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CITY OF SLIDELL, LOUISIANA

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

**FOR THE YEAR ENDED
JUNE 30, 2017**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the 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 JAN. 31 2018

Submitted by:

Department of Finance

SHARON HOWES, CPA
Director

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INTRODUCTORY SECTION



The City of Slidell

FINANCE DEPARTMENT
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Email showes@cityofslidell.org

FREDDY DRENNAN
Mayor

SHARON HOWES, CPA
Director of Finance

December 19, 2017

To the Honorable Mayor Freddy Drennan, Members of the Slidell City Council and
Citizens of the City of Slidell:

State law requires that all governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that deadline, we hereby issue the comprehensive annual financial report of the City for the fiscal year ended June 30, 2017.

This report consists of management's representations concerning the finances of the City. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the City has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable, rather than absolute, assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Ericksen Krentel, L.L.P., a firm of licensed certified public accountants, has audited the City's financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended June 30, 2017 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the City's financial statements for the fiscal year ended June 30, 2017 are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the City was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and legal requirements involving the administration of federal awards. These reports are included in the Single Audit Section of this report.

GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors.

Profile of the Government

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 that operates under a Home Rule Charter.

The City has a Mayor-Council form of government. The governing council is responsible, among other things, for passing ordinances and adopting the budget. The Mayor is responsible for carrying out the policies and ordinances of the governing council, for overseeing the day-to-day operations of the government, and for appointing the heads of the various departments. The council is elected on a non-partisan basis. Council members and the Mayor serve four-year terms and are limited to two consecutive terms. Seven of the council members are elected by district. The Mayor and the two remaining council members are elected at large.

The City provides a full range of services including police protection; water and sewer services; airport facilities; the construction and maintenance of highways, streets, drainage and infrastructure; recreational activities and cultural events. The financial reporting entity consists of the primary government and other organizations for which the primary government is financially accountable. The City is financially accountable for three legally separate economic development districts. The Fremaux Economic Development District, the Camellia Square Economic Development District, and the Northshore Square Economic Development District are reported separately within the City's financial statements. Additional information on these legally separate entities can be found in the notes to the financial statements (see Note 15).

The annual budget serves as the foundation for the City's financial planning and control. All departments of the City are required to submit requests for appropriation to the Mayor on or before mid-January each year. The Mayor uses these requests as the starting point for developing a proposed budget. The Mayor then presents this proposed budget to the council for review by April 1st. The council is required to hold public hearings on the proposed budget and to adopt a final budget by no later than June 30th. Operating budgets are prepared by fund and by department. Department heads may make transfers of appropriations within a department, as authorized by the Mayor. The transfer of appropriations between departments requires the approval of the governing council. The Mayor also 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. Transfers between capital project line items require approval by the City Council. Unexpended capital appropriations carry over for a total of three years or until re-appropriated.

Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the General Fund, Sales Tax Fund, Public Safety Fund, Grants and Donations Fund and Katrina Fund this comparison is presented on pages 71-77 as part of the basic financial statements for the governmental funds. For other governmental funds with an appropriated annual budget, this comparison is presented in the governmental fund subsection of this report, which is presented on pages 85-86.

Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City operates.

Local economy

Slidell (population: approximately 27,000) is located in the southeastern portion of St. Tammany Parish - about 20 miles from New Orleans. The City is primarily a residential area that continues to benefit from population growth and commercial development. Due to its proximity to New Orleans, residents have access to a broad and diverse employment opportunities.

Slidell, a suburb of New Orleans, is uniquely located at the intersection of 3 interstates – Interstate 10, 12 and 59. Slidell has traditionally served as a retail center for the unincorporated areas of southeastern St. Tammany Parish. Recent commercial development in the surrounding communities took shoppers away from Slidell resulting in stagnant growth for sales tax revenue, the City's major revenue source, from 2009 to 2013. Due to the opening of a major new shopping center located in the Fremaux Economic Development District in March 2014, the City experienced a 3% increase in sales revenue in 2015 and 2016 and a 1% sales tax increase in 2017.

According to the St. Tammany Economic Development Foundation (STEDF) new business incorporations in St. Tammany increased more than 40% in the first half of 2017 from the first half of 2016.

“These continued increases in new business incorporations reflect a continued interest in enterprise in St. Tammany,” said Brenda Bertus, CEO of STEDF.

The measurement reflects the number of new domestic entities filed with the Louisiana Secretary of State for St. Tammany Parish. The number of commercial building permits issued increased 28% from the previous quarter.

The average unemployment rate in St. Tammany (4.7%) remained lower in the second quarter than the average rate for Louisiana (5.7%).

The total sales volume of residential real estate increased by 64% from the previous quarter, from over \$181 million to over \$297 million. This significant increase reflects 48% more houses sold at a 10% higher average sales price than in the first quarter of 2017.

Long-term financial planning

Twenty years ago the City embarked on a \$30 million capital improvement program that included issuance of general obligation bonds for drainage projects, sales tax revenue bonds for street projects, and utility revenue bonds for water and sewer projects. With the end of debt service on those bonds, the City is embarking on another large scale capital improvement plan of a similar magnitude. In 2010 and 2016 the city issued \$10 million and \$12 million, respectively, in General Obligation Bonds for streets, bridges and drainage improvements. The 2018 budget includes funding to provide debt service for issuance of \$20.2 million in utility revenue bonds. The City has been approved for a 0.95% interest rate loan from the DEQ Clean Drinking Water Revolving Loan Fund Program to finance \$10 million in improvements to the wastewater treatment plant and to fund \$10 million in improvements to sewer lift stations. The City has also been given approval from the EPA Clean Drinking Water Revolving Loan Fund Program for a 2.45% interest rate loan to fund \$2.5 million for water system distribution improvements.

To date the City has received \$57 million dollars from FEMA for Hurricane Katrina damages sustained on August 29, 2005 - \$11.4 million for debris removal, \$8.7 million for emergency protective measures, \$4.6 million for street damages, \$2.4 million for damage to water control facilities, \$16.2 million for building and equipment damages, \$12.9 million for utility damages and \$800 thousand for park damages. FEMA recently obligated an additional \$67 million dollars to repair sub-surface damage to street, drainage and sewer systems. Design work on these projects is complete and construction is expected to begin early next year in multiple phases.

Awards and Acknowledgments

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Slidell for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2016. This is the thirty-first consecutive year the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the government published an easily readable and efficiently organized CAFR. This report satisfied both GAAP and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that the current (CAFR) continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the Finance Department. I would like to express my appreciation to all members of the department who assisted and contributed to the preparation of this report. Credit also must be given to the Mayor and the City Council for their unfailing support for maintaining the highest standards of professionalism in the management of the City's finances.

Respectfully submitted,



Sharon Howes, CPA
Director of Finance



Government Finance Officers Association

**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, 2016

Executive Director/CEO

**CITY OF SLIDELL
PRINCIPAL ELECTED OFFICIALS
JUNE 30, 2017**

MAYOR

Freddy Drennan – Mayor

COUNCIL MEMBERS

L. Landon Cusimano – Councilman-at-Large

Kim Baronet Harbison – Councilwoman-at-Large

Glynn Pichon – District A

Sam Abney – District B

Warren Crocket – District C

Val Vanney Jr. – District D

Sam Caruso – District E

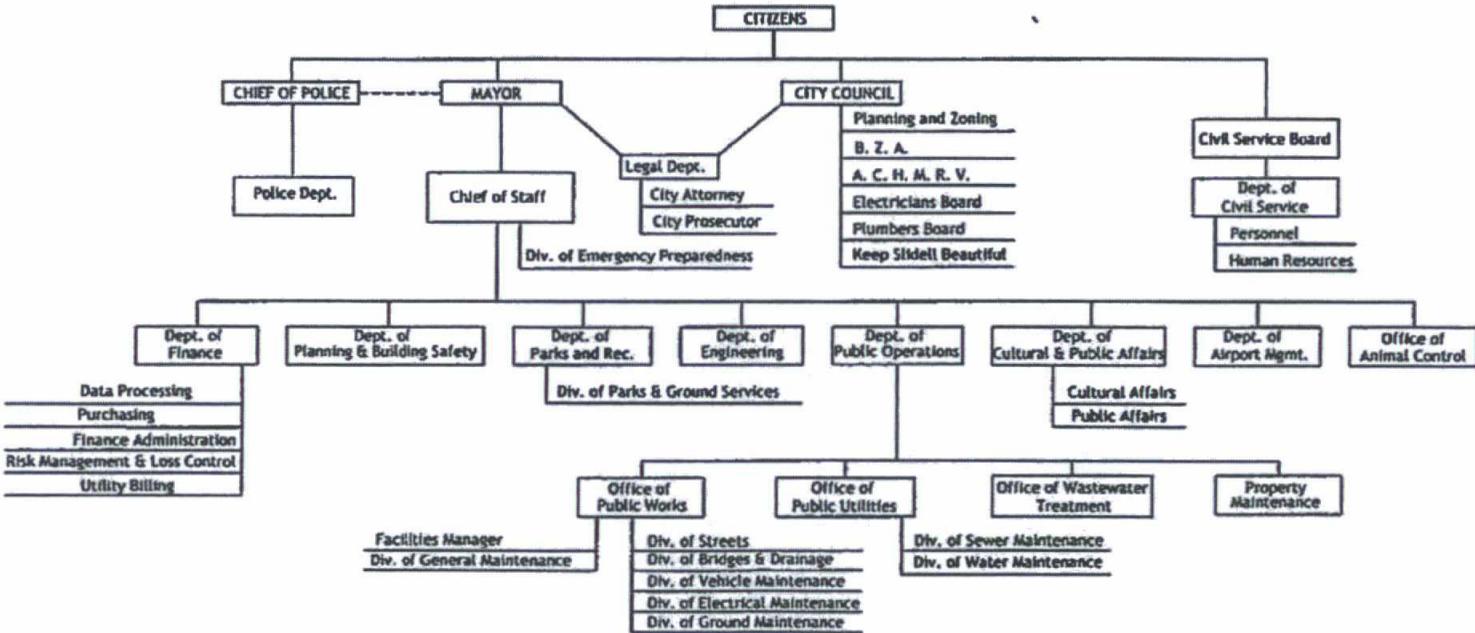
Jay Newcomb – District F

Bill Borchert – District G

CHIEF OF POLICE

Randy Smith – Chief of Police

ORGANIZATIONAL PLAN for the GOVERNMENT of the CITY of SLIDELL



REV. 3/15

FINANCIAL SECTION



INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Slidell, Louisiana (the "City"), as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements, that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.



To the Honorable Mayor and Members of the City Council
City of Slidell, Louisiana
December 19, 2017

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Slidell, Louisiana, as of June 30, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of funding progress for OPEB plan, schedule of proportionate share of the net pension liability and schedule of contributions - retirement plan on pages 4 through 14 and 71 through 81 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual nonmajor governmental funds, component unit, and fiduciary fund financial statements, nonmajor fund budgetary comparison schedules, supporting schedules on pages 94 through 98, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.



To the Honorable Mayor and Members of the City Council
City of Slidell, Louisiana
December 19, 2017

The combining and individual nonmajor governmental funds, component unit, and fiduciary fund financial statements, nonmajor fund budgetary comparison schedules, supporting schedules and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual non-major governmental funds and fiduciary fund financial statements, non-major fund budgetary comparison schedules, supporting schedules and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

As of the date of this audit report, the Louisiana Legislative Auditor (LLA) was in the process of issuing its own separate Advisory Services Procedural Report on the City of Slidell's internal controls as required by Act 774 of the 2014 Regular Louisiana Legislative Session. A complete copy of this report can be found on the LLA's website at www.lla.la.gov.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 19, 2017, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Mandeville, Louisiana
December 19, 2017

Erickson Krentel ^{LLP}
Certified Public Accountants

REQUIRED SUPPLEMENTARY INFORMATION - PART I

CITY OF SLIDELL
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2017

Our discussion and analysis of the City of Slidell's financial performance provides an overview of the City's financial activities for the fiscal year ended June 30, 2017. Please read it in conjunction with the transmittal letter on pages I through VI and the City's financial statements, which begin on page 15.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (on pages 15 and 16) provide information about the activities of the City as a whole and present a long-term view of the City's finances.

Fund financial statements start on page 17. For governmental activities, these statements report how these services were financed in the short-term as well as what remains for future spending. Fund financial statements also report the City's operations in more detail than the government-wide statements by providing information about the City's most significant funds. The remaining statements provide financial information about activities for which the City acts solely as an agent for the benefit of those outside of the government.

The Statement of Net Position and the Statement of Activities

Our analysis of the City as a whole begins on page 6. One of the most important questions asked about the City's finances is, "Is the City as a whole better off or worse off as a result of the year's financial activities?" The Statement of Net Position and the Statement of Activities report information about the City as a whole and about its activities in a way that helps answer this question. These statements include all assets, deferred outflows of resources, liabilities, and deferred inflows of resources using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. As such, all of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the City's net position and changes in them. You can think of the City's net position—the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources—as one way to measure the City's financial health or financial position. Over time, increases or decreases in the City's net position are one indicator of whether its financial health is improving or deteriorating. You will need to consider other nonfinancial factors, however, such as changes in the City's property tax base and the condition of the City's roads, to assess the overall financial health of the City.

In the Statement of Net Position and the Statement of Activities, we divide the City into two kinds of activities:

- Governmental activities—Most of the City's basic services are reported here, including the police, public works, and parks departments, and general administration. Sales and use taxes, property taxes, franchise fees, and state and federal grants finance most of these activities.

CITY OF SLIDELL
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
JUNE 30, 2017

- **Business-type activities**—The City charges a fee to customers to help it cover all or most of the cost of certain services it provides. The City's water and sewer system and airport are reported here.

Fund Financial Statements

Our analysis of the City's major funds begins on page 9. The fund financial statements begin on page 17 and provide detailed information about the most significant funds—not the City as a whole. Some funds are required to be established by State law and by bond covenants. However, the City establishes other funds to help it control and manage money for particular purposes or to account for it to meet legal responsibilities for using certain taxes, grants, and other money. The City's two kinds of funds—governmental and proprietary—use different accounting approaches.

- **Governmental funds**—Most of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in reconciliation at the bottom of the fund financial statements.
- **Proprietary funds**—When the City charges customers for the services it provides these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. In fact, the City's enterprise funds (a component of proprietary funds) are the same as the business-type activities we report in the government-wide statements but provide more detail and additional information, such as cash flows, for proprietary funds.

Reporting the City's Fiduciary Responsibilities

The City also holds certain assets in a fiduciary capacity for individuals, organizations and others. All of the City's fiduciary activities are reported in a separate Statement of Fiduciary Net Position on page 26. We exclude these assets from the City's other financial statements because the City cannot use these assets to finance its operations. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found beginning on page 27 of this report.

CITY OF SLIDELL
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
JUNE 30, 2017

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning budgetary basis reporting for the General Fund, Sales Tax Fund, Grants and Donations Fund Katina Fund, funding progress for OPEB plans, proportionate share of net pension liability, and contributions-retirement plan. Required supplementary information can be found on pages 71 to 81 of this report.

The combining statements of non-major governmental funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 83 to 84 of this report.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows exceeded liabilities and deferred inflows by \$176.7 million at the close of fiscal year 2017 as compared to \$167.4 million at the close of fiscal year 2016.

