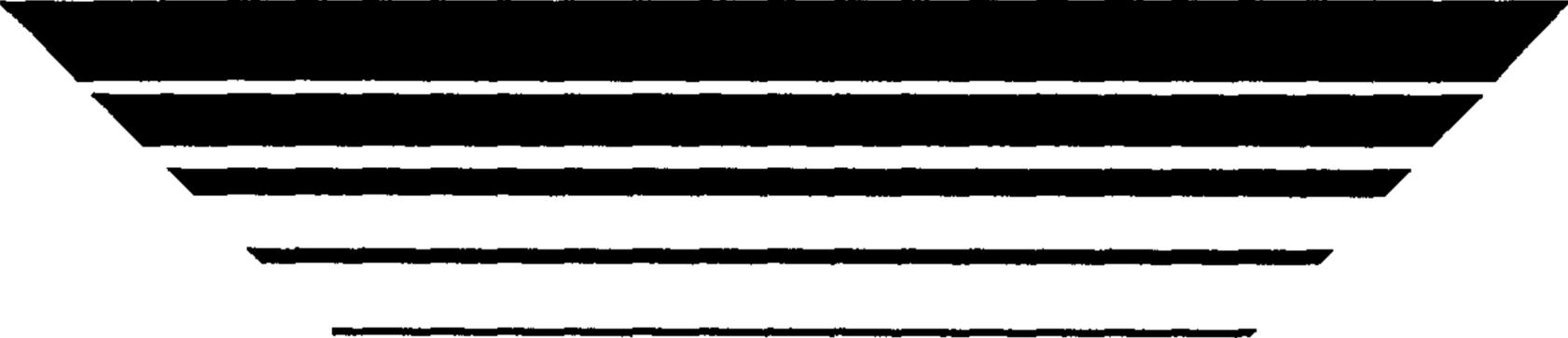
The accompanying notes are an integral part of this statement.

CITY OF SLIDELL, LOUISIANA
EXPENDABLE TRUST FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
Year Ended June 30, 1999 (With Comparative Totals for June 30, 1998)

	Christmas Under The Stars	Old Towne Development	Animal Assistance League of Slidell	Green	Total	
					1999	1998
Revenues						
Contributions	\$ 9,307	\$ 600	\$ 58,671	\$ -	\$ 68,578	\$ 78,895
Total revenues	9,307	600	58,671	-	68,578	78,895
Expenditures						
Public works	6,405	-	41,064	10	47,479	63,337
Total expenditures	6,405		41,064	10	47,479	63,337
Excess (Deficiency) of Revenues over expenditures	2,902	600	17,607	(10)	21,099	15,558
Fund balance, beginning of year	28,053	81	21,984	705	50,823	35,265
Fund balance, end of year	\$ 30,955	\$ 681	\$ 39,591	\$ 695	\$ 71,922	\$ 50,823

The accompanying notes are an integral part of this statement.

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
SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS - BY ASSET CLASS AND SOURCES
Year Ended June 30, 1999

	June 30, 1998	ADDITIONS	RETIREMENTS	CONSTRUCTION- IN-PROGRESS	June 30, 1999
GENERAL FIXED ASSETS					
Land and buildings	\$ 14,632,910	\$ 104,559	\$ 731,028	\$ 142,564	\$ 14,149,005
Recreation facilities/parks	1,029,207	18,128	-	-	1,047,335
Streets	18,650,662	490,111	12,920	354,307	19,482,160
Drainage	18,282,200	380,042	-	3,477,010	22,139,252
Office equipment	1,652,866	554,671	47,097	-	2,160,440
Machinery and equipment	1,662,358	145,694	105,435	-	1,702,617
Vehicles	3,310,405	359,389	236,871	-	3,432,923
Bridges	619,084	-	-	-	619,084
Construction in progress	8,483,092	771,980	-	(3,973,881)	5,281,191
TOTAL GENERAL FIXED ASSETS	\$ 68,322,784	\$ 2,824,574	\$ 1,133,351	\$ -	\$ 70,014,007
INVESTMENT IN GENERAL FIXED ASSETS FROM					
General obligation bonds	\$ 17,683,081	\$ 497,440	\$ -	\$ -	\$ 18,180,521
Sales tax bonds	8,587,948	33,567	-	-	8,621,515
General fund	432,908	15,729	20,717	-	427,920
Sales & use taxes	20,999,832	1,788,198	380,106	-	22,407,924
Special assessments levies	412,185	-	-	-	412,185
Certificate of indebtedness	3,970,564	-	-	-	3,970,564
Federal grants	7,429,548	426,982	-	-	7,856,530
State of Louisiana	1,856,915	1,753	-	-	1,858,668
Local governments	561,856	50,000	-	-	611,856
Individuals	3,351,075	-	211,500	-	3,139,575
Slidell Housing Authority	151,228	-	-	-	151,228
Public Trust Authority	2,885,644	10,905	521,028	-	2,375,521
TOTAL INVESTMENT IN GENERAL FIXED ASSETS	\$ 68,322,784	\$ 2,824,574	\$ 1,133,351	\$ -	\$ 70,014,007

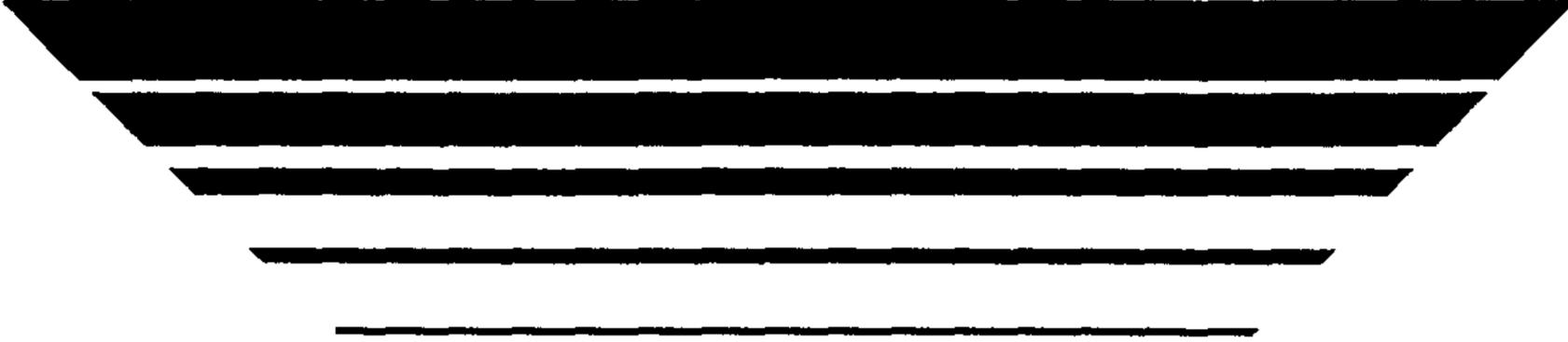
CITY OF SLIDELL, LOUISIANA
 SCHEDULE OF GENERAL FIXED ASSETS - BY FUNCTION
 June 30, 1999