Table 1
Net Position
(In Thousands)

	<u>Governmental</u> <u>Activities</u>		<u>Business-type</u> <u>Activities</u>		<u>Total</u> <u>Activities</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Current and other assets	\$ 55,642	\$ 43,541	\$ 14,559	\$ 12,728	\$ 70,201	\$ 56,269
Capital assets	<u>121,974</u>	<u>118,784</u>	<u>52,002</u>	<u>48,479</u>	<u>173,976</u>	<u>167,263</u>
Total assets	<u>177,616</u>	<u>162,325</u>	<u>66,561</u>	<u>61,207</u>	<u>244,177</u>	<u>223,532</u>
Total deferred outflows of resources	9,687	6,886	1,550	1,220	11,237	8,106
Long-term debt outstanding	61,853	45,380	8,872	8,718	70,725	54,098
Other liabilities	<u>6,662</u>	<u>8,791</u>	<u>506</u>	<u>283</u>	<u>7,168</u>	<u>9,074</u>
Total liabilities	68,515	54,171	9,378	9,001	77,893	63,172
Total deferred inflows of resources	672	891	137	137	809	1,028
Net investment in capital assets	115,852	112,257	50,248	46,078	166,100	158,335
Restricted	2,518	2,151	163	218	2,681	2,369
Unrestricted	<u>(254)</u>	<u>(259)</u>	<u>8,185</u>	<u>6,993</u>	<u>7,931</u>	<u>6,734</u>
Total net position	<u>\$118,116</u>	<u>\$114,149</u>	<u>\$58,596</u>	<u>\$53,289</u>	<u>\$176,712</u>	<u>\$ 167,438</u>

CITY OF SLIDELL
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
JUNE 30, 2017

Table 2
Changes in Net Position
(In Thousands)

	<u>Governmental</u>		<u>Business-type</u>		<u>Total</u>	
	<u>Activities</u>		<u>Activities</u>		<u>Activities</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Revenues						
Program revenues						
Charges for services	\$5,166	\$5,358	\$10,466	\$10,368	\$15,632	\$ 15,726
Operating grants	7,672	5,610	-	-	7,672	5,610
Capital grants	7,690	6,571	4,780	1,609	12,470	8,180
General revenues						
Sales tax	19,604	19,354	-	-	19,604	19,354
Property tax	4,786	3,580	2,326	1,975	7,112	5,555
Other tax	2,153	2,068	-	-	2,153	2,068
Restitution	-	2,247	-	-	-	2,247
Other general revenue	418	403	120	94	538	497
Total revenues	<u>47,489</u>	<u>45,191</u>	<u>17,692</u>	<u>14,046</u>	<u>65,181</u>	<u>59,237</u>
Program expenses						
General government	9,908	10,300	-	-	9,908	10,300
Public works	17,615	15,681	-	-	17,615	15,681
Public safety	12,929	12,144	-	-	12,929	12,144
Recreation and culture	2,230	2,335	-	-	2,230	2,335
Judicial system	556	475	-	-	556	475
Interest on long term debt	615	414	-	-	615	414
Bond Issuance Cost	249	81	-	-	249	81
Utilities	-	-	10,680	10,485	10,680	10,485
Airport	-	-	1,125	971	1,125	971
Total expenses	<u>44,102</u>	<u>41,430</u>	<u>11,805</u>	<u>11,456</u>	<u>55,907</u>	<u>52,886</u>
Excess (deficiency) before transfers	3,387	3,761	5,887	2,590	9,274	6,351
Transfers	580	611	(580)	(611)	-	-
Increase (decrease) in net assets	<u>\$ 3,967</u>	<u>\$ 4,372</u>	<u>\$ 5,307</u>	<u>\$ 1,979</u>	<u>\$ 9,274</u>	<u>\$ 6,351</u>
Ending net position from the Statement of Activities	<u>\$118,116</u>	<u>\$114,149</u>	<u>\$58,596</u>	<u>\$53,289</u>	<u>\$176,712</u>	<u>\$167,438</u>

CITY OF SLIDELL
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
JUNE 30, 2017

By far the largest portion of the City's net position (94%) reflects its investment in capital assets (e.g. infrastructure, land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The City of Slidell uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City of Slidell's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City of Slidell's net position (2%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (4%) may be used to meet the government's general ongoing obligations to citizens and creditors.

At the end of the current fiscal year and in prior fiscal year, the City of Slidell is able to report positive balances in all three categories of net position, for the government as a whole, as well as for its separate business-type activities and governmental activities.

The City's net position increased \$9.3 million during the current fiscal year.

Governmental Activities

Governmental activities increased the City's net position by \$4.0 million in 2017

Total revenue related to governmental activity in 2017 increased by \$2.3 million or 5%. Revenue from operating grants increased by \$2.1 million primarily due to an increase in federal grants to elevate private residential property in 2017. Revenue from capital grants increased by 1.1 million primarily due to public assistance from FEMA for Hurricane Katrina damages. Revenue from property tax increased by \$1.2 million due to an increase in the millage rate for new General Obligation Bonds, Series 2016 and the Public Safety Fund. Restitution decreased by \$2.2 million from 2016 to 2017. The City accepted British Petroleum's (BP) offer to pay \$3.0 million for a full and final settlement of all claims against BP and others resulting from the Deep Water Horizon Oil Spill on January 17, 2013. The City received \$2.2 million in 2016 after settlement expenses were deducted.

Total expenses for governmental activities increased by \$2.7 million or 6% in 2017 compared to 2016. Program expenses for public works increased by \$1.9 million (12%) primarily due to an increase in private home elevation activity in 2017. Program expenses for public safety increased by \$785,000 or 6% in 2017 primarily due to an increase in employee salary, overtime and pension expense.

Business-type Activities

The net position in the business-type activities of the City increased by \$5.3 million in 2017.

Total revenue for business-type activities increased by \$3.6 million or 26% from 2016 to 2017 primarily due to capital contributions from governmental funds and developers.

Total program expenses for business-type activities increased by only \$349,000.

CITY OF SLIDELL
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
JUNE 30, 2017

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

The City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$45.3 million, an increase of \$15.1 million from 2016. The increase in fund balance is primarily due to unspent proceeds from General Obligation Bonds, Series 2016 and an increase of \$2.7 million in the Katrina Fund balance due to receipt of deferred inflows from 2016 public assistance grant expenditures.

Of the total fund balance amount, \$27.6 million or 61% is reported as unrestricted fund balance, either committed, assigned, or unassigned. The unrestricted fund balance includes \$22.5 million in committed funds which are formally dedicated by City Council ordinance for specific purposes. As of June 30, 2017, \$14.1 million is committed for capital outlay, \$5.5 million is committed for contingencies and \$2.7 million is committed for operating reserves. Approximately \$5.8 million, or 13%, are funds which are assigned for specific purposes in accordance with an ordinance of the City Council and other assignments based on the purpose of the individual governmental fund. Assigned fund purposes include assignments for claims and compensated absences. The General Fund has \$749,000 in unassigned fund balance, which is available for spending at the government's discretion and the Grant and Donation Fund has a unassigned deficit fund balance of \$1.5 million. The remainder of fund balance is either non-spendable (3%) or restricted (36%). Restricted fund balance of \$16.4 million is primarily restricted to debt service and capital outlay for unexpended bond proceeds.

Fund balance in the General Fund decreased by \$362,000 during the current fiscal year.

Total revenue in the General Fund increased by \$131,000 or 2% in 2017 as compared to 2016. Revenue from property tax and franchise tax increase by \$93,000 and \$84,000, respectively. Total expenditures in the General Fund increased by \$259,000 or 5% in 2017 as compared to 2016 primarily due to an increase in salaries and benefits

Net transfers from the General Fund decreased by \$68,000 primarily due an increase in General Fund support of Public Safety Fund in accordance with budgetary authorizations.

Fund balance in the Sales Tax Fund increased \$1.3 million in the current fiscal year.

Revenue in the Sales Tax Fund increased by \$650,000 or 5% from 2016 to 2017. Beginning July 1, 2013, a portion of the sales tax revenue stream that was previously recorded in the Sales Tax Fund was rededicated by voter approval to be used for police department operations. Accordingly, sales tax revenue is recorded in both the Sales Tax Fund and the Public Safety Fund. The Sales Tax Fund recorded sales tax revenue of \$13.2 million and \$12.4 million in 2017 and 2016, respectively. The Public Safety Fund recorded sales tax revenue of \$6.4 million and \$7.0 million in 2017 and 2016, respectively. Overall, total recurring revenue from sales tax collections increased from \$19.4 million in 2016 to \$19.6 million in 2017 or 1%.

CITY OF SLIDELL
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
JUNE 30, 2017

Expenditures in the Sales Tax Fund increased \$979,000 or 9% from 2016 to 2017. Capital expenditures increased \$760,000 or 44%. Fluctuations in capital expenditures from one year to the next are common. Capital appropriations are for a minimum three-year period because capital projects often require time for design and engineering before more cost intensive construction occurs.

The Public Safety Fund was established in 2014 to account for the City's police department, which is primarily funded by a portion of re-dedicated 1987 sales and use tax. The balance of funding comes from an operating transfer from the General Fund, property tax, state supplemental pay, fines and service charges. The overall increase in sales tax revenue is discussed above. Fund balance in the Public Safety Fund increased by \$151,000.

The Grants and Donations Fund accounts for various grants and donations that are not accounted for in other funds. In 2017 total revenue was \$8.1 million and total expenditures were \$8.7 million resulting in a deficit of \$555,000 for the 2017 fiscal year-end. The deficit is caused by the gap in time between when the City requests reimbursement for grant related expenditures and when the funds are received from the grantor. Reimbursements that are not received within 60 days after fiscal year end are recorded as deferred inflows on the balance sheet of governmental funds. The City recorded \$2.0 million and \$1.5 million in deferred inflows related to grants as of June 30, 2017 and June 30, 2016, respectively. Major projects funded by grants and contributions in 2017 include \$3.2 million from FEMA to mitigate the risk of future flooding through drainage infrastructure improvements and \$5.0 million from FEMA for elevation of private residential property to mitigate the risk of future flooding.

The Katrina Fund accounts for FEMA reimbursements, insurance proceeds and related costs associated with the storm. Total revenue was \$10.3 million and total expenditures were \$7.6 million resulting in a net increase in fund balance of \$2.7 million for the 2017 fiscal year-end. The City recorded \$1.8 million and \$2.8 million in deferred inflows related to grants as of June 30, 2017 and June 30, 2016, respectively. Deferred inflows result from the gap in time between when the City requests reimbursement for grant related expenditures and when the funds are received from the grantor. Reimbursements that are not received within 60 days after fiscal year end are recorded as deferred inflows on the balance sheet of governmental funds. Major projects funded in the Katrina Fund in 2017 include \$3.8 million for sewer infrastructure repairs, \$1.3 million for drainage infrastructure repairs and \$1.2 million for roadway infrastructure repairs.

The General Obligation Bonds 2016 Fund was created in 2017 to account for the proceeds and uses of General Obligation Bonds, Series 2016. The proceeds of the bonds are dedicated to street, bridge and drainage improvements. In 2017, revenue includes \$71,000 for interest income, expenditures totaled \$267,000 primarily for bond issuance cost and other financing sources include \$12 million for bond issuance and \$836,000 for bond premiums.

CITY OF SLIDELL
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
JUNE 30, 2017

General Fund Budgetary Highlights

The City Council revised the 2017 original adopted budget for the General Fund two times. The first amendment appropriated \$1,125,000 from unassigned fund balance as of June 30, 2016. The operating budget for the City Marshal was increased by \$30,000 to offset an anticipated decrease in revenue from other governmental sources and the balance of funding was used to increase the transfer to the Public Safety Fund. The second amendment reallocated funds for operating expenditures between various departments and divisions within the General Fund.

By budgetary policy, revenue estimates are prepared with a conservative bias. Overall, general fund revenue in 2017 experienced a positive variance of \$556,000 from the final adopted budget. Revenue from licenses and permits had a negative variance of \$3,000 primarily due to a decrease in inspection fees after completion of a large portion of construction for a new shopping center in the Fremaux Economic Development District. The positive variance from all other revenue sources (\$553,000) is primarily due to the conservative bias in revenue forecasting.

Actual expenditures of \$5.2 were \$208,000 (4%) less than the original and final adopted budget primarily due the conservative bias in expenditure forecasting.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2017, the City had \$174.0 million invested in a broad range of capital assets, including police and public works equipment, buildings, park facilities, roads, drainage, bridges, airport facilities, wastewater treatment plant, water lines, and sewer lines (See Table 3). This amount represents a net increase (including additions and deductions) of \$6.7 million from last year.

Table 3
Capital Assets at Year-end
(Net of Depreciation, In Thousands)

	Governmental		Business-type		Total	
	<u>Activities</u>		<u>Activities</u>		<u>Activities</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Land	\$22,023	\$21,918	\$ 76	\$ 76	\$22,099	\$21,994
Building and building improvements	34,202	34,931	822	885	35,024	35,816
Land improvements	2,320	2,266	3,503	3,804	5,823	6,070
Machinery and equipment	4,280	4,283	2,861	2,924	7,141	7,207
Infrastructure	47,862	48,577	38,308	38,717	86,170	87,294
Construction-in-progress	<u>11,287</u>	<u>6,809</u>	<u>6,432</u>	<u>2,073</u>	<u>17,719</u>	<u>8,882</u>
Total capital assets, net	<u>\$121,974</u>	<u>\$118,784</u>	<u>\$52,002</u>	<u>\$48,479</u>	<u>\$173,976</u>	<u>\$167,263</u>

CITY OF SLIDELL
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
JUNE 30, 2017

Capital asset additions for governmental activities (\$10.5 million) in 2017 include \$6.0 million for construction-in-progress (street and drainage projects), \$1.2 million for equipment and vehicles and \$2.1 million for streets and bridges. Projects under construction as of June 30, 2016 with a dollar value of \$1.6 million were completed and placed into service in 2017. The completed projects include \$977,000 for street work primarily funded by the General Obligation Bonds, Series 2010. Capital additions for business activities (\$6.4 million) in 2017 include \$4.4 million for construction-in-progress primarily for sewer line rehabilitation funded by FEMA public assistance and \$1.2 million in water system improvements including a \$1.0 million water line extension along Highway 190 that was funded jointly by a developer and the City. More detailed information about the City's capital assets is presented in Note 8 to the financial statements.

Debt

At year-end, the City had \$21.4 million in bonds and notes outstanding versus \$12.0 million last year as shown in Table 4.

Table 4
Outstanding Debt, at Year-end
(In Thousands)

	<u>Governmental</u> <u>Activities</u>		<u>Business-type</u> <u>Activities</u>		<u>Total</u> <u>Activities</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
General obligation bonds (backed by property tax)	\$19,322	\$8,166	\$ -	\$ -	\$19,322	\$ 8,166
Revenue bonds and notes (backed by specific tax and fee revenue)	-	625	1,545	1,970	1,545	2,595
Other notes (backed by a pledge of all Lawfully available funds)	327	741	-	-	327	741
Certificates of indebtedness (unsecured)	-	-	235	460	235	460
Totals	<u>\$19,649</u>	<u>\$9,532</u>	<u>\$1,780</u>	<u>\$2,430</u>	<u>\$21,429</u>	<u>\$11,962</u>

In 2017, principal additions were \$12.0 million in the governmental funds and principal reductions were \$1.9 million and \$650,000 in the governmental and business-type funds, respectively. The City issued \$12 million in General Obligation Bonds, Series 2016 to fund street, bridge and drainage improvements in various parts of the City. Standards & Poor Global Ratings assigned its "AA" rating and stable outlook to the City's General Obligation Bonds. The State limits the amount of general obligation debt that cities can issue to 35% of the assessed value of all taxable property within the City's corporate limits. The City's outstanding general obligation debt (\$19.3 million) is significantly below this \$73.6 million state-imposed limit.