FUNCTION AND ACTIVITY	LAND AND BUILDINGS	PARKS AND RECREATIONAL FACILITIES	STREETS, BRIDGES AND DRAINAGE IMPROVEMENTS	MACHINERY AND EQUIPMENT	CONSTRUCTION IN PROGRESS	TOTAL
General government						
Administration	\$ 2,989,900	\$ -	\$ -	\$ 358,067	\$ -	\$ 3,347,967
Finance	-	-	-	351,191	-	351,191
Legal	-	-	-	7,431	-	7,431
Animal control	-	-	-	100,601	-	100,601
Civil service	-	-	-	37,073	-	37,073
Legislative	-	-	-	146,635	-	146,635
TOTAL GENERAL GOVERNMENT	2,989,900	-	-	1,000,998	-	3,990,898
Public works	5,628,166	-	42,240,496	2,357,040	-	50,225,702
Public safety - police	2,907,881	-	-	3,342,605	-	6,250,486
Parks, recreational and culture	2,623,058	1,047,335	-	595,337	-	4,265,730
TOTAL GENERAL FIXED ASSETS ALLOCATED TO FUNCTIONS	14,149,005	1,047,335	42,240,496	7,295,980	-	64,732,816
Construction in progress	-	-	-	-	5,281,191	5,281,191
TOTAL GENERAL FIXED ASSETS	\$ 14,149,005	\$ 1,047,335	\$ 42,240,496	\$ 7,295,980	\$ 5,281,191	\$ 70,014,007

CITY OF SLIDELL, LOUISIANA
SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS - BY FUNCTION AND ACTIVITY
Year Ended June 30, 1999

FUNCTION AND ACTIVITY	GENERAL FIXED ASSETS JUNE 30, 1998	ADDITIONS	RETIREMENTS	CONSTRUCTION IN PROGRESS	GENERAL FIXED ASSETS JUNE 30, 1999
General government					
Administration	\$ 3,761,228	\$ 345,746	\$ 759,007	\$ -	\$ 3,347,967
Finance	310,612	50,139	9,560	-	351,191
Legal	8,345	636	1,550	-	7,431
Animal control	67,859	33,541	799	-	100,601
Civil service	28,598	8,475	-	-	37,073
Legislative	69,875	76,760	-	-	146,635
TOTAL GENERAL GOVERNMENT	4,246,517	515,297	770,916	-	3,990,898
Public works	45,658,900	727,838	96,944	3,935,908	50,225,702
Public safety/Police	5,674,945	706,745	153,963	22,759	6,250,486
Parks, recreation and culture	4,259,330	102,714	111,528	15,214	4,265,730
TOTAL GENERAL FIXED ASSETS ALLOCATED TO FUNCTIONS	59,839,692	2,052,594	1,133,351	3,973,881	64,732,816
Construction in progress	8,483,092	771,980	-	(3,973,881)	5,281,191
TOTAL GENERAL FIXED ASSETS	\$ 68,322,784	\$ 2,824,574	\$ 1,133,351	\$ -	\$ 70,014,007

General Long-Term Debt Account Group

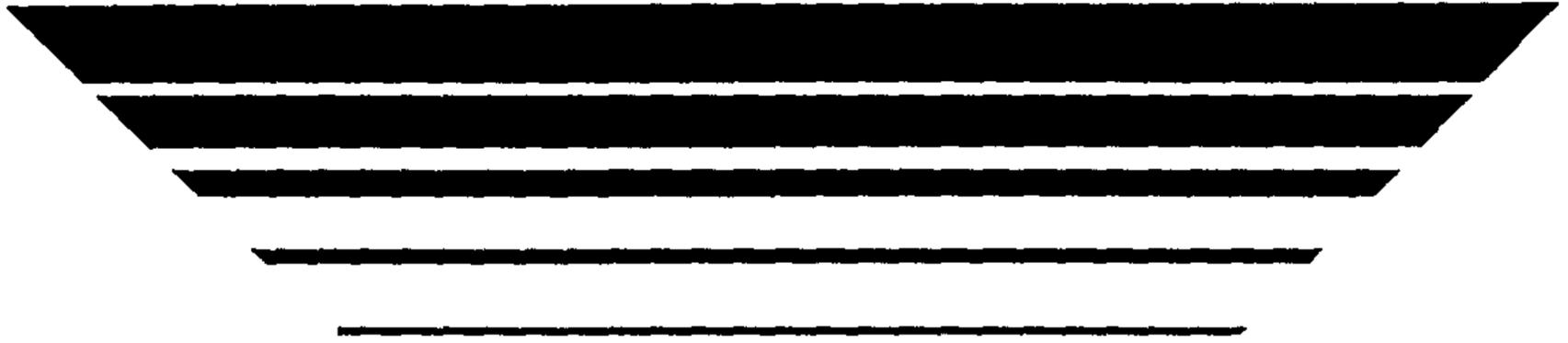


**This account group represents a
summary of the general obligation,
sales tax, and special assessment
debt as well as certain other
long-term liabilities
of the city.**

CITY OF SLIDELL, LOUISIANA
SCHEDULE OF CHANGES IN GENERAL LONG TERM DEBT
Year Ended June 30, 1999

	June 30, 1998	Additions	Reductions	Debt Service Funds Operations	June 30, 1999
Amount Available in Debt Service and Sales Tax Funds:					
For the retirement of:					
General obligation bonds	\$ 1,042,396	\$ -	\$ -	\$ 3,614	\$ 1,046,010
Sales tax bonds	2,969,687	19,281	-	-	2,988,968
	<u>4,012,083</u>	<u>19,281</u>	<u>-</u>	<u>3,614</u>	<u>4,034,978</u>
Amount to be Provided for Retirement of General Long-Term Debt:					
From ad valorem taxes	13,072,604	-	(655,000)	(3,614)	12,413,990
From sales and use taxes	17,365,688	-	(1,092,281)	-	16,273,407
From General Fund	622,699	47,787	-	-	670,486
From Sales Tax Fund	3,374,215	308,650	(680,008)	-	3,002,857
	<u>34,435,206</u>	<u>356,437</u>	<u>(2,427,289)</u>	<u>(3,614)</u>	<u>32,360,740</u>
Total amount available and to be provided	<u><u>\$ 38,447,289</u></u>	<u><u>\$ 375,718</u></u>	<u><u>\$ (2,427,289)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 36,395,718</u></u>
General Long-Term Debt Payable:					
General obligation bonds payable	\$ 14,115,000	\$ -	\$ (655,000)	\$ -	\$ 13,460,000
Sales tax bonds payable	20,335,375	-	(1,073,000)	-	19,262,375
Certificate of indebtedness	3,374,215	-	(610,092)	-	2,764,123
Capital lease payable	-	308,650	(69,916)	-	238,734
	<u>37,824,590</u>	<u>308,650</u>	<u>(2,408,008)</u>	<u>-</u>	<u>35,725,232</u>
Claims and judgments	254,736	-	(31,250)	-	223,486
Accrued compensatory absences	367,963	79,037	-	-	447,000
Total general long-term debt payable	<u><u>\$ 38,447,289</u></u>	<u><u>\$ 387,687</u></u>	<u><u>\$ (2,439,258)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 36,395,718</u></u>

Supporting Schedules



CITY OF SLIDELL, LOUISIANA
GENERAL FUND
SCHEDULE OF FUNCTIONAL EXPENDITURES BY DEPARTMENT (BUDGETARY BASIS)
Year Ended June 30, 1999
SCHEDULE 1

	Salaries, Wages and Related Benefits	Contract Services	Supplies and Materials	Equipment
ADMINISTRATIVE	\$ 335,822	\$ 22,011	\$ 16,168	\$ 1,299
FINANCE	385,243	23,289	27,406	4,173
LEGAL	115,323	8,913	3,713	230
DATA PROCESSING	131,300	1,039	35,142	2,497
PURCHASING	197,203	1,161	17,134	675
CIVIL SERVICE	118,637	40,179	17,340	465
LEGISLATIVE	293,952	79,095	18,615	2,500
ANIMAL CONTROL	193,641	5,681	20,944	-
RISK MANAGEMENT	265,574	24,675	5,079	812
PERMITS	337,193	4,079	8,657	-
PLANNING	166,310	2,387	5,518	569
POLICE	4,259,484	69,899	276,212	7,839
CITY MARSHALL	69,138	10,000	-	2,000
CITY COURT	60,887	105,173	1,349	1,125
CITY PROSECUTOR	<u>32,424</u>	<u>19,916</u>	<u>887</u>	<u>470</u>
TOTAL EXPENDITURES	<u>\$ 6,962,131</u>	<u>\$ 417,497</u>	<u>\$ 454,164</u>	<u>\$ 24,654</u>

<u>911</u>	<u>Community Service</u>	<u>Legal Fees and Claims</u>	<u>Total</u>
\$ -	\$ -	\$ -	\$ 375,300
-	-	-	440,111
-	-	349,260	477,439
-	-	-	169,978
-	-	-	216,173
-	-	-	176,621
-	-	-	394,162
-	-	-	220,266
-	50,000	-	346,140
-	-	-	349,929
-	1,129	-	175,913
102,354	-	-	4,715,788
-	-	-	81,138
-	-	-	168,534
-	-	-	<u>53,697</u>
<u>\$ 102,354</u>	<u>\$ 51,129</u>	<u>\$ 349,260</u>	<u>\$ 8,361,189</u>

**CITY OF SLIDELL, LOUISIANA
SALES TAX FUND**

SCHEDULE OF FUNCTIONAL EXPENDITURES BY DEPARTMENT (BUDGETARY BASIS)

Year Ended June 30, 1999

SCHEDULE 2

	Salaries, Wages and Related Benefits	Contract Services	Supplies and Materials
	<u> </u>	<u> </u>	<u> </u>
ADMINISTRATIVE	\$ 204,708	\$ 851,723	\$ 6,926
ARTS COUNCIL	103,327	22,718	13,154
STREETS, BRIDGES AND DRAINAGE	1,029,960	22,978	250,801
ENGINEERING	266,969	2,235	11,881
ELECTRICAL	181,447	1,537	3,962
GENERAL MAINTENANCE	153,611	27,236	44,239
VEHICLE MAINTENANCE	266,410	2,814	150,248
PARKS AND RECREATION	822,473	64,707	91,046
PUBLIC INFORMATION	<u> -</u>	<u> 9,284</u>	<u> 7,927</u>
TOTAL EXPENDITURES	<u> \$ 3,028,905</u>	<u> \$ 1,005,232</u>	<u> \$ 580,184</u>

<u>Equipment</u>	<u>Total</u>
\$ -	\$ 1,063,357
3,021	142,220
6,127	1,309,866
286	281,371
991	187,937
1,870	226,956
3,630	423,102
4,882	983,108
-	<u>17,211</u>
<u>\$ 20,807</u>	<u>\$ 4,635,128</u>

CITY OF SLIDELL, LOUISIANA
SCHEDULE OF COMPENSATION PAID TO CITY COUNCIL MEMBERS
Year Ended June 30, 1999
SCHEDULE 3

<u>COUNCIL MEMBER</u>	<u>NUMBER OF DAYS</u>	<u>COMPENSATION</u>
Alvin D. Singletary, Councilman at Large	365	\$12,800
Dudley Smith, Councilman at Large	365	12,800
Lionel J. Washington, Councilman District A	365	12,800
Jerry Binder, Councilman District B	365	12,800
Landon Cusimano, Councilman District C	365	12,800
Kevin Kingston, Councilman District D	365	12,800
Marti J. Livaudais, Councilwoman District E	365	12,800
Jack Cerny, Councilman District F	365	12,800
Pearl Williams, Councilwoman District G	365	12,800

CITY OF SLIDELL, LOUISIANA
 SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF STATE AWARDS
 Year Ended June 30, 1999
 SCHEDULE 4

DESCRIPTION	STATE GRANT NUMBER	PROGRAM/ GRANT AWARD	REVENUE AND RECEIPTS RECOGNIZED	DISBURSEMENTS/ OTHER EXPENDITURES
DEPARTMENT OF CULTURE, RECREATION, AND TOURISM				
Office of Cultural Development				
Division of Arts Grant	99031	20,050	20,050	20,050
<i>Subgrant through Arts Council of New Orleans</i>				
Decentralized Arts Funding - 1998			7,053	7,053
Decentralized Arts Funding - 1999		87,749	<u>80,456</u>	<u>80,456</u>
TOTAL DEPARTMENT OF CULTURE, RECREATION, AND TOURISM			<u>107,559</u>	<u>107,559</u>
DEPARTMENT OF TRANSPORTATION AND DEVELOPMENT				
Office of Public Works				
Maintenance Division				
Highway Maintenance Grant	737-08-1	16,522	16,522	33,044
Division of Aviation				
Airport Master Plan Update	780-52-0003	9,205	1,275	1,275
Taxiway Reconstruction		89,000	<u>8,336</u>	<u>8,336</u>
TOTAL DEPARTMENT OF TRANSPORTATION AND DEVELOPMENT			<u>26,133</u>	<u>42,655</u>
U.S. DEPARTMENT OF JUSTICE				
Passed Through Louisiana Commission on Law Enforcement and Administration:				
D.A.R.E.	E-98-7-012	17,846	17,846	17,846
Training academy equipment	P98-8-013	5,000	5,000	5,000
Training grant		1,500	<u>1,500</u>	<u>1,500</u>
TOTAL U.S. DEPARTMENT OF JUSTICE			<u>24,346</u>	<u>24,346</u>
DEPARTMENT OF MILITARY				
Office of Emergency Preparedness				
Interim Emergency Board Funding				
Disaster Recovery	FEMA 1246DR LA	35,709	35,709	35,709
Buckle Up	9991-63	1,400	<u>1,400</u>	<u>1,400</u>
TOTAL DEPARTMENT OF MILITARY			<u>37,109</u>	<u>37,109</u>
TOTAL STATE GRANTS			<u>195,147</u>	<u>211,669</u>