The City is self-insured with excess coverage for workers' compensation, general liability, auto liability, and employee medical. Claims and judgments of \$2.9 million are outstanding at year-end compared with \$2.5 million last year. Other obligations include compensated absences (\$2.2 million), net other post-employment benefit obligations (\$13.0 million) and net pension obligations (\$30.3 million).

CITY OF SLIDELL
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
JUNE 30, 2017

More detailed information about the City's long-term liabilities is presented in Notes 3, 5, 10, 11 and 12 to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Original Adopted Budget 2018

The City's elected and appointed officials considered many factors when setting the original fiscal year 2018 budget. Sales tax collections, which generate the bulk of operating revenue, have experienced fluctuations. After increasing to \$23.6 million in 2006 due to rebuilding efforts after Hurricane Katrina, sales tax collections gradually decreased to \$17.9 million in 2010, remained flat through 2013, increased 2% in 2014, increased 3% in 2015 and 2016, and increased 1% to \$19.6 million in 2017.

Sales tax revenue for the original 2018 budget was estimated to approximate 2017 sales tax revenue. Sales tax revenue for the first four months of 2018 is equal to the first four months of 2017. Property tax rates were slightly decreased from 27.52 mills in 2016 to 27.08 mills in the 2017 budget. Collections from various utility fees and charges were projected to grow in accordance with the annual rate adjustment based on the increase in the consumer price index. Service charges were budgeted to decrease by \$841,000. A private entity leasing space in a city owned building exercised an option to reduce the amount of space leased by one-half. All other revenue projections were budgeted with a conservative bias.

The City slowly became less competitive in the job market as a result of slow revenue growth since Hurricane Katrina in 2005. The Mayor appointed a committee to address compensation issues approximately four years ago. Upon recommendation of the committee, the Council adopted an open pay range plan in 2015 to replace the traditional step driven pay structure. The council approved a flat \$0.50 per hour raise in July 2015 and 2.5% raise in January 2016. The 2017 budget included a 7% increase for promotional upgrades for 25 job titles, a 3% raise for 13 job titles that were considered hard to fill, and a 2% increase for all other full-time employees. The civil service director, with input from department heads and others, reviewed all job descriptions and matched those job descriptions with comparable jobs in the marketplace. The 2018 budget includes funding to bring employees 25% closer to market value.

The 2018 budget includes funding to provide debt service for issuance of \$20.2 million in utility revenue bonds. The City has been approved for a 0.95% interest rate loan from the DEQ Clean Drinking Water Revolving Loan Fund Program to finance \$10 million in improvements to the wastewater treatment plant and to fund \$10 million in improvements to sewer lift stations. The City has also been given approval from the EPA Clean Drinking Water Revolving Loan Fund Program for a 2.45% interest rate loan to fund \$2.5 million for water system distribution improvements.

The major budget challenge in the future will be growing revenue.

CITY OF SLIDELL
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
JUNE 30, 2017

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

The financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Finance Director's Office at 2045 Second Street, Slidell, Louisiana or by phone at (985)-646-4316.

BASIC FINANCIAL STATEMENTS

CITY OF SLIDELL, LOUISIANA
STATEMENT OF NET POSITION
JUNE 30, 2017

	PRIMARY GOVERNMENT			COMPONENT UNITS		
	Governmental Activities	Business-type Activities	Total	Fremaux EDD	Northshore Square EDD	Camellia Square EDD
ASSETS:						
Cash and cash equivalents	\$ 41,095,085	\$ -	\$ 41,095,085	\$ -	\$ -	\$ -
Investments	2,202,972	-	2,202,972	-	-	-
Receivables, net of allowances for uncollectibles						
Taxes	2,399,633	-	2,399,633	100,248	21,039	16,571
Water, sewerage and garbage	-	992,655	992,655	-	-	-
Unbilled receivables	-	570,014	570,014	-	-	-
Other	178,374	2,415	180,789	-	-	-
Internal balances	(12,546,116)	12,546,116	-	-	-	-
Inventory	145,520	188,784	334,304	-	-	-
Prepaid items	1,218,650	4,731	1,223,381	-	-	-
Due from other governments	5,685,864	91,152	5,777,016	-	-	-
Due from local entities	160,020	-	160,020	-	-	-
Restricted assets:						
Cash and cash equivalents	14,801,929	162,816	14,964,745	2,342,758	337,704	25,001
Investments	300,000	-	300,000	-	-	-
Capital assets not being depreciated	33,309,874	6,507,219	39,817,093	-	-	-
Capital assets being depreciated, net of accumulated depreciation	88,664,191	45,494,885	134,159,076	-	-	-
Total assets	177,615,996	66,560,787	244,176,783	2,443,006	358,743	41,572
DEFERRED OUTFLOWS OF RESOURCES:						
Deferred charges on refundings	443,603	26,055	469,658	-	-	-
Pensions	9,243,202	1,524,238	10,767,440	-	-	-
Total deferred outflows of resources	9,686,805	1,550,293	11,237,098	-	-	-
LIABILITIES:						
Accounts payable and other current liabilities	6,101,277	506,620	6,607,897	93,875	-	-
Due to other governments	560,259	-	560,259	43	-	-
Noncurrent liabilities:						
Due within one year	1,630,816	537,589	2,168,405	-	-	-
Due in more than one year	60,222,598	8,334,020	68,556,618	10,650,249	-	-
Total liabilities	68,514,950	9,378,229	77,893,179	10,744,167	-	-
DEFERRED INFLOWS OF RESOURCES:						
Pensions	672,058	136,648	808,706	-	-	-
Total deferred inflows of resources	672,058	136,648	808,706	-	-	-
NET POSITION:						
Net investment in capital assets	115,852,285	50,248,159	166,100,444	-	-	-
Restricted for:						
Debt service	2,217,595	162,816	2,380,411	1,102,344	-	-
Workers compensation	300,000	-	300,000	-	-	-
Unrestricted	(254,087)	8,185,228	7,931,141	(9,403,505)	358,743	41,572
Total net position (deficit)	\$ 118,115,793	\$ 58,596,203	\$ 176,711,996	\$ (8,301,161)	\$ 358,743	\$ 41,572

The accompanying notes are an integral part of this statement

CITY OF SLIDELL, LOUISIANA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2017

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Change in Net Position			Component Units		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total	Fremaux EDD	Northshore Square EDD	Camellia Square EDD
					Governmental Activities	Business-type Activities				
PRIMARY GOVERNMENT:										
Governmental Activities:										
General government	\$ 9,908,542	\$ 3,706,168	\$ 1,390,085	\$ (136,738)	\$ (4,949,027)	\$ -	\$ (4,949,027)	\$ -	\$ -	\$ -
Public works	17,614,676	308,705	5,280,417	7,692,981	(4,332,573)	-	(4,332,573)	-	-	-
Public safety	12,929,437	994,037	798,656	104,122	(11,032,622)	-	(11,032,622)	-	-	-
Parks and recreation	2,229,585	109,123	191,811	(8,997)	(1,937,648)	-	(1,937,648)	-	-	-
Judicial system	555,810	47,438	10,962	38,652	(458,758)	-	(458,758)	-	-	-
Interest on long-term debt	615,151	-	-	-	(615,151)	-	(615,151)	-	-	-
Bond issuance costs	248,697	-	-	-	(248,697)	-	(248,697)	-	-	-
Total governmental activities	44,101,898	5,165,471	7,671,931	7,690,020	(23,574,476)	-	(23,574,476)	-	-	-
Business-type Activities:										
Utilities	10,679,617	9,972,551	-	4,541,459	-	3,834,393	3,834,393	-	-	-
Airport	1,125,221	493,126	-	238,944	-	(393,151)	(393,151)	-	-	-
Total business-type activities	11,804,838	10,465,677	-	4,780,403	-	3,441,242	3,441,242	-	-	-
Total primary government	\$ 55,906,736	\$ 15,631,148	\$ 7,671,931	\$ 12,470,423	(23,574,476)	3,441,242	(20,133,234)	-	-	-
COMPONENT UNITS:										
Fremaux Economic Development District	566,127	-	-	-	-	-	-	(566,127)	-	-
Northshore Square Economic Development District	4,957	-	-	-	-	-	-	-	(4,957)	-
Camellia Square Economic Development District	99,490	-	-	-	-	-	-	-	-	(99,490)
Total component units	\$ 670,574	\$ -	\$ -	\$ -	-	-	-	\$ (566,127)	\$ (4,957)	\$ (99,490)
General Revenues:										
Taxes:										
Ad Valorem					4,786,055	2,325,836	7,111,891	-	-	-
Sales and use					19,604,476	-	19,604,476	597,558	147,671	62,948
Hotel occupancy					-	-	-	-	-	35,689
Franchise					2,085,400	-	2,085,400	-	-	-
Beer and tobacco					67,632	-	67,632	-	-	-
Investment earnings					378,309	1,228	379,537	3,427	1,863	110
Miscellaneous					38,774	119,002	157,776	-	-	-
Transfers					580,092	(580,092)	-	-	-	-
Total general revenues and transfers					27,540,738	1,865,974	29,406,712	600,985	149,534	98,747
Change in net position					3,966,262	5,307,216	9,273,478	34,858	144,577	(743)
Net position - beginning of year					114,149,531	53,288,987	167,438,518	(8,336,019)	214,166	42,315
Net position (deficit) - end of year					\$ 118,115,793	\$ 58,596,203	\$ 176,711,996	\$ (8,301,161)	\$ 358,743	\$ 41,572

The accompanying notes are an integral part of this statement

CITY OF SLIDELL, LOUISIANA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2017

	<u>ASSETS</u>							
	General Fund	Sales Tax Fund	Public Safety Fund	Grants and Donations Fund	Katrina Fund	General Obligation Bonds 2016 Fund	Other Governmental Funds	Total Governmental Funds
CURRENT ASSETS:								
Cash and cash equivalents	\$ 41,094,310	\$ 200	\$ 375	\$ 200	\$ -	\$ -	\$ -	\$ 41,095,085
Investments	-	-	-	-	-	-	2,202,972	2,202,972
Receivables, net of allowances for uncollectibles:								
Taxes	703,813	1,695,820	-	-	-	-	-	2,399,633
Other	64,524	1,179	91,858	-	-	-	20,813	178,374
Due from other funds	445,265	13,736,282	2,315,996	-	809,955	-	6,655,065	23,962,563
Due from local entities	30,480	129,540	-	-	-	-	-	160,020
Due from other governments	18,558	-	-	2,219,338	3,446,796	-	1,172	5,685,864
Inventory	145,521	-	-	-	-	-	-	145,521
Prepaid items	1,218,650	-	-	-	-	-	-	1,218,650
Restricted assets:								
Cash	846,921	-	-	-	-	12,650,601	1,304,407	14,801,929
Investments	300,000	-	-	-	-	-	-	300,000
Total assets	\$ 44,868,041	\$ 15,563,021	\$ 2,408,229	\$ 2,219,538	\$ 4,256,751	\$ 12,650,601	\$ 10,184,429	\$ 92,150,610
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES								
LIABILITIES:								
Accounts, salaries, and other payables	\$ 3,406,342	\$ 419,589	\$ 159,106	\$ 1,221,102	\$ 644,761	\$ 11,230	\$ 38,290	\$ 5,900,420
Due to other funds	36,236,508	-	-	444,799	-	-	466	36,681,773
Due to other governments	-	387,165	-	-	-	-	-	387,165
Total liabilities	39,642,850	806,754	159,106	1,665,901	644,761	11,230	38,756	42,969,358
DEFERRED INFLOWS OF RESOURCES:								
Unavailable revenue - intergovernmental	-	-	-	2,022,982	1,790,619	-	-	3,813,601
Total deferred inflows of resources	-	-	-	2,022,982	1,790,619	-	-	3,813,601
FUND BALANCES:								
Nonspendable:								
Inventory	145,521	-	-	-	-	-	-	145,521
Prepaid items	1,218,650	-	-	-	-	-	-	1,218,650
Restricted for:								
Debt service	-	-	-	-	-	-	2,217,595	2,217,595
Streets and drainage	-	-	-	-	-	12,639,371	1,286,147	13,925,518
Workers compensation	300,000	-	-	-	-	-	-	300,000
Committed to:								
Capital outlay	-	7,663,687	680,594	-	-	-	5,734,699	14,078,980
Contingencies	1,143,000	3,195,000	534,700	-	-	-	600,000	5,472,700
Operating reserves	473,000	1,758,997	503,000	-	-	-	-	2,734,997
Appropriations	-	-	-	-	-	-	196,001	196,001
Assigned to:								
Compensated absences	624,400	-	-	-	-	-	-	624,400
Claims - workers compensation	448,158	-	-	-	-	-	-	448,158
Claims - general liability	123,891	-	-	-	-	-	-	123,891
Public improvements, facilities & equipment	-	2,138,583	-	-	-	-	111,231	2,249,814
Public safety	-	-	530,829	-	-	-	-	530,829
Recovery	-	-	-	-	1,821,371	-	-	1,821,371
Unassigned	748,571	-	-	(1,469,345)	-	-	-	(720,774)
Total fund balances	5,225,191	14,756,267	2,249,123	(1,469,345)	1,821,371	12,639,371	10,145,673	45,367,651
Total liabilities, deferred inflows of resources, and fund balances	\$ 44,868,041	\$ 15,563,021	\$ 2,408,229	\$ 2,219,538	\$ 4,256,751	\$ 12,650,601	\$ 10,184,429	\$ 92,150,610

The accompanying notes are an integral part of this statement

CITY OF SLIDELL, LOUISIANA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2017

Amounts reported for governmental activities in the Statement of Net Position are different because:

Funds balances, total governmental funds	\$	45,367,651
The focus of governmental funds is on short-term financing; however, some assets will not be available to pay for current-period expenditures. Those assets are offset by unavailable revenue - intergovernmental in the governmental funds and are thus not included in fund balance.		3,813,601
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.		121,974,065
Deferred outflows of resources related to pensions are not reported in governmental funds.		9,243,202
Deferred inflows of resources related to pensions are not reported in governmental funds.		(672,058)
Long-term liabilities including bonds payable are not due and payable in the current period and, therefore, are not reported in the governmental funds:		
Accrued interest payable		(200,857)
Claims		(2,916,445)
Compensated absences		(1,873,000)
OPEB liability		(10,354,226)
Pension liability		(26,189,622)
Bonds, notes, and loans payable (net of premiums, discounts and deferred charges)		(20,076,518)
		(61,610,668)
Net position of governmental activities	\$	118,115,793