**CITY OF SLIDELL, LOUISIANA
GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION (1)
LAST TEN FISCAL YEARS
(UNAUDITED)**

TABLE 1

<u>FISCAL YEAR</u>	<u>GENERAL GOVERNMENT</u>	<u>PUBLIC WORKS</u>	<u>PUBLIC SAFETY</u>	<u>PARKS AND RECREATION</u>
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)	3,646,496	3,832,885	818,465
1995	3,668,219 (3)	3,293,623	3,627,643	846,649
1996	3,429,840	3,916,717	3,721,666	864,143
1997	3,774,910	4,104,541	4,007,614	904,230
1998	3,813,311	2,833,719	4,190,511	913,464
1999	4,277,532 (4)	2,955,073	4,715,788	983,108

(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.

(4) Includes \$349,260 in claims.

<u>CITY COURT & PROSECUTOR</u>	<u>CAPITAL OUTLAY</u>	<u>DEBT SERVICE</u>	<u>TOTAL</u>
\$ 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	2,909,923	2,710,604	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
213,849	2,100,591	4,336,379	19,442,114
275,827	4,128,885	4,425,954	20,581,671
303,369	2,724,109	4,417,159	20,376,138

**CITY OF SLIDELL, LOUISIANA
GENERAL GOVERNMENT REVENUES BY SOURCE (1)
LAST TEN FISCAL YEARS
(UNAUDITED)**

TABLE 2

FISCAL YEAR	TAXES			TOTAL	INTER- GOVERNMENTAL REVENUE	LICENSES AND PERMITS
	SALES TAXES	PROPERTY TAXES	FRANCHISE TAX			
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
1997	10,970,123	3,066,116	1,038,178	15,074,417	1,305,654	1,336,212
1998	11,497,071	3,047,706	1,056,668	15,601,445	2,085,731	1,404,141
1999	12,394,359	2,979,772	1,114,443	16,488,574	2,011,631	1,589,968

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

<u>FINES AND FORFEITURES</u>	<u>(2) SPECIAL ASSESSMENTS</u>	<u>INTEREST AND OTHER REVENUES</u>	<u>PAYMENT IN LIEU OF TAXES</u>	<u>CONTRIBUTIONS</u>	<u>TOTAL</u>
\$ 154,911	\$ 53,744	\$ 725,540	\$ 293,613	\$ -	\$14,050,070
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
200,315	-	896,006	417,442	-	19,230,046
199,364	-	793,984	423,538	-	20,508,203
198,638	-	782,838	434,953	-	21,506,602

**CITY OF SLIDELL, LOUISIANA
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(UNAUDITED)**

TABLE 3

<u>FISCAL YEAR</u>	<u>TOTAL TAX LEVY</u>	<u>CURRENT TAX COLLECTIONS</u>	<u>PERCENT OF LEVY COLLECTED</u>	
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	*
1997	4,157,934	4,176,638	100.4	*
1998	4,169,075	4,172,713	100.1	*
1999	4,190,554	4,098,720	97.8	

* Total collections include redemptions.

**CITY OF SLIDELL, LOUISIANA
 ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY (1)
 LAST TEN FISCAL YEARS
 (UNAUDITED)**

TABLE 4

FISCAL YEAR	RESIDENTIAL PROPERTY		COMMERICAL PROPERTY		PUBLIC SERVICE PROPERTY	
	ASSESSED VALUE	ESTIMATED ACTUAL VALUE	ASSESSED VALUE	ESTIMATED ACTUAL VALUE	ASSESSED VALUE	ESTIMATED ACTUAL VALUE
1990	\$64,689,601	\$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	66,999,860	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
1997	75,622,776	756,227,759	27,099,731	180,664,873	8,297,714	55,318,094
1998	76,404,459	764,044,591	27,495,368	183,302,450	8,622,704	57,484,698
1999	76,394,169	763,941,690	29,109,480	194,063,200	8,893,402	59,289,347

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

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

RAILROAD STOCK		TOTAL		RATIO OF TOTAL ASSESSED TO TOTAL ESTIMATE ACTUAL VALUE
ASSESSED VALUE	ESTIMATED ACTUAL VALUE	ASSESSED VALUE	ESTIMATED ACTUAL VALUE	
\$13,672	\$91,147	\$85,608,680	\$786,356,537	0.11
16,905	112,700	89,483,534	820,454,343	0.11
18,871	125,807	91,167,875	828,858,293	0.11
21,010	140,067	93,057,917	843,505,947	0.11
23,290	155,267	96,403,563	866,023,287	0.11
24,181	161,207	101,570,904	906,035,777	0.11
29,860	199,067	103,775,396	920,448,458	0.11
29,660	197,734	111,049,881	992,408,460	0.11
33,340	222,266	112,555,871	1,005,054,005	0.11
36,500	243,333	114,433,551	1,017,537,570	0.11

**CITY OF SLIDELL, LOUISIANA
PROPERTY TAX RATES - ALL DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS
(UNAUDITED)**

TABLE 5

<u>FISCAL YEAR</u>	<u>CITY (WARDS 8&9)</u>	<u>SCHOOL (WARDS 8&9)</u>	<u>PARISH (WARDS 8&9)</u>	<u>OTHER (WARDS 8)</u>	<u>OTHER (WARDS 8)</u>	<u>TOTAL (WARDS 8)</u>	<u>TOTAL (WARDS 9)</u>
Tax Rates (In Dollars per \$1,000 of Assessed Value)							
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	199.42	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
1997	37.54	90.10	32.17	39.20	39.20	199.01	199.01
1998	37.04	90.10	28.95	39.20	39.20	195.29	195.29
1999	36.62	90.10	28.95	39.20	39.50	194.87	194.87

CITY OF SLIDELL, LOUISIANA
RATIO OF NET GENERAL OBLIGATION BONDED DEBT
TO ASSESSED VALUE AND NET GENERAL OBLIGATION BONDED DEBT PER CAPITA
LAST TEN FISCAL YEARS
(UNAUDITED)

TABLE 6

<u>FISCAL YEAR</u>	<u>(1) POPULATION</u>	<u>ASSESSED VALUE</u>	<u>(2) GROSS BONDED DEBT</u>	<u>(3) LESS DEBT SERVICE FUNDS</u>	<u>NET BONDED DEBT</u>	<u>RATIO OF NET BONDED DEBT TO ASSESSED VALUE</u>	<u>NET BONDED DEBT PER CAPITA</u>
1990	24,013	\$ 85,608,680	\$ 8,919,000	\$ 540,405	\$ 8,378,595	9.79	\$ 349
1991	24,013	89,478,534	8,433,000	545,518	7,887,482	8.81	328
1992	24,013	91,167,875	7,892,000	555,480	7,336,520	8.05	305
1993	24,161	93,057,917	7,285,000	571,586	6,713,414	7.21	278
1994	24,161	96,403,563	7,145,000	489,200	6,655,800	6.90	275
1995	26,314	101,570,904	6,545,000	509,702	6,035,298	5.94	229
1996	26,314	103,775,396	15,395,000	967,404	14,427,596	13.90	548
1997	26,408	111,050,081	14,740,000	998,755	13,741,245	12.37	520
1998	28,394	112,555,871	14,115,000	1,042,397	13,072,603	11.61	460
1999	29,004	114,433,551	13,460,000	1,046,010	12,413,990	10.85	428

(1) The 1990 through 1992 population is based on actual 1990 census. 1993 through 1999 - 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
COMPUTATION OF LEGAL DEBT MARGIN
JUNE 30, 1999
(UNAUDITED)

TABLE 7

ASSESSED VALUE	<u>\$ 114,433,551</u>
DEBT LIMIT - 35% of \$114,433,551 Assessed value (1)	40,051,743
DEDUCT - Amount of debt applicable to debt limit: Bonded debt	<u>13,460,000</u>
Legal debt margin	<u>\$ 26,591,743</u>

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

CITY OF SLIDELL, LOUISIANA
RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR
GENERAL OBLIGATION BONDED DEBT TO TOTAL GENERAL EXPENDITURES
LAST TEN FISCAL YEARS
(UNAUDITED)

TABLE 8

FISCAL YEAR	(1) PRINCIPAL	(1) INTEREST AND FEES	(1) TOTAL DEBT SERVICE	(2) TOTAL GENERAL EXPENDITURES	RATIO OF DEBT SERVICE TO GENERAL EXPENDITURES
1990	\$ 451,000	\$ 665,449	\$ 1,116,449	\$ 16,047,689	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
1997	655,000	833,763	1,488,763	19,442,114	7.66
1998	625,000	809,473	1,434,473	20,581,671	6.97
1999	655,000	757,380	1,412,380	20,376,138	6.93

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

(2) Per Table 1.

**CITY OF SLIDELL, LOUISIANA
COMPUTATION OF DIRECT AND OVERLAPPING DEBT
JUNE 30, 1999
(UNAUDITED)**

TABLE 9

<u>JURISDICTION</u>	<u>NET GENERAL OBLIGATION BONDED DEBT OUTSTANDING</u>	<u>PERCENT APPLICABLE TO THE CITY</u>	<u>AMOUNT APPLICABLE TO THE CITY</u>
DIRECT:			
CITY OF SLIDELL	\$ 12,413,990 (1)	100%	\$ 12,413,990
OVERLAPPING:			
ST. TAMMANY SCHOOL BOARD	120,230,000	17%	20,439,100
ST. TAMMANY PARISH	<u>1,560,040</u>	17%	<u>265,207</u>
 TOTAL	 <u>\$ 134,204,030</u>		 <u>\$ 33,118,297</u>

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

**CITY OF SLIDELL, LOUISIANA
SALES TAX BONDS COVERAGE
LAST TEN FISCAL YEARS
(UNAUDITED)**

TABLE 10

<u>FISCAL YEAR</u>	<u>SALES TAX REVENUE</u>	<u>DEBT SERVICE REQUIREMENTS</u>			<u>COVERAGE</u>
		<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>	
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
1997	10,970,123	816,000	1,251,934	2,067,934	5.3
1998	11,497,071	1,009,000	1,197,425	2,206,425	5.2
1999	12,394,359	1,073,000	1,128,645	2,201,645	5.6

**CITY OF SLIDELL, LOUISIANA
ENTERPRISE REVENUE BONDS COVERAGE (UTILITY FUND ONLY)
LAST TEN FISCAL YEARS
(UNAUDITED)**

TABLE 11

FISCAL YEAR	GROSS REVENUE	(1) EXPENSES	NET REVENUE AVAILABLE FOR DEBT SERVICE	DEBT SERVICE REQUIREMENTS			COVERAGE
				PRINCIPAL	INTEREST	TOTAL	
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	-	-	-	-
1997	5,779,839	4,706,725	1,073,114	-	128,988	128,988	8.32
1998	6,011,732	4,845,767	1,165,965	85,000	140,178	225,178	5.18
1999	6,202,089	5,217,698	984,391	225,000	239,378	464,378	2.12

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

**CITY OF SLIDELL, LOUISIANA
PROPERTY VALUE AND CONSTRUCTION
LAST TEN FISCAL YEARS
(UNAUDITED)**

TABLE 12

FISCAL YEAR	COMMERCIAL CONSTRUCTION		RESIDENTIAL CONSTRUCTION		ESTIMATED ACTUAL VALUE	
	NUMBER OF UNITS	VALUE	NUMBER OF UNITS	VALUE	COMMERCIAL	RESIDENTIAL
1990	114	\$ 16,030,681	172	\$ 869,070	\$ 139,369,380	\$ 646,896,010
1991	118	16,727,273	142	1,890,710	148,661,993	671,792,350
1992	72	74,034,178	207	3,278,310	165,640,913	663,217,380
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
1997	162	19,612,552	265	9,674,971	236,180,701	756,227,759
1998	148	12,623,347	307	13,724,576	183,302,450	764,044,591
1999	149	35,219,015	294	13,561,282	194,063,200	763,941,690

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

Data on bank deposits is not available.