The accompanying notes are an integral part of this statement

CITY OF SLIDELL, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2017

	General Fund	Sales Tax Fund	Public Safety Fund	Grants and Donations Fund	Katrina Fund	General Obligation Bonds 2016 Fund	Other Governmental Funds	Total Governmental Funds
REVENUES:								
Taxes and assessments:								
Sales taxes	\$ -	\$ 13,156,415	\$ 6,448,061	\$ -	\$ -	\$ -	\$ -	\$ 19,604,476
Ad Valorem	1,312,806	524,605	1,325,727	-	-	-	1,622,917	4,786,055
Franchise	2,085,400	-	-	-	-	-	-	2,085,400
Licenses and permits	2,316,044	-	-	-	-	-	-	2,316,044
Intergovernmental revenues:								
Federal and state grants	-	-	-	7,890,506	10,258,013	-	317,788	18,466,307
Other state and local governmental revenues	67,632	16,040	565,775	-	-	-	318,188	967,635
State supplemental pay	-	-	481,514	-	-	-	-	481,514
Fines and forfeitures	257,079	-	-	-	-	-	-	257,079
Service charges	194,563	38,747	218,669	-	-	-	1,577,094	2,029,073
Contributions	-	-	-	245,455	-	-	-	245,455
Other revenues, primarily interest	331,592	1,710	-	-	-	70,501	19,344	423,147
Total revenues	<u>6,565,116</u>	<u>13,737,517</u>	<u>9,039,746</u>	<u>8,135,961</u>	<u>10,258,013</u>	<u>70,501</u>	<u>3,855,331</u>	<u>51,662,185</u>
EXPENDITURES:								
Current:								
General government	3,777,139	3,738,429	-	54,003	-	-	1,079,088	8,648,659
Public works	662,013	4,005,223	-	1,676,496	-	-	-	6,343,732
Public safety	-	-	10,537,292	318,744	-	-	-	10,856,036
Recreation and culture	264,023	1,099,515	-	137,647	-	-	-	1,501,185
Judicial system	458,887	-	-	-	-	-	-	458,887
Debt service:								
Principal retirement	-	-	-	-	-	-	1,883,100	1,883,100
Interest and fiscal charges	-	-	-	-	-	-	414,793	414,793
Bond issuance cost	-	-	-	-	-	248,697	-	248,697
Capital outlay	-	2,481,806	785,917	6,504,362	7,576,046	18,485	2,268,359	19,634,975
Total expenditures	<u>5,162,062</u>	<u>11,324,973</u>	<u>11,323,209</u>	<u>8,691,252</u>	<u>7,576,046</u>	<u>267,182</u>	<u>5,645,340</u>	<u>49,990,064</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,403,054</u>	<u>2,412,544</u>	<u>(2,283,463)</u>	<u>(555,291)</u>	<u>2,681,967</u>	<u>(196,681)</u>	<u>(1,790,009)</u>	<u>1,672,121</u>
OTHER FINANCING SOURCES (USES):								
Bond issuance	-	-	-	-	-	12,000,000	-	12,000,000
Bond premiums	-	-	-	-	-	836,052	-	836,052
Transfers in	701,000	-	2,434,742	-	-	-	1,488,485	4,624,227
Transfers out	(2,465,967)	(1,149,618)	-	-	-	-	(428,550)	(4,044,135)
Total other financing sources (uses)	<u>(1,764,967)</u>	<u>(1,149,618)</u>	<u>2,434,742</u>	<u>-</u>	<u>-</u>	<u>12,836,052</u>	<u>1,059,935</u>	<u>13,416,144</u>
Net change in fund balances	(361,913)	1,262,926	151,279	(555,291)	2,681,967	12,639,371	(730,074)	15,088,265
Fund balances - beginning of year	5,587,104	13,493,341	2,097,844	(914,054)	(860,596)	-	10,875,747	30,279,386
Fund balances - end of year	<u>\$ 5,225,191</u>	<u>\$ 14,756,267</u>	<u>\$ 2,249,123</u>	<u>\$ (1,469,345)</u>	<u>\$ 1,821,371</u>	<u>\$ 12,639,371</u>	<u>\$ 10,145,673</u>	<u>\$ 45,367,651</u>

The accompanying notes are an integral part of this statement

CITY OF SLIDELL, LOUISIANA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2017

Amounts reported for governmental activities in the Statement of Activities are different because:

Net change in fund balances, total governmental funds	\$	15,088,265
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Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay	10,581,076	
Depreciation expense	<u>(7,388,961)</u>	
		3,192,115

In the Statement of Activities, only the gain on the sale of capital assets is reported. However, in the governmental funds, the proceeds from the sale of these assets increase financial resources. Thus, the change in net position differs from the change in fund balance by the cost of the capital assets sold.

(1,615)

The issuance of long-term debt (bonds, leases, etc.) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is issued, whereas these amounts are amortized in the Statement of Activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

(10,952,952)

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:

Claims	(376,066)	
Compensated absences	(70,000)	
Amortization of deferred charges	(73,930)	
OPEB	(1,044,666)	
Accrued interest expense	(126,428)	
Pensions	(1,459,195)	
Non-employer contributions for pensions	<u>522,528</u>	
		(2,627,757)

Revenue is reported in the Statement of Activities at the time it is earned, without regard to timeliness of collection:

Unavailable revenue - intergovernmental for the current year	3,813,601	
Less: unavailable revenue - intergovernmental for the prior year	(4,278,499)	
Less: accrued revenue for the prior year	<u>(266,896)</u>	
		<u>(731,794)</u>

Change in net position of governmental activities	\$	<u>3,966,262</u>
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The accompanying notes are an integral part of this statement

CITY OF SLIDELL, LOUISIANA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2017

	<u>Utilities</u>	<u>Airport</u>	<u>Total</u>
<u>ASSETS:</u>			
Current assets:			
Cash and cash equivalents	\$ -	\$ -	\$ -
Accounts receivable, net of allowances for doubtful accounts of \$1,607,809 in 2017	992,655	-	992,655
Unbilled receivables	570,014	-	570,014
Other receivables	220	2,195	2,415
Prepaid expenses	3,951	780	4,731
Due from other funds	12,141,985	404,131	12,546,116
Inventory	151,905	36,879	188,784
Due from other governments	-	91,152	91,152
Total current assets	<u>13,860,730</u>	<u>535,137</u>	<u>14,395,867</u>
Noncurrent assets:			
Restricted assets:			
Cash and cash equivalents	162,816	-	162,816
Capital assets, net of accumulated depreciation	47,731,976	4,270,128	52,002,104
Total noncurrent assets	<u>47,894,792</u>	<u>4,270,128</u>	<u>52,164,920</u>
Total assets	<u>61,755,522</u>	<u>4,805,265</u>	<u>66,560,787</u>
<u>DEFERRED OUTFLOWS OF RESOURCES:</u>			
Deferred charges on refundings	26,055	-	26,055
Pensions	1,469,909	54,329	1,524,238
Total deferred outflows of resources	<u>1,495,964</u>	<u>54,329</u>	<u>1,550,293</u>
<u>LIABILITIES:</u>			
Current liabilities:			
Accounts payable	463,449	30,771	494,220
Interest payable	12,400	-	12,400
Bonds payable	210,000	-	210,000
Certificate of indebtedness	235,000	-	235,000
Compensated absences	91,281	1,308	92,589
Total current liabilities	<u>1,012,130</u>	<u>32,079</u>	<u>1,044,209</u>
Non-current liabilities:			
Bonds payable	1,335,000	-	1,335,000
Compensated absences	257,719	3,692	261,411
OPEB liability	2,521,921	82,014	2,603,935
Pension liability	4,034,566	99,108	4,133,674
Total noncurrent liabilities	<u>8,149,206</u>	<u>184,814</u>	<u>8,334,020</u>
Total liabilities	<u>9,161,336</u>	<u>216,893</u>	<u>9,378,229</u>

The accompanying notes are an integral part of this statement

CITY OF SLIDELL, LOUISIANA
STATEMENT OF NET POSITION (CONTINUED)
PROPRIETARY FUNDS
JUNE 30, 2017

	<u>Utilities</u>	<u>Airport</u>	<u>Total</u>
<u>DEFERRED INFLOWS OF RESOURCES:</u>			
Pensions	<u>142,191</u>	<u>(5,543)</u>	<u>136,648</u>
Total deferred inflows of resources	<u>142,191</u>	<u>(5,543)</u>	<u>136,648</u>
 <u>NET POSITION:</u>			
Net investment in capital assets	45,978,031	4,270,128	50,248,159
Restricted for:			
Debt service	162,816	-	162,816
Unrestricted	<u>7,807,112</u>	<u>378,116</u>	<u>8,185,228</u>
Total net position	<u>\$ 53,947,959</u>	<u>\$ 4,648,244</u>	<u>\$ 58,596,203</u>

The accompanying notes are an integral part of this statement

CITY OF SLIDELL, LOUISIANA
STATEMENT REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2017

	Utilities	Airport	Total
<u>OPERATING REVENUES:</u>			
Charges for services:			
Water	\$ 3,921,744	\$ -	\$ 3,921,744
Sewer	4,282,993	-	4,282,993
Solid waste disposal	1,314,296	-	1,314,296
Connection charges	237,286	-	237,286
Fuel	-	390,518	390,518
Tie down and rental revenues	-	102,275	102,275
Penalties	216,232	333	216,565
Total operating revenues	9,972,551	493,126	10,465,677
<u>OPERATING EXPENSES:</u>			
Salaries, wages and related benefits	3,953,543	207,959	4,161,502
Solid waste disposal	2,305,456	-	2,305,456
Repairs and maintenance	727,132	209,405	936,537
Fuel	-	239,165	239,165
Materials and supplies	360,231	4,093	364,324
Utilities	471,758	6,251	478,009
Gas and oil	83,892	3,620	87,512
Insurance	74,266	7,325	81,591
Office expense	8,785	2,617	11,402
Certification and training	24,395	65	24,460
Other	235,561	23,673	259,234
Depreciation	2,374,284	421,048	2,795,332
Total operating expenses	10,619,303	1,125,221	11,744,524
Operating loss	(646,752)	(632,095)	(1,278,847)
<u>NON-OPERATING REVENUES (EXPENSES):</u>			
Ad valorem taxes assessed for sewerage maintenance	1,292,068	-	1,292,068
Ad valorem taxes assessed for garbage service	1,033,768	-	1,033,768
Interest income	1,228	-	1,228
Interest and fiscal charges	(60,314)	-	(60,314)
Other revenues (expenses)	112,262	6,740	119,002
Total non-operating revenues	2,379,012	6,740	2,385,752
Income (loss) before contributions and transfers	1,732,260	(625,355)	1,106,905
Capital contributions	4,541,459	238,944	4,780,403
Transfers in	31,225	89,683	120,908
Transfers out	(701,000)	-	(701,000)
Change in net position	5,603,944	(296,728)	5,307,216
Net position - beginning of the year	48,344,015	4,944,972	53,288,987
Net position - end of the year	\$ 53,947,959	\$ 4,648,244	\$ 58,596,203

The accompanying notes are an integral part of this statement

CITY OF SLIDELL, LOUISIANA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2017

	<u>Utilities</u>	<u>Airport</u>	<u>Total</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>			
Receipts from customers and users	\$ 9,893,421	\$ 490,993	\$ 10,384,414
Payments for goods and services	(3,300,046)	(461,096)	(3,761,142)
Payments to employees	(3,440,761)	(188,592)	(3,629,353)
Payments for direct and indirect costs	(692,946)	(37,314)	(730,260)
Miscellaneous income	5,191	-	5,191
	<u>2,464,859</u>	<u>(196,009)</u>	<u>2,268,850</u>
Net cash provided (used) by operating activities			
<u>CASH FLOWS FROM NON-CAPITAL FINANCING</u>			
<u>ACTIVITIES:</u>			
Transfers from other funds	31,225	89,683	120,908
Transfers to other funds	(701,000)	-	(701,000)
Advances from other funds	-	119,538	119,538
Advances to other funds	(1,956,914)	-	(1,956,914)
Property tax assessed for sewer maintenance	1,292,068	-	1,292,068
Property tax assessed for garbage service	1,033,768	-	1,033,768
Restitution	21,668	-	21,668
Operating grants	-	3,961	3,961
	<u>(279,185)</u>	<u>213,182</u>	<u>(66,003)</u>
Net cash provided (used) by non-capital financing activities			
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING</u>			
<u>ACTIVITIES:</u>			
Capital contributions	-	178,716	178,716
Acquisition and construction of capital assets	(1,556,849)	(195,889)	(1,752,738)
Principal paid on capital debt	(650,000)	-	(650,000)
Interest paid on capital debt	(62,301)	-	(62,301)
Proceeds from sale of capital assets	26,956	-	26,956
	<u>(2,242,194)</u>	<u>(17,173)</u>	<u>(2,259,367)</u>
Net cash provided (used) by capital and related financing activities			
<u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>			
Proceeds from interest income	1,228	-	1,228
	<u>1,228</u>	<u>-</u>	<u>1,228</u>
Net cash provided by investing activities			
Net decrease in cash and cash equivalents	(55,292)	-	(55,292)
Cash and cash equivalents, beginning of year	218,108	-	218,108
Cash and cash equivalents, end of year	<u>\$ 162,816</u>	<u>\$ -</u>	<u>\$ 162,816</u>

The accompanying notes are an integral part of this statement

CITY OF SLIDELL, LOUISIANA
STATEMENT OF CASH FLOWS (CONTINUED)
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2017

	Utilities	Airport	Total
<u>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</u>			
Operating loss	\$ (646,752)	\$ (632,095)	\$ (1,278,847)
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:			
Depreciation	2,374,284	421,048	2,795,332
Change in allowance for doubtful accounts	113,034	-	113,034
Pension expense	233,339	11,092	244,431
Nonoperating income	5,191	-	5,191
Change in asset and liabilities:			
(Increase) decrease in accounts receivable/other assets	(79,130)	(2,133)	(81,263)
(Increase) decrease in inventory	(17,643)	(2,196)	(19,839)
Increase (decrease) in accounts payable	228,093	-	228,093
Increase (decrease) in OPEB liability	254,443	8,275	262,718
Net cash provided (used) by operating activities	<u>\$ 2,464,859</u>	<u>\$ (196,009)</u>	<u>\$ 2,268,850</u>
<u>Noncash investing, capital and financing activities:</u>			
Bond refunding premiums/discounts	<u>\$ (3,722)</u>	<u>\$ -</u>	<u>\$ (3,722)</u>
Contribution of capital assets from developer	<u>\$ 633,941</u>	<u>\$ -</u>	<u>\$ 633,941</u>
Contribution of capital assets from government funds	<u>\$ 3,907,518</u>	<u>\$ -</u>	<u>\$ 3,907,518</u>
<u>Reconciliation of cash and cash equivalents to statement of net position:</u>			
Cash and cash equivalents, restricted	<u>\$ 162,816</u>	<u>\$ -</u>	<u>\$ 162,816</u>
Cash and cash equivalents, end of year	<u>\$ 162,816</u>	<u>\$ -</u>	<u>\$ 162,816</u>

The accompanying notes are an integral part of this statement

CITY OF SLIDELL, LOUISIANA
STATEMENT OF ASSETS AND LIABILITIES
FIDUCIARY FUNDS
JUNE 30, 2017

ASSETS

	Agency Funds
Cash and cash equivalents	\$ 1,050
Restricted cash	96,341
Due from General Fund	<u>173,094</u>
 Total assets	 <u>\$ 270,485</u>

LIABILITIES

Accounts payable	\$ 229
Due to local entities	<u>270,256</u>
 Total liabilities	 <u>\$ 270,485</u>

The accompanying notes are an integral part of this statement

CITY OF SLIDELL, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of City of Slidell, Louisiana (the "City") 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.

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. Generally accepted accounting principles require the financial statements of the reporting entity to present the primary government (the Council) and its component units. Component units are defined as legally separate organizations for which the elected officials of the primary government (the Council) are financially accountable. The criteria used in determining whether financial accountability exists include the appointment of a voting majority of an organization's governing board, the ability of the primary government to impose its will on that organization or whether there is a potential for the organization to provide specific financial benefits or burdens to the primary government. Fiscal dependency may also play a part in determining financial accountability. Discretely presented component units are presented in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government.

Discretely Presented Component Units

Fremaux Economic Development District, State of Louisiana

The Fremaux Economic Development District, State of Louisiana (the "District") was created by an ordinance of the City Council of the City on March 25, 2008, pursuant to the Louisiana Cooperative Economic Development Law. On the same date, the Council passed ordinance number 3461 levying an additional sales tax of one percent (1%) in the District and passed ordinance number 3462 levying a hotel occupancy tax of one percent (1%) in the District. On December 13, 2011, the City Council adopted ordinance number 3636 to reduce the levy from one percent (1%) to one-half of one percent (0.50%). The District encompasses 89 acres of land where a mixed use development is being constructed in multiple phases. The purpose of the District is to issue sales tax and hotel occupancy increment revenue bonds to reimburse a developer for economic development in the District. The audited financial statements for this entity may be obtained by contacting the Finance Director's Office at 2045 Second Street, Slidell, Louisiana or by phone at (985) 646-4316.

The City of Slidell appoints the District's governing body and can impose its will on the District; however, the District does not meet any of the blending criteria as set forth in GASB No. 61. Accordingly, the District has been determined to be a discretely presented component unit of the City of Slidell.

CITY OF SLIDELL, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2017

(1) **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Reporting Entity - Discretely Presented Component Units (continued)

Camellia Square Economic Development District, State of Louisiana

The Camellia Square Economic Development District, State of Louisiana (the "District") was created by an ordinance of the City Council of the City on September 12, 2012, pursuant to the Louisiana Cooperative Economic Development Law. On May 14, 2013, the Council passed ordinance number 3686 levying an additional sales tax of one percent (1%) in the District. The Council passed ordinance number 3487 levying a hotel occupancy tax of two percent (2%). The purpose of the District is to reimburse a developer for economic development (a shopping center and hotel) within the District. Fund financial statements are included in the Other Supplementary Information section of this report for the Camellia Square Economic Development District. Separate financials are not issued for this district since the City performs administrative and accounting services for the District.

The City appoints the District's governing body and can impose its will on the District; however, the District does not meet any of the blending criteria as set forth in GASB No. 61. Accordingly, the District has been determined to be a discretely presented component unit of the City.

Northshore Square Economic Development District, State of Louisiana

The Northshore Square Economic Development District, State of Louisiana (the "District") was created by an ordinance of the City Council of the City on September 23, 2014, pursuant to the Louisiana Cooperative Economic Development Law. Ordinance number 3753 levied a one half of one percent (0.5%) sales and use tax beginning April 1, 2015 for the purpose of paying the costs of economic development projects. The purpose of the District is to finance economic development projects within the District. Fund financial statements are included in the Other Supplementary Information section of this report for the Northshore Square Economic Development District. Separate financials are not issued for this district since the City performs administrative and accounting services for the District.

The City appoints the District's governing body and can impose its will on the District; however, the District does not meet any of the blending criteria as set forth in GASB No. 61. Accordingly, the District has been determined to be a discretely presented component unit of the City.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Changes in Net Position) report information on all of the nonfiduciary activities of the City. The effect of interfund activity has been removed from these statements. Interfund services provided and used are not eliminated in the process of consolidation. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

CITY OF SLIDELL, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2017

(1) **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Government-Wide and Fund Financial Statements (continued)

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual enterprise funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements (except agency funds which do not have a measurement focus). Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

CITY OF SLIDELL, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2017

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus, Basis of Accounting and Financial Statement Presentation (continued)

The City reports the following major governmental funds:

The *General Fund* is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *Sales Tax Fund* accounts for the bond proceeds and subsequent debt service and expenditures funded by the City's one percent 1963 sales and use tax and a portion of one percent 1987 sales and use tax, which are primarily dedicated for public improvements.

The *Public Safety Fund* accounts for the City's police department that is primarily funded by that portion of the 1987 one percent sales and use tax, which is dedicated to public safety.

The *Grants and Donations Fund* accounts for federal and other grant programs not accounted for elsewhere.

The *Katrina Fund* accounts for FEMA reimbursements, insurance proceeds and the related costs associated with the storm.

The *General Obligation Bond 2016 Fund* accounts for the use of bond proceeds dedicated to improvements to the City's streets, bridges and drainage.

The City reports the following major proprietary funds:

The *Utility Fund* accounts for the operations of the water and sewerage systems and the solid waste disposal system.

The *Airport Fund* accounts for operations of the Slidell Municipal Airport.

Additionally, the City reports the following fund type:

An *Agency Fund* is used to account for the activities of the Animal Assistance League of Slidell. This fund accounts for assets held by the City in a fiduciary capacity for individuals, organizations and others.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Utility Fund and Airport Fund are charges to customers for services. Operating expenses for enterprise funds include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

CITY OF SLIDELL, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2017

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgetary Accounting

Budget Policies – The City legally adopts annual budgets for only the General Fund and Special Revenue Funds in accordance with state law. 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 state supplemental pay (\$481,514 in 2017) to police officers is not treated as budgeted revenues and expenditures of the Public Safety 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.

During the year, the Mayor may authorize transfers between line items within a department 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 Schedules of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - Budgetary Basis, (see pages 71 to 77 and 85 to 86) includes the effect of such appropriation amendments approved by the City Council during the current year. These amendments may reappropriate committed funds rolling forward from the previous year for various capital projects as well as amend the distributions of operating funds already appropriated.

Cash and Cash Equivalents

For the purpose of the Statement of Net Position, cash includes all demand, savings accounts, and certificates of deposit of the City. For the purpose of the proprietary funds Statement of Cash Flows, all highly liquid investments (including certificates of deposit) with maturity of three months or less when purchased are considered to be cash equivalents.

The City is authorized under state law to deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the United States, or laws of the United States. Under state laws, these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. State Law R.S. 39:1225 provides that the amount of the security shall at all times be equal to 100% of the amount on deposit to the credit of each depositing authority, except that portion of the deposits insured by United States.

Investments

State Law R.S. 33:2955 allows the investment in direct United States Treasury obligations; bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by federal agencies or U.S. government instrumentalities, which are federally sponsored; direct security repurchase agreements of any federal book-entry-only securities guaranteed by the U.S. government; time certificates of deposit of any bank domiciled or having a branch office in the state of Louisiana; savings accounts or shares of certain savings and loan associations and savings banks; certain accounts of federally or state chartered credit unions, and certain mutual or trust fund institutions.

CITY OF SLIDELL, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2017

(1) **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Investments (continued)

Investments are stated at fair value in accordance with the Governmental Accounting Standards Board Statement (GASB) No. 31 *“Accounting and Financial Reporting for Certain Investments and for External Investment Pools.”*

Interfund Transactions

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Those related to goods and services type transactions are classified as “due to and from other funds”. Short-term interfund loans are reported as “interfund receivables and payables”. Long-term interfund loans (noncurrent portion) are reported as “advances from and to other funds”. Interfund receivables and payables between funds within governmental activities are eliminated in the Statement of Net Position.

The permanent reallocation of resources between funds of the City are classified as interfund transfers. For the purposes of the Statement of Activities, all interfund transfers between individual governmental funds have been eliminated. Interfund services provided and used are not eliminated in the process of consolidation.

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 Utility Fund.

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

Inventories and Prepaids

Inventories are valued at cost using the average cost method. Inventories in the governmental 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 governmental funds are equally offset by non-spendable fund balance, which indicates that although inventories are a component of net current assets, they do not constitute “available spendable resources.” Inventories in the proprietary funds consist of chemicals, repair materials, and spare parts. These inventories are also accounted for using the consumption method.

Payments made to vendors for services that will benefit periods beyond June 30, 2017, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which it was consumed.

CITY OF SLIDELL, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2017

(1) **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Restricted Assets

Restricted investments on the Balance Sheet of the General Fund represent a certificate of deposit of \$300,000 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 restricted as these monies are legally segregated for a specific future use. Restricted cash on the Balance Sheet of the General Fund totals \$846,921, which represents cash received through grants and donations that are restricted for future activity.

Restricted assets on the Statement of Net Position of the Utility Fund represent funds which are required to be maintained pursuant to ordinances relating to the Utilities Revenue Bonds and Certificates of Indebtedness.

Restricted cash on the Balance Sheet of the Other Governmental Funds General Obligation Bonds 2010 Fund of \$1,304,407 represents unspent bond proceeds and interest earnings related to the Series 2010 General Obligation Bond. A corresponding amount of fund balance is restricted as these monies are legally segregated for a specific future use.

Restricted cash on the Balance Sheet of the General Obligation Bonds 2016 Fund of \$12,650,601 represents unspent bond proceeds and interest earnings related to the Series 2016 General Obligation Bond. A corresponding amount of fund balance is restricted as these monies are legally segregated for a specific future use.

Capital Assets

Capital assets, which include land and land improvements, buildings, equipment, and infrastructure assets (streets, roads, bridges, canals, and sewer and drainage systems) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 and an estimated life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. Major additions are capitalized as projects are constructed.

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same as in the government-wide financial statements.

The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend assets lives are not capitalized.

CITY OF SLIDELL, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2017

(1) **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Capital Assets (continued)

Depreciation on all capital assets, excluding land and construction in progress, is calculated on the straight-line method over the following estimated useful lives:

Land improvements	7 to 20 years
Buildings and building improvements	20 to 50 years
Street system	10 to 20 years
Drainage system	20 years
Office equipment	4 to 10 years
Machinery and equipment	10 years
Vehicles	4 years
Bridges	25 years
Water system	20 to 50 years
Sewerage system	10 to 50 years

Pensions

The City is a participating employer in three defined benefit pension plans as described in Note 3. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of each of the plans, and additions to/deductions from each plans' fiduciary net position have been determined on the same basis as they are reported by each of the plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value within each plan.

Deferred Outflows and Inflows of Resources

The Statement of Net Position includes a separate section for Deferred Outflows of Resources. This represents the usage of net position applicable to future periods and will be recognized as expenditures in the future period to which it applies. This category includes deferred charge on refunding reported on the government-wide Statement of Net Position. The deferred charge on refunding is the difference between the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or the refunding debt. This category also includes amounts related to pensions for certain actuarially determined differences projected and actual investment earnings.

The Statement of Net Position also includes a separate section for Deferred Inflows of Resources. This represents the acquisition of net position applicable to future periods and will be recognized as revenue in the future period to which it applies. Currently, this category includes revenue received in advance, and amounts related to pensions for certain actuarially determined differences between projected and actual experience.

Deferred Inflows of Resources in the Governmental Funds Balance Sheet include unavailable revenue. Unavailable revenue consists primarily of grant related receivables. The City considers revenues available if they are collected within 60 days of the end of the fiscal year.

CITY OF SLIDELL, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2017

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Compensated Absences

Vacation and sick leave benefits are based on the number of years of service. Unused sick leave may be carried forward to subsequent years. Only 30 days of unused vacation may be carried forward to subsequent years. However, upon retirement or termination 30 days of earned vacation will be paid to City employees. In addition, 30 days of earned sick leave will be paid to City employees only upon retirement. Upon retirement unused and unpaid sick leave and vacation leave are converted to time served for retirement credit. The liability for these compensated absences is recorded as long-term debt in the government-wide financial statements.

In the fund financial statements, the governmental funds report a liability for compensated absences for the amount that has matured as a result of employee resignations and retirements.

Compensated absences are liquidated by the funds in which the employees' salaries were reported. In prior years, the funds which have typically been used to liquidate compensated absences have been the General, Sales Tax, Public Safety, Utility and Airport Funds.

Other Post-Employment Benefits

The City provides certain health care and life insurance benefits for retired employees. The primary government recognizes the costs associated with providing these benefits as claims are paid. In the government-wide financial statements and proprietary fund types in the fund financial statements, other post-employment benefits are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position.

Long-Term Debt

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuance are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

CITY OF SLIDELL, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2017

(1) **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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 31st, penalties are assessed for any payment not received by January 15th. 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.

Equity Classifications

In the government-wide financial statements, equity is classified as net position and displayed in three components:

- a. Net investment in capital assets - consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets and any related deferred outflows of resources and deferred inflows of resources.
- b. Restricted net position - consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation. Restricted for other purposes on the Statement of Net Position consist of grant related cash, workers compensation investments, and Economic Development District.
- c. Unrestricted net position - all other net position that do not meet the definition of "restricted" or "net investment in capital assets."

The equity of the fund financial statements is defined as "fund balance" and is classified in the following categories:

- a. Nonspendable Fund Balance - This represents amounts that cannot be spent due to form (e.g., inventories and prepaid amounts).
- b. Restricted Fund Balance - This represents amounts constrained for a specific purpose by external parties, such as grantors, creditors, contributors or laws and regulations of their governments.
- c. Committed Fund Balance - This represents the portion of a governmental fund's resources whose use is subject to a legally binding constraint that is imposed by the City Council that remains legally binding unless removed in the same manner. These constraints are set by the City Council through an ordinance.
- d. Assigned Fund Balance - This represents amounts constrained for the intent to be used for a specific purpose by the City Council or Finance Director that has been delegated authority to assign amounts by the City Council through an ordinance.
- e. Unassigned Fund Balance - This represents fund balance in the General Fund in excess of nonspendable, restricted, committed and assigned fund balance. If another governmental fund has a fund balance deficit, it is reported as a negative amount in unassigned fund balance.

CITY OF SLIDELL, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2017

(1) **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Equity Classifications (continued)

When both restricted and unrestricted fund balances are available for use, it is the City's policy to use restricted resources first, then unrestricted as needed. When committed, assigned or unassigned fund balances are available for use, it is the City's policy to use committed resources first, then assigned resources and unassigned resources as they are needed.

Minimum Unrestricted Fund Balance Policy

Unrestricted fund balance is defined as total fund balance less non-spendable fund balance less restricted fund balance. The City has adopted the following minimum unrestricted fund balance policy:

General fund – The minimum unrestricted fund balance shall be 25% of operating revenue per the last audited financial statements of the City.

Special revenue funds primarily funded by sales tax – The minimum unrestricted fund balance shall be 25% of operating revenue per the last audited financial statements of the City plus funds committed to capital outlay.

DISA Building Fund – The minimum unrestricted fund balance shall be 60% of operating expenditures per the last audited financial statements of the City plus funds committed to capital outlay.

Replenishment – Should the minimum fund balance fall below the targeted levels defined above, the Mayor shall propose a plan to the Council for their approval to restore the fund balance to the target level within 24 months. If restoration to the minimum fund balance target cannot be accomplished within such a period without severe hardship to the City, the Council will establish a different time frame.

Deficit Fund Balances

The Grants and Donations Fund had a deficit fund balance of \$(1,469,345) at June 30, 2017. The deficit fund balance results primarily from expenditures incurred for which the related revenue is unavailable at June 30, 2017.

Encumbrances

The City uses encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of funds are recorded to reserve that portion of the applicable appropriation. Appropriations in governmental funds are encumbered upon issuance of purchase orders for goods and services. Appropriations for operating expenditures lapse at the end of the year but appropriations for capital expenditures are carried forward. Unfilled purchase orders encumbering operating budgets are cancelled and they are only reissued upon reauthorization. Appropriations for capital expenditures are carried forward for three years. Encumbrances at year end do not constitute expenditures or liabilities.