**CITY OF SLIDELL, LOUISIANA
SPECIAL ASSESSMENT BILLINGS AND COLLECTIONS
LAST TEN FISCAL YEARS
(UNAUDITED)**

TABLE 13

<u>FISCAL YEAR</u>	<u>CURRENT ASSESSMENTS BILLED</u>	<u>CURRENT ASSESSMENTS COLLECTED</u>	<u>(1) RATIO OF COLLECTIONS TO AMOUNT DUE</u>	<u>TOTAL OUTSTANDING ASSESSMENTS</u>
1990	\$ 53,744	\$ 55,243	102.8	\$ 244,566
1991	40,118	33,631	83.8	143,619
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	-	-
1997	-	-	-	-
1998	-	-	-	-
1999	-	-	-	-

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

**CITY OF SLIDELL, LOUISIANA
PRINCIPAL TAXPAYERS
June 30, 1999
(UNAUDITED)**

TABLE 14

<u>TAXPAYER</u>	<u>TYPE OF BUSINESS</u>	<u>(1) FISCAL 1999 ASSESSED VALUATION</u>	<u>PERCENTAGE OF TOTAL ASSESSED VALUATION</u>
Bell South Communications	Telephone Utility	\$ 4,092,080	3.58%
First National Bank of Commerce	Financial Institution	3,703,870	3.24%
Central LA Electric Co.	Electric Utility	3,562,750	3.11%
Sizeler North Shore Ltd.	Shopping Center	2,600,460	2.27%
McKesson Corp. Services	Healthcare	2,399,500	2.10%
Hibernia National Bank	Financial Institution	1,645,800	1.44%
Healthcare Properties	Medical Facility	1,583,110	1.38%
Northshore Regional Medical Center	Hospital	1,555,070	1.36%
Wal Mart	Retail	1,465,120	1.28%
Maison Blanche, Inc.	Retail	1,365,730	1.19%
		<u>\$ 23,973,490</u>	<u>20.95%</u>

Source of data - Current ad valorem tax rolls.

(1) Total assessed valuation \$114,433,551

CITY OF SLIDELL, LOUISIANA
SALARIES OF PRINCIPAL OFFICERS
June 30, 1999
(UNAUDITED)

TABLE 15

<u>NAME</u>	<u>TITLE</u>	<u>METHOD OF SELECTION</u>	<u>ANNUAL BASE SALARY</u>	<u>SENIOR INCENTIVE PAY</u>
Salvatore A. "Sam" Caruso	Mayor	Election	\$ 70,866	
Ben O. Morris	Chief of Police	Election	63,797	
Alvin D. Singletary	Councilman at Large	Election	12,800	
Dudley D. Smith	Councilman at Large	Election	12,800	
Lionel J. Washington	Councilman Dist. A	Election	12,800	
Jerry Binder	Councilman Dist. B	Election	12,800	
Landon Cusimano	Councilman Dist. C	Election	12,800	
Kevin Kingston	Councilman Dist. D	Election	12,800	
Marti J. Livaudais	Councilwoman Dist. E	Election	12,800	
Jack Cerny	Councilman Dist. F	Election	12,800	
Pearl Williams	Councilwoman Dist. G	Election	12,800	
Davis Dautreuil	Council Administrator/ Clerk of Council	Appointed	66,588	\$ 396
Reinhard Dearing	Chief of Staff	Appointed	66,588	648
Carmel Everard	Secretary to Mayor	Appointed	31,116	
Sharon Howes	Director of Finance	Appointed	57,372	
Martin Bruno	Director of Planning	Appointed	55,932	
Dean Born	Director of Permits	Appointed	55,032	504
Steven Fall	City Engineer	Appointed	52,212	
Larry Abney	Director of Recreation and Parks	Appointed	47,952	576
Charley Michel	Director of Civil Service	Appointed	37,460	
Suzanne Parsons	Director of Cultural Affairs	Appointed	41,184	540
Michael Noto	Director of Public Operations	Appointed	48,996	432
Tim Mathison	City Attorney	Appointed	63,600	
Laura Zaidain	Airport Manager	Appointed	34,476	216

**CITY OF SLIDELL, LOUISIANA
 DEMOGRAPHIC STATISTICS
 June 30, 1999
 (UNAUDITED)**

TABLE 16

DATE OF SETTLEMENT	1888
DATE PRESENT CHARTER ADOPTED	1978
FORM OF GOVERNMENT	MAYOR - COUNCIL
AREA SQUARE MILES	12.26
MILES OF STREETS:	
Paved	118.5
Unimproved	1.3
BUILDING PERMITS:	
New residential	140
Residential additions	154
New commercial	31
Commercial additions	118
POLICE PROTECTION:	MUNICIPAL
Number of employees	71
FIRE PROTECTION:	DISTRICT 1
Number of stations	3
RECREATION:	
Parks - number of acres	369
Number of playgrounds	18
Number of picnic areas	6
NUMBER OF STREET LIGHTS	2,561
NUMBER OF TRAFFIC SIGNALS	56
NUMBER OF WATER STORAGE TANKS (5):	
Total capacity of water storage tanks	2,133,000 GAL
MUNICIPAL WATER DISTRIBUTION SYSTEM:	
Number of accounts	9,398
Number of metered accounts	9,255
Daily average consumption	4.0 MGD
Productive capacity	17 MGD
Miles of water mains - City	152 Miles

**CITY OF SLIDELL, LOUISIANA
DEMOGRAPHIC STATISTICS (CONTINUED)**

**June 30, 1999
(UNAUDITED)**

TABLE 16

MUNICIPAL SEWER PLANT:

Number of accounts	9,255
Daily average treated wastewater	4.03 MGD
Plant capacity	6.0 MGD
Miles of sewer mains - City	100 Miles

AUTHORIZED FULL TIME EQUIVALENT EMPLOYEES:

Merit - elected, appointed & classified	331
School crossing guards	19
Total employees	<u>350</u>

ELECTION:

Registered voters	16,548
Number of votes cast, last local election	4,748
Percentage of registered voters voting	29%

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
INSURANCE COVERAGE
June 30, 1999
(UNAUDITED)**

TABLE 17

<u>POLICY NUMBER</u>	<u>INSURER</u>	<u>EXPIRES</u>	<u>POLICY TYPE OF COVERAGE</u>	<u>LIMITS</u>
651-000520	Coregis	7/1/99	General Liability	\$1M/\$2M
651-000520	Coregis	7/1/99	Auto Liability	\$1M/\$1M
651-000520	Coregis	7/1/99	Police Professionals	\$1M/\$1M
P0D001942-1	Coregis	7/1/99	Public Officials E&O	\$1M
43SR842101	Hartford Insurance Co.	7/1/99	Police Volunteers	\$15,000
P-630-637J4423-TIL	Travelers	7/1/99	Property	\$41,763,808
MSJBMGS416384T1	Travelers	7/1/99	Boiler & Machinery	\$41,763,808
AP3229316-05	AIG Aviation (Texas), Inc.	7/1/99	Airport Liability	\$1M/\$1M
435B350959	Hartford Insurance Co.	7/1/99	Summer Recreation	\$2,500/Occ
AGC-4800-LA	Safety National	12/31/99	Workers' Compensation	\$1M/Statutory
11516	United Health	7/1/99	Employee Medical	Fully Insured

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

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

We have audited the general-purpose financial statements of **City of Slidell, Louisiana** as of and for the years ended June 30, 1999 and 1998, and have issued our report thereon dated September 24, 1999. The financial statements of the **City of Slidell, Louisiana** as of June 30, 1998 were audited by other auditors whose report dated, September 11, 1998, expressed an unqualified opinion on those statements. We conducted our audits in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the **City of Slidell's** general-purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the **City of Slidell's** internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general-purpose financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements 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 over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that we have reported to management of the **City of Slidell, Louisiana** in a separate letter dated September 24, 1999.

This report is intended for the information and use of the City of Slidell's management, the Legislative Auditor of the State of Louisiana, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Reboue & Company

September 24, 1999

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

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

Compliance

We have audited the compliance of the **City of Slidell, Louisiana** with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 1999. The **City of Slidell's** major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the **City of Slidell's** management. Our responsibility is to express an opinion on the **City of Slidell's** compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the **City of Slidell's** compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the **City of Slidell's** compliance with those requirements.

In our opinion, the **City of Slidell, Louisiana** complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 1999.

Internal Control Over Compliance

The management of the **City of Slidell, Louisiana** is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the **City of Slidell's** internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program 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 over compliance and its operation that we consider to be material weaknesses.

This report is intended for the information of the City of Slidell's management, the Legislative Auditor of the State of Louisiana, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Reboue & Company

September 24, 1999

CITY OF SLIDELL, LOUISIANA
SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 1999

DESCRIPTION	CFDA NUMBER	GRANT NUMBER	TOTAL GRANT AWARD	FEDERAL AND OTHER EXPENDITURES
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
Community Planning and Development Division				
Community Development Block Grant, Entitlement Grant				
	14.218	B97-MC-22-0010 B98-MC-22-0010	\$ 256,000 234,000	\$170,094 138,079
Office of Community Services				
Emergency Shelter Grant				
	14.231	370-800448 370-900635	35,567 46,163	24,709 <u>14,414</u>
TOTAL DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				<u>347,296</u>
DEPARTMENT OF JUSTICE				
Office of Community Oriented Policing Services				
COPS Fast				
	16.710	95-CF-WX-4662	432,206	128,300
COPS More Computer Grant				
	16.710	97-CH-WX-0060	142,875	66,140
Bureau of Justice Assistance				
Local Law Enforcement Block Grant				
	-	97-LB-VX-3135	73,668	48,499
	-	98-LB-VX-3135	79,998	21,973
Asset Forfeiture and Money Laundering Section				
Asset Forfeiture				
		96-2450-J11	214,445	<u>50,000</u>
TOTAL DEPARTMENT OF JUSTICE				<u>314,912</u>
DEPARTMENT OF TRANSPORTATION				
Federal Aviation Administration				
Master Plan Update				
	20.106	3-22-0060-07	82,845	11,482
Taxiway Reconstruction				
	20.106	3-22-0060-08	801,000	<u>75,021</u>
TOTAL DEPARTMENT OF TRANSPORTATION				<u>86,503</u>
FEDERAL EMERGENCY MANAGEMENT AGENCY				
Disaster Recovery				
	-	1246-103-70805	236,202	236,202
Carollo Drive Flood Control				
	-	1049-103-0011	299,000	<u>41,284</u>
TOTAL FEDERAL EMERGENCY MANAGEMENT AGENCY				<u>277,486</u>
U.S. ENVIRONMENTAL PROTECTION AGENCY				
Municipal Facilities Revolving Loan Fund Program				
	66.458	CS-221136-01	3,900,000	<u>1,657,201</u>
TOTAL FEDERAL FINANCIAL ASSISTANCE				<u>\$ 2,683,398</u>

This accompanying Notes to Schedule of Expenditures of Federal Awards are an integral part of this schedule.

CITY OF SLIDELL, LOUISIANA
NOTES TO SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 1999

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards has been prepared on the accrual basis of accounting. Grant revenues are recorded for financial reporting purposes when the City has met the qualifications for the respective grants.

2. ACCRUED REIMBURSEMENT

Various reimbursement procedures are used for federal awards received by the City. Consequently, timing differences between expenditures and program reimbursements can exist at the beginning and end of the year.

3. PAYMENTS TO SUBRECIPIENTS

There were no payments to subrecipients for the fiscal year ended June 30, 1999.

NOTE B - 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 seven 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.

CITY OF SLIDELL, LOUISIANA
NOTES TO SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
(CONTINUED)
Year Ended June 30, 1999

NOTE B -- DESCRIPTION OF GRANTS (CONTINUED)

COPS More Computer Grant

This grant is a comprehensive project for computer technology encompassing the Sheriff's Office and Police Departments in Slidell, Covington, Mandeville, Pearl River, Abita Springs and Folsom. The grant is being administered by St. Tammany Sheriff Jack Strain. Projects included for the City of Slidell Police Department total \$190,500. The grant will upgrade computer access to state, local and New Orleans computer systems and provide at least 30 laptop computers for police officers.

Local Law Enforcement Block Grant

This Bureau of Justice Assistance block grant provides the City with funds to underwrite projects to reduce crime and improve public safety. After holding public hearings, the City elected to fund overtime costs for additional traffic patrols at high accident areas around the city.

Airport Master Plan Upgrade

The Federal Aviation Administration is reimbursing the City for 90% of the cost of hiring an engineer/planning firm to prepare a 20-year plan for the development and use of the Slidell Municipal Airport with emphasis on the priorities of the next 5 years. The State Department of Transportation and Development is providing the remaining 10% of funding.

Taxiway Reconstruction

The FAA is providing 90% and the State Department of Transportation and Development 10% of funds to reconstruct 3400 feet of parallel Taxiway "A" and connectors. The project will remove and replace subbase, base and asphalt surfacing.

Disaster Recovery

FEMA is providing reimbursement for costs incurred as a result of hurricane preparedness and debris removal related expenditures. The funding authorized for the first seventy-two hours for eligible expenditures is reimbursed 100% and costs incurred after that period is reimbursed 75%.

Carollo Drive Flood Control & Drainage Project

FEMA is providing 65% of cost plus administration fees for purchase of four properties in the Carollo Drive area for construction of a retention pond, installation of a sump pump and construction of an interceptor ditch as part of the Hazard Mitigation Grant Program.