CITY OF SLIDELL, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2017

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounting Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make certain estimates and assumptions. Those estimates affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources and disclosure of assets, deferred outflows of resources, liabilities, and deferred inflows of resources at the date of the financial statements. They may also affect the reported amounts of revenues and expenses of proprietary funds and the government-wide financial statements during the reporting period. Actual results could differ from these estimates.

Subsequent Events

Subsequent events have been evaluated through December 19, 2017, the date the financial statements were available to be issued.

(2) CASH AND INVESTMENTS

Deposits

The City had the following cash as of June 30, 2017:

	Total
<u>Governmental funds:</u>	
Unrestricted:	
Petty cash	\$ 1,825
Demand deposits	41,093,260
Restricted: Demand deposits	14,801,929
 <u>Proprietary funds:</u>	
Restricted: Demand deposits	162,816
 <u>Fiduciary Funds:</u>	
Unrestricted: Petty cash	1,050
Restricted: Demand deposits	96,341
	\$ 56,157,221

Custodial credit risk is the risk that, in the event of a bank failure, the City's deposits might not be recovered. The City's deposit policy for custodial credit risk conforms to state law, as described in Note 1. At June 30, 2017, the City's demand deposit bank balances of \$57,590,361 were entirely secured by federal deposit insurance and pledged securities held by the City's agent in the City's name.

Investments

Custodial credit risk is defined as the risk that, in the event of failure of the counterparty, the City will not be able to recover the value of its investment. The City is not exposed to custodial credit risk at June 30, 2017 since investments are held in the name of the City. The City's investment policy conforms to state law, as described in Note 1.

CITY OF SLIDELL, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2017

(2) CASH AND INVESTMENTS (CONTINUED)

Investments (continued)

Concentration of credit risk relates to the amount of investments in any one entity. At June 30, 2017, the City had no investments in any one entity which exceeded five percent of total investments, except obligations of federally sponsored entities, which are implicitly guaranteed by the federal government.

Interest rate risk is defined as the risk that changes in interest rates will adversely affect the fair value of an investment. The City's investment policy conforms to state law, which includes a policy that limits investment maturities to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities prior to maturity. This reduces exposure to fair value losses arising from increasing interest rates.

As of June 30, 2017, the City had the following investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities (In Years)</u>			
		<u>Less Than 1</u>	<u>1-5</u>	<u>6-10</u>	<u>Greater than 10</u>
U.S. Agencies	\$ 2,202,972	\$ 2,202,972	\$ -	\$ -	\$ -
Certificates of Deposit	<u>300,000</u>	<u>300,000</u>	-	-	-
	<u>\$ 2,502,972</u>	<u>\$ 2,502,972</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Credit risk is defined as the risk that an insurer or other counterparty to an investment will not fulfill its obligations. As of June 30, 2017, the City's investments are in obligations of or guaranteed by the U.S. government. The City's investment policy minimizes credit risk by limiting its investments to those which are either obligations of, guaranteed by, or collateralized by the U.S. government.

(3) RETIREMENT PLANS

Plan Description

The City provides pension benefits for all of its full-time employees through three 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 Court Judge is a member of the Louisiana State Employees' Retirement System (LASERS).

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

CITY OF SLIDELL, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2017

(3) RETIREMENT PLANS (CONTINUED)

Plan Description (continued)

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, age 55 with 12 years creditable service or at any age with 25 years of creditable service. The retirement benefit is generally three and one-third percent of the members' average final compensation multiplied by their 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.

For LASERS participants, the age and years of creditable service required in order for a member to retire with full benefits are established by statute, and vary depending on the member's hire date, employer, and job classification. The majority of LASERS rank and file members may either retire with full benefits at any age upon completing 30 years of creditable service and at age 60 upon completing five to ten years of creditable service depending on their plan. Additionally, members may choose to retire with 20 years of service at any age, with an actuarially reduced benefit. The basic annual retirement benefit for members is equal to 2.5% to 3.5% of average compensation multiplied by the number of years of creditable service. LASERS issues a publicly available financial report that can be obtained at www.lasersonline.org.

Contributions

Contributions to the retirement systems were based on participating full-time employee earnings, which were approximately as follows for fiscal 2017:

Municipal System	\$	6,663,000
Police System		4,751,000
LASERS System		<u>37,000</u>
Total		<u>\$ 11,451,000</u>

According to state statute, contributions requirements for all City employers are actuarially determined each year by the Public Retirement Systems' Actuarial Committee. For the year ended June 30, 2017 the contribution rates were 22.75% and 9.50% of employee earnings, respectively, for the Municipal System, 31.75% and 10.00% of employee earnings, respectively, for the Police System, as well as 38.00% and 11.50% of employee earnings, respectively, for the LASERS System.

The City's 2017 contributions to the Municipal System consisted of 22.75% of participating employee earnings. The City's 2017 contributions to the Police System consisted of 31.75% of participating employee wages. The City's 2017 contributions to the LASERS System consisted of 38.00%, of the participating judge's wages.

The City's contributions to the Municipal System for the years ended June 30, 2017 were approximately \$1,516,000, equal to the required contribution for each year. The City's contributions to the Police System for the years ended June 30, 2017 were approximately \$1,510,000, equal to the required contribution for each year. The City's contributions to the LASERS System for the years ended June 30, 2017 were approximately \$14,200, equal to the required contribution for each year.

CITY OF SLIDELL, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2017

(3) RETIREMENT PLANS (CONTINUED)

Pension Liabilities, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2017, the City reported a liability totaling \$30,323,296 of which \$15,036,066 was for its proportionate share of the net pension liability for the Municipal System, \$15,125,703 for the Police System, and \$161,527 for the LASERS System. The net pension liability was measured as of June 30, 2016 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. The City's proportion of the Net Pension Liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2016, the City's proportion was 3.668487% for the Municipal System, which was an decrease of .014142% from its proportion measured as of June 30, 2015. At June 30, 2016, the City's proportion was 1.613784% for the Police System, which was an increase of .021552% from its proportion measured as of June 30, 2015. At June 30, 2016, the City's proportion was .002057% for the LASERS System, which was an increase of .000197% from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, the City recognized pension expense totaling \$4,544,980, of which \$2,298,398 was for the Municipal System, \$2,229,980 for the Police System, and \$16,602 for the LASERS System. Added to pension expense is the employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions totaling \$2,466,441, of which \$1,162,280 was for the Municipal System, \$1,296,758 was for the Police System, and \$7,403 was for the LASERS System.

For the year ended June 30, 2017, the City recognized revenue for the support provided by non-employer contributing entities totaling \$522,528, of which \$222,282 was for the Municipal System and \$300,246 was for the Police System.

At June 30, 2017, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources				Deferred Inflows of Resources			
	Municipal	Police	LASERS	Total	Municipal	Police	LASERS	Total
Differences between expected and actual experience	\$ -	\$ -	\$ 94	\$ 94	\$ 475,297	\$ 240,612	\$ 1,498	\$ 717,407
Change in assumptions	547,349	735,420	-	1,282,769	-	911	-	911
Net difference between projected and actual earnings on pension plan investments	3,433,834	2,327,445	20,118	5,781,397	-	-	-	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	92,299	558,666	12,106	663,071	66,784	20,895	2,709	90,388
Employer contributions subsequent to the measurement date	1,515,787	1,510,089	14,233	3,040,109	-	-	-	-
Total	\$ 5,589,269	\$ 5,131,620	\$ 46,551	\$ 10,767,440	\$ 542,081	\$ 262,418	\$ 4,207	\$ 808,706

CITY OF SLIDELL, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2017

(3) RETIREMENT PLANS (CONTINUED)

Pension Liabilities, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

Employer contributions subsequent to the measurement date totaling \$3,040,109 and reported as deferred outflows of resources will be recognized as a reduction of the Net Pension Liability in the year ending June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:	<u>Municipal</u>	<u>Police</u>	<u>LASERS</u>	<u>Total</u>
2018	\$ 1,184,521	\$ 949,646	\$ 8,390	\$ 2,142,557
2019	701,563	856,738	7,103	1,565,404
2020	1,112,635	961,555	7,818	2,082,008
2021	532,682	591,174	4,800	1,128,656
Total	<u>\$ 3,531,401</u>	<u>\$ 3,359,113</u>	<u>\$ 28,111</u>	<u>\$ 6,918,625</u>

Actuarial Assumptions – Municipal System Plan A

The actuarial assumptions used in the June 30, 2016 valuation for the Municipal System were based on the results of an experience study, for the period July 1, 2009 through June 30, 2014. The total pension liability as of June 30, 2016 is based on actuarial valuations for the same period, updated using generally accepted actuarial procedures. Information on the actuarial valuation and assumptions is as follows:

Valuation Date:	June 30, 2016
Actuarial Cost Method:	Entry Age Normal
Actuarial Assumptions:	
Investment Rate of Return	7.50%, net of investment expense
Projected Salary Increases	5.00% (2.875% Inflation, 2.125% Merit)
Mortality Rates	RP-2000 Employee Table for active members RP-2000 Healthy Annuitant Table for healthy annuitants RP-2000 Disabled Lives Mortality Tables for disabled annuitants
Expected Remaining Service Lives	3 years for Plan A
Cost of Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees.

CITY OF SLIDELL, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2017

(3) RETIREMENT PLANS (CONTINUED)

Actuarial Assumptions – Municipal System Plan A (continued)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and an adjustment for the effect of rebalancing/diversification. Best estimates of arithmetic real rates of return for each major asset class included in the System's target allocation as of June 30, 2016 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Public equity	50%	2.6%
Public fixed income	35%	1.8%
Alternatives	15%	0.8%
Total	100%	5.2%
Inflation		2.5%
Expected Arithmetic Nominal Return		7.7%

Mortality Rate

The mortality rate assumption used was verified by combining data from this plan with three other statewide plans which have similar workforce composition in order to produce a credible experience. The aggregated data was collected over the period July 1, 2009 through June 30, 2014. The data was then assigned credibility weighting and combined with a standard table to produce current levels of mortality. This mortality was then projected forward to a period equivalent to the estimated duration of the System's liabilities. Annuity values calculated based on this mortality were compared to those produced by using a setback of standard tables. The result of the procedure indicated that these tables would produce liability values approximating the appropriate generational mortality tables used.

Discount Rate

The discount rate used to measure the total pension liability was 7.50%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by PRSAC taking into consideration the recommendation of the System's actuary. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

CITY OF SLIDELL, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2017

(3) RETIREMENT PLANS (CONTINUED)

Actuarial Assumptions – Municipal System Plan A (continued)

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the City's proportionate share of the Net Pension Liability using the discount rate of 7.50%, as well as what the City's proportionate share of the Net Pension Liability would be if it were calculated using a discount rate that is one percentage point lower, or one percentage point higher than the current rate:

	<u>Municipal System Plan A</u>		
	1% Decrease	Current Discount Rate	1% Increase
	6.50%	7.50%	8.50%
City's proportionate share of the Net Pension Liability	\$ 19,113,640	\$ 15,036,066	\$ 11,556,647

Detailed information about the pension plan's fiduciary net position is available in the separately issued stand-alone audit report on their financial statements for the year ended June 30, 2016. Access to the report can be found on the Louisiana Legislative Auditor's website, www.la.la.gov.

Actuarial Assumptions – Police System

The actuarial assumptions used in the June 30, 2016 valuation for the Police System were based on the assumptions used in the June 30, 2016 actuarial funding valuation, and were based on the results of actuarial experience study for the period July 1, 2009 through June 30, 2014. In cases where benefit structures were changed after the study period, assumptions were based on estimates of future experience. The total pension liability as of June 30, 2016 is based on actuarial valuations for the same period, updated using generally accepted actuarial procedures.

Information on the actuarial valuation and assumptions is as follows:

Valuation Date:	June 30, 2016	
Actuarial Cost Method:	Entry Age Normal	
Actuarial Assumptions:		
Investment Rate of Return	7.50% (Net of investment expense)	
Inflation	2.875%	
Salary increases, including Inflation and merit increases	<u>Years of Service</u>	<u>Salary Growth Rate</u>
	1 – 2	9.75%
	3 – 23	4.75%
	24 & over	4.25%

CITY OF SLIDELL, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2017

(3) RETIREMENT PLANS (CONTINUED)

Actuarial Assumptions – Police System (continued)

Mortality Rates Mortality assumptions were based on an experience study for the period July 1, 2009-June 30, 2014. The RP-200 Combined Healthy with Blue Collar Adjustment Sex Distinct Tables projected to 2029 by Scale AA (set-back 1 year for females) were selected for annuitant and beneficiary mortality. For employees, the RP-2000 Employee table setback 4 years for males and set back 3 years for females were selected for disabled annuitants.

Expected Remaining Service Lives 4 years

Cost of Living Adjustments (COLA) – The Board of Trustees is authorized to provide annual cost-of-living adjustments computed on the amount of the current regular retirement, disability, beneficiary or survivor’s benefit, not to exceed 3% in any given year. The Board is authorized to provide an additional 2% COLA, computed on the member’s original benefit, to all regular retirees, disability, survivors and beneficiaries who are 65 years of age or older on the cut-off date which determines eligibility. No regular retiree, survivor or beneficiary shall be eligible to receive a cost-of-living adjustment until benefits have been received at least one full fiscal year and the payment of such COLA, when authorized, shall not be effective until the lapse of at least one-half of the fiscal year. Members who elect early retirement are not eligible for a cost of living adjustment until they reach regular retirement age.

The forecasted long-term expected rate of return on pension plan investments as determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and an adjustment for the effect of rebalancing/diversification. Best estimates of arithmetic nominal rates of return for each major asset class included in the System’s target allocation as of June 30, 2016 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Equity	53%	3.69%
Fixed income	21%	0.49%
Alternatives	20%	1.11%
Other	6%	0.21%
Total	100%	5.50%
Inflation		2.75%
Expected Arithmetic Nominal Return		8.25%

CITY OF SLIDELL, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2017

(3) RETIREMENT PLANS (CONTINUED)

Actuarial Assumptions – Police System (continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.50%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by PRSAC taking into consideration the recommendation of the System’s actuary. Based on those assumptions, the System’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the City’s proportionate share of the Net Pension Liability using the discount rate of 7.50%, as well as what the City’s proportionate share of the Net Pension Liability would be if it were calculated using a discount rate that is one percentage point lower, or one percentage point higher than the current rate:

	Police System		
	1% Decrease	Current Discount Rate	1% Increase
	6.50%	7.50%	8.50%
City’s proportionate share of the Net Pension Liability	\$ 20,163,863	\$ 15,125,703	\$ 10,895,710

Detailed information about the pension plan’s fiduciary net position is available in the separately issued stand-alone audit report on their financial statements for the year ended June 30, 2016. Access to the report can be found on the Louisiana Legislative Auditor’s website, www.la.la.gov.

Actuarial Assumptions – LASERS System

The total pension liability in the June 30, 2016 actuarial valuations for the LASERS System was determined using the following actuarial assumptions:

Valuation Date:	June 30, 2016
Actuarial Cost Method:	Entry Age Normal
Actuarial Assumptions:	
Investment Rate of Return	7.75% per annum
Inflation	3.00% per annum
Expected Remaining Service Lives	3 years

CITY OF SLIDELL, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2017

(3) RETIREMENT PLANS (CONTINUED)

Actuarial Assumptions – LASERS System (continued)

Mortality Rates	Non-disabled members – Mortality rates based on the RP-2000 Combined Healthy Mortality Table with mortality improvement projected to 2015.
	Disabled members – Mortality rates based on the RP-2000 Disabled Retiree Mortality Table, with no projection for mortality improvement.
Termination, Disability, and retirement	Termination, disability, and retirement assumptions were projected based on a five-year (2009-2013) experience study of the System’s members.
Salary increases	Salary increases were projected based on a 2009-2013 experience study of the System’s members. The salary increase ranges for specific types of members are:

<u>Member Type</u>	<u>Lower Range</u>	<u>Upper Range</u>
Regular	4.0%	13.0%
Judges	3.0%	5.5%
Corrections	3.6%	14.5%
Hazardous Duty	3.6%	14.5%
Wildlife	3.6%	14.5%

Cost of Living Adjustments – The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The projected benefit payments do not include provisions for potential future increases not yet authorized by the Board of Trustees as they were deemed not to be substantively automatic.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and an adjustment for the effect of rebalancing/diversification. The target allocation and best estimates of geometric real rates of return for each major asset class included in the pension plan’s target asset allocation as of June 30, 2016 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	0%	-0.24%
Domestic equity	25%	4.31%
International equity	32%	5.48%
Domestic fixed income	12%	1.63%
International fixed income	2%	2.47%
Alternative investments	22%	7.42%
Global asset allocation	7%	2.92%
Total	<u>100%</u>	<u>5.30%</u>

CITY OF SLIDELL, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2017

(3) RETIREMENT PLANS (CONTINUED)

Actuarial Assumptions – LASERS System (continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.75%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that employer contributions from participating employers will be made at the actuarially determined rates approved by PRSAC taking into consideration the recommendation of the pension plan's actuary. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the City's proportionate share of the Net Pension Liability using the discount rate of 7.75%, as well as what the City's proportionate share of the Net Pension Liability would be if it were calculated using a discount rate that is one percentage point lower, or one percentage point higher than the current rate:

	LASERS System		
	1% Decrease	Current Discount Rate	1% Increase
	6.75%	7.75%	8.75%
City's proportionate share of the Net Pension Liability	\$ 198,451	\$ 161,527	\$ 130,153

Detailed information about the pension plan's fiduciary net position is available in the separately issued stand-alone audit report on their financial statements for the year ended June 30, 2016. Access to the report can be found on the Louisiana Legislative Auditor's website, www.lla.la.gov.

(4) 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 two separate Special Revenue Funds – Sales Tax Fund and Public Safety Fund.

CITY OF SLIDELL, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2017

(4) DEDICATED REVENUES (CONTINUED)

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's name. 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. Proceeds of the 1963 sales and use tax serve as security for outstanding sales tax revenue bonds (see Note 5).

All of the proceeds of the 1987 tax, after paying the reasonable and necessary expenses of collecting and administering the tax, were dedicated to the 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.

In a tax proposition approved by voters in December 2012, the 1987 tax was rededicated to include all the lawful purposes approved in September 1986, and beginning, July 1, 2013, for paying the operational cost of police protection and public safety.

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 would be split equally (after the City recovered approximately \$1,386,000 of costs relating to the extension of services to two retail developments) between the City and Sales Tax District #3 of St Tammany Parish. The initial agreement had a twenty-year life, and expired December 1, 2006. The City entered into negotiations with St. Tammany Parish to renew this agreement and on October 24, 2006, an ordinance was passed renewing the inter-governmental agreement between the City and Sales Tax District #3 of St. Tammany Parish, with a few minor changes. The agreement has a twenty-five year life, expiring December 1, 2031.

CITY OF SLIDELL, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2017

(5) LONG-TERM DEBT

The following is a summary of long-term debt transactions of the City for the year ended June 30, 2017:

	<u>Balance</u> <u>6/30/2016</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>6/30/2017</u>	<u>Due Within</u> <u>One Year</u>
<u>Governmental Activities:</u>					
General obligation bonds	\$ 8,166,000	\$ 12,000,000	\$ (844,000)	\$ 19,322,000	\$ 865,000
Issuance premiums	41,843	836,052	(6,974)	870,921	48,677
Sales tax revenue bonds	625,000	-	(625,000)	-	-
Issuance premiums	13,117	-	(13,117)	-	-
Compensated absences (Note 1)	1,803,000	459,939	(389,939)	1,873,000	389,939
LCDA loan	741,300	-	(414,100)	327,200	327,200
Net OPEB obligation	9,309,560	1,044,666	-	10,354,226	-
Net pension obligation (Note 3)	22,139,377	4,879,185	(828,940)	26,189,622	-
Claims and judgments	<u>2,540,379</u>	<u>6,344,347</u>	<u>(5,968,281)</u>	<u>2,916,445</u>	<u>-</u>
Total governmental activities	<u>45,379,576</u>	<u>25,564,189</u>	<u>(9,090,351)</u>	<u>61,853,414</u>	<u>1,630,816</u>
<u>Business-Type Activities:</u>					
Utility revenue bonds	1,970,000	-	(425,000)	1,545,000	210,000
Certificates of indebtedness	460,000	-	(225,000)	235,000	235,000
Net OPEB obligation	2,341,217	262,718	-	2,603,935	-
Net pension obligation (Note 3)	3,615,483	647,918	(129,727)	4,133,674	-
Compensated absences (Note 1)	<u>331,000</u>	<u>115,589</u>	<u>(92,589)</u>	<u>354,000</u>	<u>92,589</u>
Total business-type activities	<u>8,717,700</u>	<u>1,026,225</u>	<u>(872,316)</u>	<u>8,871,609</u>	<u>537,589</u>
Total governmental and business-type activities	<u>\$ 54,097,276</u>	<u>\$ 26,590,414</u>	<u>\$ (9,962,667)</u>	<u>\$ 70,725,023</u>	<u>\$ 2,168,405</u>

GASB Statement No. 65 requires current refundings and advance refundings resulting in defeasance of debt reported by governmental activities, business-type activities, and proprietary funds, the difference between the reacquisition price, and the net carrying amount of the old debt be reported as a deferred outflow of resources or a deferred inflow of resources. GASB Statement No. 68 established standards for measuring and recognizing deferred outflows of resources and deferred inflows of resources related to pensions.

	<u>Deferred Outflow of Resources</u>			
	<u>Balance</u> <u>6/30/2016</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>6/30/2017</u>
<u>Governmental Activities:</u>				
General Obligation Bonds: deferred charges on refunding	\$ 483,674	\$ -	\$ (40,071)	\$ 443,603
Sales Tax Revenue Bonds: deferred charges on refunding	53,950	-	(53,950)	-
Pension (Note 3)	<u>6,348,421</u>	<u>4,001,593</u>	<u>(1,106,812)</u>	<u>9,243,202</u>
Total governmental activities	<u>6,886,045</u>	<u>4,001,593</u>	<u>(1,200,833)</u>	<u>9,686,805</u>
<u>Business-Type Activities:</u>				
Utility Revenue Bonds: deferred charges on refunding	29,777	-	(3,722)	26,055
Pension (Note 3)	<u>1,189,758</u>	<u>553,143</u>	<u>(218,663)</u>	<u>1,524,238</u>
Total business-type activities	<u>1,219,535</u>	<u>553,143</u>	<u>(222,385)</u>	<u>1,550,293</u>
Total governmental and business-type activities	<u>\$ 8,105,580</u>	<u>\$ 4,554,736</u>	<u>\$ (1,423,218)</u>	<u>\$ 11,237,098</u>

CITY OF SLIDELL, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2017

(5) LONG-TERM DEBT (CONTINUED)

	<u>Deferred Inflow of Resources</u>			
	<u>Balance</u> <u>6/30/2016</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>6/30/2017</u>
<u>Governmental Activities:</u>				
Pension(Note 3)	\$ (890,855)	\$ (68,810)	\$ 287,607	\$ (672,058)
Total governmental activities	<u>(890,855)</u>	<u>(68,810)</u>	<u>287,607</u>	<u>(672,058)</u>
<u>Business-Type Activities:</u>				
Pension(Note 3)	(137,154)	(18,366)	18,872	(136,648)
Total business-type activities	<u>(137,154)</u>	<u>(18,366)</u>	<u>18,872</u>	<u>(136,648)</u>
Total governmental and business-type activities	<u>\$(1,028,009)</u>	<u>\$ (87,176)</u>	<u>\$ 306,479</u>	<u>\$ (808,706)</u>

Details on the City's long-term debt as of June 30, 2017 are as follows:

\$5,000,000 LCDA loan, Series 1991, secured by a pledge of all lawfully available funds, bearing interest at a variable rate (1.87% at 6/30/17) payable monthly through 2018, capital improvements. \$ 327,200

\$1,971,000 Certificates of Indebtedness, Series 2008, secured by a pledge of all lawfully available funds, bearing interest at 3.44%, payable semi-annually through 2018, automated meter reading system. \$ 235,000

General Obligation Bonds secured by an irrevocable pledge of 100% ad valorem taxes related to the bonds through 2036:

\$9,950,000 General Obligation Bonds, Series 2010, bearing interest from 3.0% to 4.1%, payable semi-annually through 2029, streets, bridges and drainage. \$ 2,565,000

\$5,146,000 Refunding Bonds, Series 2016, bearing interest at 2.25%, payable semi-annually through 2029, street and bridges, and drainage. 5,087,000

\$12,000,000 General Obligation Bonds, Series 2016, bearing interest from 2.0% to 4.0%, payable semi-annually through 2036, streets, bridges and drainage. 11,670,000

\$ 19,322,000

Utility Revenue Bonds, secured by an irrevocable pledge of 100% of the City's revenues of the Utility Fund through 2024:

\$3,625,000 Utility Revenue Refunding Bonds, Series 2012, bearing interest at 2.34%, payable semi-annually through 2024, improvements to waste water treatment plant and sewer system. \$ 1,545,000

\$ 1,545,000

CITY OF SLIDELL, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2017

(5) LONG-TERM DEBT (CONTINUED)

The annual requirements to maturity for general obligation bonds as of June 30, 2017 are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2018	\$ 865,000	\$ 602,570
2019	901,000	577,995
2020	948,000	552,473
2021	999,000	520,680
2022	1,046,000	487,178
2023-2027	5,926,000	1,913,000
2028-2032	4,992,000	1,038,603
2033-2036	<u>3,645,000</u>	<u>280,050</u>
	<u>\$ 19,322,000</u>	<u>\$ 5,972,548</u>

The annual requirements to maturity for the certificates of indebtedness as of June 30, 2017 are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2018	\$ <u>235,000</u>	\$ <u>8,084</u>

The annual requirements to maturity for the Louisiana Community Development Authority ("LCDA") loan as of June 30, 2017 are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2018	\$ <u>327,200</u>	\$ <u>2,606</u>

The annual requirements to maturity for utility revenue bonds as of June 30, 2017 are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2018	\$ 210,000	\$ 36,122
2019	205,000	31,212
2020	220,000	26,419
2021	220,000	21,276
2022	225,000	16,132
2023-2024	<u>465,000</u>	<u>16,366</u>
	<u>\$ 1,545,000</u>	<u>\$ 147,527</u>

CITY OF SLIDELL, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2017

(5) LONG-TERM DEBT (CONTINUED)

At June 30, 2017, the following amounts are considered available for the retirement of general long-term debt:

Debt Service Fund	\$ <u>2,217,595</u>
	\$ <u>2,217,595</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 the total assessed valuation of taxable property. As of June 30, 2017, the City was in compliance with these statutes.

Pursuant to the Revenue Bond Resolution and the 2003 series Public Improvement Bond ordinances, and Utility Revenue Bonds, Series 2012, certain assets of the Special Revenue and Enterprise Funds are restricted (see Note 1). As of June 30, 2017, the City was in substantial compliance with the restrictive covenants of its debt agreements.

There are a number of limitations and restrictions contained in the various bond indentures. The City is in compliance with all significant limitations and restrictions, including federal arbitrage regulations.

In prior years, the City defeased certain general obligation and sales tax revenue bonds by placing the proceeds of the new refunding bonds in an irrevocable trust escrow account to provide for the future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the Statement of Net Position. At June 30, 2017, \$4,585,000 in general obligation bonds outstanding are considered defeased.

Interest costs incurred and charged to expense during the year ended June 30, 2017 for all business type activities was \$59,814.

CITY OF SLIDELL, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2017

(6) INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Due to/from other funds at June 30, 2017 are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Sales Tax Fund	General Fund	\$ 13,736,282
Public Safety Fund	General Fund	2,315,996
Katrina Fund	General Fund	809,955
Other Governmental Funds	General Fund	6,655,065
Utility Fund	General Fund	12,141,985
Airport Fund	General Fund	404,131
Agency Funds	General Fund	173,094
General Fund	Other Governmental Funds	466
General Fund	Grants and Donations Fund	<u>444,799</u>
Total		<u>\$ 36,681,773</u>

The above due to/from other funds were short-term receivables or payables resulting from the normal course of the City's operations.

A summary of the interfund transfers at June 30, 2017 are as follows:

	<u>Transfers In:</u>					
	<u>General Fund</u>	<u>Public Safety Fund</u>	<u>Other Governmental</u>	<u>Utility Fund</u>	<u>Airport Fund</u>	<u>Total</u>
<u>Transfers Out:</u>						
General Fund	\$ -	\$ 2,434,742	\$ -	\$ 31,225	\$ -	\$ 2,465,967
Sales Tax Fund	-	-	1,059,935	-	89,683	1,149,618
Other Governmental	-	-	428,550	-	-	428,550
Utility Fund	<u>701,000</u>	-	-	-	-	<u>701,000</u>
Totals	<u>\$ 701,000</u>	<u>\$ 2,434,742</u>	<u>\$ 1,488,485</u>	<u>\$ 31,225</u>	<u>\$ 89,683</u>	<u>\$ 4,745,135</u>

Transfers are primarily used to move funds from:

- The Sales Tax Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.
- The General Fund to the Utility Fund to satisfy bond covenants to provide \$25 for maintenance of each fire hydrant.
- The General Fund to the Public Safety Fund to finance public safety in accordance with budgetary authorization.
- The Utility Fund to the General Fund to satisfy payments in lieu of taxes (see Note 1).

(7) ALLOWANCE FOR DOUBTFUL ACCOUNTS

The water, sewerage and garbage receivable balance of \$992,655 in the Utility Fund is net of an allowance for doubtful accounts of \$1,607,809.