CITY OF SLIDELL, LOUISIANA
NOTES TO SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
(CONTINUED)
Year Ended June 30, 1999

NOTE C – LOANS OUTSTANDING

On May 28, 1997, the City entered into a loan and pledge agreement with the Louisiana Department of Environmental Quality (DEQ) Loan No. CS-221 136-01. The purpose of the loan is to pay a portion of the cost of constructing improvements to the wastewater system of the City. Under the terms of the agreement, the DEQ, through its Municipal Facilities Revolving Loan Fund, will loan the City an amount not to exceed \$3,900,000. Upon completion of the project the actual amount borrowed will be determined and the City will issue Utility Revenue Bonds to evidence the debt as authorized by ordinance No. 2727. The bonds will be payable over a 20 year period and will bear an interest rate of 3.45 percent. As of June 30, 1999, \$3,797,704 has been drawn down on the loan of which \$1,657,201 was received in fiscal year ending June 30, 1999 and is included in the Supplementary Schedule of Expenditures of Federal Awards.

CITY OF SLIDELL, LOUISIANA
Schedule of Findings and Questioned Costs
Year Ended June 30, 1999

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unqualified opinion on the general-purpose financial statements of the City of Slidell, Louisiana.
2. No reportable conditions relating to the audit of the financial statements of the City of Slidell, Louisiana were noted.
3. No instances of noncompliance material to the financial statements of the City of Slidell, Louisiana were noted during the audit.
4. No reportable conditions relating to the audit of the major federal award programs is reported in the *Independent Auditor's Report on Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance* in accordance with OMB Circular A-133.
5. The auditor's report on compliance for the major federal award programs for the City of Slidell, Louisiana expresses an unqualified opinion.
6. There were no findings that are required to be reported in accordance with Section 510(a) of Circular A-133.
7. The programs tested as major programs include:

	<u>CFDA Number</u>
Municipal Facilities Revolving Loan Fund Program	66.458
Disaster Recovery	83.516

8. The threshold for distinguishing Types A and B programs was \$300,000.
9. City of Slidell, Louisiana was determined to be a low-risk auditee.

B. FINDINGS RELATED TO THE FINANCIAL STATEMENTS

There were no findings related to the financial statements for the year ended June 30, 1999.

C. FINDINGS AND QUESTIONED COSTS RELATED TO MAJOR FEDERAL AWARD PROGRAMS

There were no findings related to federal awards for the year ended June 30, 1999.

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September 24, 1999

Honorable Mayor and Members of the Council
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, 1999, and have issued our report thereon dated September 24, 1999. As part of our audit, we considered the City's internal control in order to determine the nature, timing and extent of our auditing procedures for the purpose of expressing an opinion on the general-purpose financial statements and not to provide assurance on internal control.

However, during our audit we became aware of matters that are opportunities for strengthening internal control and operating efficiency. The memorandum that accompanies this letter summarizes our comments and recommendations regarding these matters. We previously reported on the City's internal control in a separately issued report entitled *Independent Auditor's Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards* dated September 24, 1999.

We will review the status of these matters during our next audit engagement. We have already discussed many of these recommendations with various City personnel and have included their responses. We will be pleased to discuss these recommendations with you in further detail at your convenience, perform any additional study of these matters, or assist you in implementing our recommendations.

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

Sincerely,

Rebowe & Company

YEAR 2000 COMPUTER ISSUE

OBSERVATION

The Year 2000 Computer issue results from a computer's inability to process year-date data accurately beyond the year 1999. Except in recent years, computer programmers consistently have abbreviated dates by eliminating the first two digits of the year, with the assumption that these two digits would always be 19. Thus January 1, 1965, became 01/01/65. Unless corrected, this shortcut is expected to create widespread problems when the clock strikes 12:00:01 a.m. on January 1, 2000. On that date, some computer programs may recognize the date as January 1, 1900, and process data inaccurately or stop processing altogether. Additionally, the use of abbreviated dates may cause failures when the systems currently attempt to perform calculations into the year 2000.

The Year 2000 issue presents another challenge. The algorithm used in some computers for calculating leap years is unable to detect that the year 2000 is a leap year. Therefore, systems that are not year 2000 ready may not register the additional day, and date calculations may be incorrect. Furthermore, some software programs use several dates in the year 1999 to mean something other than the date. Examples of such are 09/09/99 and 12/31/99. As systems process information using these dates, they may produce erratic results or stop functioning.

To date, the City has replaced its accounting system with a Year 2000 compliant system and has recently received personal computers to replace the ones not already Year 2000 compliant. In addition, the City is in the process of converting its non-Year 2000 compliant COBOL-based system and plans to have this completed by November 1999. The City also mailed letters dated July 15, 1999 to its major supplies, vendors and other major revenue sources inquiring as to whether the entity has computer systems and equipment which are Year 2000 compliant. To date the City has received responses from a majority of these letters.

Through discussions with City personnel, it is our understanding that the City's Police Department is not fully Year 2000 compliant and is in the process of developing a formal plan of action to become Year 2000 compliant.

RECOMMENDATION

The City needs to continue to assess the effect of the Year 2000 issue on its computer systems. Therefore, we recommend that you continue to take the necessary actions to remediate all systems that may be negatively affected by the Year 2000 issue before mission-critical systems fail.

The City's Police Department should formulate a plan of action designed at becoming Year 2000 compliant and should implement this plan as soon as possible.

Also, the City should follow-up on verification letters not yet received to ensure that its vendors, service providers, bankers, and other third-party organizations, with which it exchanges date-dependent information, are year 2000 ready.

RESPONSE

The City intends to closely monitor progress on the final stages of the City's Year 2000-compliance plan.

GASB STATEMENT NO. 34

OBSERVATION

In June 1999, the Governmental Accounting Standards Board ("GASB") issued GASB Statement No. 34 "Basic Financial Statements" effective for the fiscal year ended June 30, 2003. GASB Statement No. 34 establishes new financial reporting requirements for both state and local governments. When implemented, it will create new information and will restructure much of the financial information that governments have presented in the past. GASB Statement No. 34 was developed to make annual reports more comprehensive and easier to understand to the reader.

As stated, GASB Statement No. 34 requires that the City of Slidell significantly change the way it reports its financial data. The most significant changes will be that the City will report financial information for all governmental fund type accounting utilizing the full accrual method of accounting as opposed to the modified accrual method currently used. The City will be required to record and depreciate all capital assets, including infrastructure, and to eliminate both the General Fixed Asset Accounting Group ("GFAAG") and the General Long-Term Debt Accounting Group ("GLTAG"). The City also will present dual financial statements with presentation of both "Government-wide Financial Statements" and the traditional "Fund Financial Statements". The City will also eliminate all interfund transactions for reporting purposes, including interfund loans, interfund services provided and used, and interfund transfers.

Although the full effect of GASB Statement No. 34 will not be known until its implementation, the effects of these changes could cause certain funds to report deficit fund balances. In addition, implementation of GASB Statement No. 34 will require additional man-hours to perform.

RECOMMENDATION

The City should become familiar with the new reporting model so that it can implement GASB No. 34 by its effective date.

RESPONSE

The Finance Department will send the appropriate personnel to training courses in the coming fiscal year and develop an implementation plan to ensure timely compliance with the new reporting model.