CITY OF SLIDELL, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2017

(8) CAPITAL ASSETS

A summary of changes in governmental fund type fixed assets for the year ended June 30, 2017 is as follows:

	<u>6/30/2016</u>	<u>Additions</u>	<u>Reductions</u>	<u>Completed Construction</u>	<u>6/30/2017</u>
Governmental Activities:					
Capital assets not being depreciated:					
Land	\$ 21,917,927	\$ 104,836	\$ -	\$ -	\$ 22,022,763
Construction-in-progress	<u>6,808,730</u>	<u>6,033,320</u>	<u>-</u>	<u>(1,554,939)</u>	<u>11,287,111</u>
Total capital assets not being depreciated	<u>28,726,657</u>	<u>6,138,156</u>	<u>-</u>	<u>(1,554,939)</u>	<u>33,309,874</u>
Capital assets being depreciated:					
Buildings and building improvements	49,398,749	399,338	-	-	49,798,087
Land improvements	9,543,148	359,850	-	7,588	9,910,586
Street system	77,742,811	1,625,299	-	977,296	80,345,406
Drainage system	53,101,118	381,744	-	-	53,482,862
Office equipment	6,517,273	138,191	(33,717)	-	6,621,747
Machinery and equipment	6,281,345	479,470	(70,630)	288,072	6,978,257
Vehicles	7,444,636	555,067	(204,214)	-	7,795,489
Bridges	<u>540,580</u>	<u>503,961</u>	<u>-</u>	<u>281,983</u>	<u>1,326,524</u>
Total capital assets being depreciated	<u>210,569,660</u>	<u>4,442,920</u>	<u>(308,561)</u>	<u>1,554,939</u>	<u>216,258,958</u>
Less accumulated depreciation for:					
Buildings and building improvements	14,467,633	1,128,260	-	-	15,595,893
Land improvements	7,276,652	314,920	-	-	7,591,572
Street system	50,838,086	2,450,980	-	-	53,289,066
Drainage system	31,538,056	2,006,924	-	-	33,544,980
Office equipment	5,462,086	343,805	(32,102)	-	5,773,789
Machinery and equipment	4,786,421	376,303	(70,630)	-	5,092,094
Vehicles	5,711,926	741,427	(204,214)	-	6,249,139
Bridges	<u>431,892</u>	<u>26,342</u>	<u>-</u>	<u>-</u>	<u>458,234</u>
Total accumulated depreciation	<u>120,512,752</u>	<u>7,388,961</u>	<u>(306,946)</u>	<u>-</u>	<u>127,594,767</u>
Total capital assets being depreciated, net	<u>90,056,908</u>	<u>(2,946,041)</u>	<u>(1,615)</u>	<u>1,554,939</u>	<u>88,664,191</u>
Governmental activities capital assets, net	<u>\$118,783,565</u>	<u>\$ 3,192,115</u>	<u>\$ (1,615)</u>	<u>\$ -</u>	<u>\$121,974,065</u>

Construction-in-progress primarily consists of street and drainage system improvements which are financed by sales tax revenues and grants.

CITY OF SLIDELL, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2017

(8) CAPITAL ASSETS (CONTINUED)

A summary of changes in proprietary fund type fixed assets as of June 30, 2017 follows:

	<u>6/30/2016</u>	<u>Additions</u>	<u>Reductions</u>	<u>Completed Construction</u>	<u>6/30/2017</u>
Business-Type Activities:					
Capital assets not being depreciated:					
Land	\$ 75,658	\$ -	\$ -	\$ -	\$ 75,658
Construction-in-progress	<u>2,073,314</u>	<u>4,358,247</u>	<u>-</u>	<u>-</u>	<u>6,431,561</u>
Total capital assets not being depreciated	<u>2,148,972</u>	<u>4,358,247</u>	<u>-</u>	<u>-</u>	<u>6,507,219</u>
Capital assets being depreciated:					
Buildings and building improvements	1,586,714	-	-	-	1,586,714
Land improvements	10,227,545	37,474	-	-	10,265,019
Water system	25,007,662	1,180,322	-	-	26,187,984
Sewerage system	53,767,258	346,436	-	-	54,113,695
Office equipment	434,621	15,346	(1,609)	-	448,358
Vehicles	1,461,703	158,572	(104,096)	-	1,516,179
Machinery and equipment	<u>5,518,253</u>	<u>306,932</u>	<u>(89,182)</u>	<u>-</u>	<u>5,736,003</u>
Total capital assets being depreciated	<u>98,003,756</u>	<u>2,045,082</u>	<u>(194,887)</u>	<u>-</u>	<u>99,853,951</u>
Less accumulated depreciation for:					
Buildings and building improvements	701,698	62,689	-	-	764,387
Land improvements	6,424,129	337,839	-	-	6,761,968
Water system	16,235,224	436,479	-	-	16,671,702
Sewerage system	23,822,765	1,499,065	-	-	25,321,831
Office equipment	380,338	14,769	(1,609)	-	393,498
Vehicles	1,167,093	153,169	(104,096)	-	1,216,166
Machinery and equipment	<u>2,942,961</u>	<u>375,735</u>	<u>(89,182)</u>	<u>-</u>	<u>3,229,514</u>
Total accumulated depreciation	<u>51,674,208</u>	<u>2,879,745</u>	<u>(194,887)</u>	<u>-</u>	<u>54,359,066</u>
Total capital assets being depreciated, net	<u>46,329,548</u>	<u>(834,663)</u>	<u>-</u>	<u>-</u>	<u>45,494,885</u>
Business-Type Activities capital assets, net	<u>\$ 48,478,520</u>	<u>\$ 3,523,548</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 52,002,104</u>

Construction-in-progress primarily consists of sewer improvements.

CITY OF SLIDELL, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2017

(8) CAPITAL ASSETS (CONTINUED)

Depreciation expense was charged to functions/programs of the City as follows:

<u>Governmental activities:</u>	
General government	\$ 603,642
Public works	5,313,204
Public safety	861,078
Recreation and culture	582,591
Judicial system	<u>28,446</u>
Total depreciation expense – governmental activities	 <u>\$ 7,388,961</u>
 <u>Business-type activities:</u>	
Utilities	\$ 2,388,220
Airport	<u>491,525</u>
Total depreciation expense – business-type activities	 <u>\$ 2,879,745</u>

(9) COMMITMENTS AND ENCUMBRANCES

The local electric company owns and leases to the City certain street lighting facilities. In 1986, the City renegotiated the lease agreement, which expired in December 2001 but automatically renews for one-year intervals until cancelled. The City has no intention of canceling this lease at this time. The total amount paid by the City for street lighting under this agreement was approximately \$719,000 for the year ended June 30, 2017.

The City has a contract with a sanitation disposal company to provide garbage collection services to City residents. In January 2011, the City resumed a recycling program with this sanitation disposal company. This contract requires the City to pay a monthly fee of \$16.99 per household for garbage collection and \$1.82 per household for recycling service. The City in turn bills a monthly fee of approximately \$9.63 per household for garbage collection and \$1.82 per household for recycling and collects a 4.00 mill property tax for garbage collection in accordance with the voter-approved proposition. The City paid approximately \$1,958,000 for garbage collection and \$203,000 for recycling under this contract during the year ended June 30, 2017.

Appropriations in governmental funds are encumbered upon issuance of purchase orders for goods and services. Unfilled purchase orders encumbering operating budgets are cancelled and they are only reissued upon reauthorization. Appropriations for capital expenditures are carried forward three years. Encumbrances include the following contractual commitments by fund as of June 30, 2017:

CITY OF SLIDELL, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2017

(9) COMMITMENTS AND ENCUMBRANCES (CONTINUED)

Fund	Amount
Sales Tax Fund	\$ 782,000
Grants and Donations Fund	2,019,000
Public Safety Fund	12,000
Katrina Fund	1,816,000
General Obligation Bond 2016 Fund	241,000
Other non-major governmental funds	1,758,000
Utility Fund	1,089,000
Airport Fund	132,000
	\$ 7,849,000

(10) CONTINGENCIES

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 have 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 No. 4 for Claims and Judgments. The City's "reasonably possible" loss contingencies at June 30, 2017 were approximately \$200,000. As of June 30, 2017, the amount of "probable" loss contingencies accrued in the accompanying financial statements totaled approximately \$100,000.

(11) 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 for fiscal years ended June 30, 2017, 2016 and 2015.

The City is also self-insured with excess coverage in these areas: (a) workers' compensation with \$550,000 retention and statutory limit on coverage, (b) general liability with \$100,000 retention per occurrence and a \$10,000,000 limit per occurrence and \$1,000,000 aggregate limit on coverage, (c) auto liability with \$100,000 retention per accident and a \$10,000,000 per occurrence. The City also has an aggregate limit of \$3,000,000 for workers' compensation claims and an annual stop loss of \$610,000 for general liability and auto liability combined. The City is self-insured for employee medical insurance with \$80,000 retention per individual and an aggregate stop loss of \$4,511,259.

CITY OF SLIDELL, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2017

(11) RISK MANAGEMENT (CONTINUED)

The City uses the General Fund to account for self-insured risk financing activities. The liability for claims in excess of amounts payable with expendable available resources is recorded in the governmental activities in the Statement of Net Position. The Sales Tax Fund, the Public Safety Fund, and the Enterprise Funds make contributions to the General Fund for claims. Estimated losses from claims are recorded when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. The expenditure and liability includes an amount for claims that have been incurred but not yet reported. The liability for claims is based on the estimated ultimate cost of settling the claims using past experience adjusted for current trends.

Changes in the claims liability amounts are as follows:

	<u>Automobile/ General Liability</u>	<u>Workers Compensation</u>	<u>Employee Health/ Dental</u>	<u>Total</u>
Balance, June 30, 2015	\$ 697,004	\$ 648,776	\$ 994,122	\$ 2,339,902
Claims incurred	200,548	225,800	5,361,629	5,787,977
Changes in estimates	77,538	(85,346)	(98,193)	(106,001)
Claim payments	<u>(253,260)</u>	<u>(227,357)</u>	<u>(5,000,882)</u>	<u>(5,481,499)</u>
Balance, June 30, 2016	721,830	561,873	1,256,676	2,540,379
Claims incurred	250,000	375,000	5,719,347	6,344,347
Changes in estimates	(21,723)	105,083	(126,229)	(42,869)
Claim payments	<u>(245,630)</u>	<u>(352,628)</u>	<u>(5,327,154)</u>	<u>(5,925,412)</u>
Balance, June 30, 2017	<u>\$ 704,477</u>	<u>\$ 689,328</u>	<u>\$ 1,522,640</u>	<u>\$ 2,916,445</u>

(12) OTHER POST-EMPLOYMENT BENEFITS

Plan Description

The City's medical/dental and life insurance benefits are provided to employees upon actual retirement. The Plan is a single employer plan. No separate audited post-employment benefit plan report is available for this plan.

The employer pays 100% of the retiree medical/dental coverage for retirees and dependents for those who retired prior to July 1, 2010. For those retiring after June 30, 2010 and hired before September 1, 2008, the employer pays for a portion of the medical/dental coverage for retirees and dependents based on years of service at retirement: 10 or more years, 80%; 20 or more years, 90%; and, 25 or more years, 100%. For those retiring after June 30, 2010 and hired on or after September 1, 2008, the employer pays for a portion of the medical/dental coverage for retirees only (not dependents), and only until attainment of age 65, based on years of service at retirement: 10 or more years, 55%; 20 or more years, 65%; and, 25 or more years, 75%. Employees (other than Police) are covered by the Municipal Employees' Retirement System, whose retirement eligibility (D.R.O.P. entry) provisions are as follows: 25 years of service at any age; or, age 60 and 10 years of service. Employees hired on and after January 1, 2013 are have retirement eligibility of age 55 and 30 years of service, age 62 and 10 years of service, or age 67 and 7 years of service. Police are covered by the Municipal Police Retirement System, whose retirement eligibility (D.R.O.P. entry) provisions as follows: 25 years of service at any age; age 50 and 20 years of service; or, age 55 and 12 years of service.

CITY OF SLIDELL, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2017

(12) OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Plan Description (continued)

Life insurance coverage is continued to retirees according to a flat schedule: \$10,000 before age 65; \$6,500 from age 65 and below age 70; and, \$5,000 at age 70 and after. The employer pays 100% of the active/retired blended rate. Since GASB 45 requires the use of "unblended" rates, we have used the 94GAR mortality table described below to "unblend" the rates so as to reproduce the composite blended rate overall as the rate structure to calculate the actuarial valuation results for life insurance. All of the assumptions used for the valuation of the medical benefits have been used except for the trend assumption; zero trend was used for life insurance.

Contribution Rates

Employees do not contribute to their post-employment benefits costs until they become retirees and begin receiving those benefits. The plan provisions and contribution rates are contained in the official plan documents.

Funding Policy

Until 2008, the City recognized the cost of providing post-employment medical and life insurance benefits (the City's portion of the retiree medical and life insurance benefit premiums) as an expense when the benefit premiums were due and thus financed the cost of the post-employment benefits on a pay-as-you-go basis. In 2017 and 2016, the City's portion of health care and life insurance funding cost for retired employees totaled \$1,794,676 and \$1,571,207, respectively.

Effective July 1, 2008, the City implemented Government Accounting Standards Board Codification Section P50, *Accounting and Financial Reporting by Employers for Post-Employment Benefits Other than Pensions* (GASB Codification Section P50). This amount was applied toward the Net OPEB Benefit Obligation as shown in the following table.

Annual Required Contribution

The City's Annual Required Contribution (ARC) is an amount actuarially determined in accordance with GASB Codification Section P50. The ARC is the sum of the Normal Cost plus the contribution to amortize the Unfunded Actuarial Accrued Liability (UAAL). A level dollar, open amortization period of 30 years (the maximum amortization period allowed by GASB Codification Section P50) has been used for the post-employment benefits. The actuarially computed ARC is as follows:

	2017	2016
Normal Cost	\$ 758,302	\$ 773,519
30-year UAL amortization amount	2,551,493	2,428,706
Annual required contribution (ARC)	\$ 3,309,795	\$ 3,202,225

CITY OF SLIDELL, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2017

(12) OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Net Post-employment Benefit Obligation (Asset)

The table below shows the City's Net Other Post-Employment Benefit (OPEB) Obligation for fiscal years ended June 30:

	2017	2016
Beginning net OPEB obligation	\$ 11,650,777	\$ 10,201,656
Annual required contribution	3,309,795	3,202,225
Interest on net OPEB obligation	466,031	408,066
ARC adjustment	(673,766)	(589,963)
OPEB Cost	3,102,060	3,020,328
Contribution to irrevocable trust	-	-
Current year retiree premium	(1,794,676)	(1,571,207)
Change in net OPEB obligation	1,307,384	1,449,121
Ending net OPEB obligation	\$ 12,958,161	\$ 11,650,777

The following table shows the City's annual other post-employment benefits (OPEB) cost, percentage of the cost contributed, and the net unfunded other post-employment benefits (OPEB) liability:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual Cost Contributed</u>	<u>Net OPEB Liability (Asset)</u>
June 30, 2015	\$ 2,923,349	49.77%	\$ 10,201,656
June 30, 2016	3,020,328	52.02%	11,650,777
June 30, 2017	3,102,060	57.85%	12,958,161

Funded Status and Funding Progress

In the years ended June 30, 2015, 2016 and 2017, the City made no contributions to its post-employment benefits plan. The plan was not funded, has no assets, and hence has a funded ratio of zero. Based on the July 1, 2016 actuarial valuation, the most recent valuation, the Actuarial Accrued Liability (AAL) as of June 30, 2017 was \$45,885,210, which is defined as that portion, as determined by a particular actuarial cost method (the City uses the Projected Unit Credit Cost Method), of the actuarial present value of post-employment plan benefits and expenses which is not provided by normal cost. See the Schedule of Funding Progress of OPEB Plan on Page 78.

	2017	2016
Actuarial Accrued Liability (AAL)	\$ 45,885,210	\$ 43,677,108
Actuarial Value of Plan Assets (AVP)	-	-
Unfunded Act Accrued Liability (UAAL)	\$ 45,885,210	\$ 43,677,108
Funded Ratio (AVP/AAL)	0.00%	0.00%
Covered Payroll (active plan members)	\$ 11,460,190	\$ 10,901,148
UAAL as a percentage of covered payroll	400.39%	400.67%

CITY OF SLIDELL, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2017

(12) **OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)**

Actuarial Methods and Assumptions

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. The actuarial valuation for post-employment benefits includes estimates and assumptions regarding (1) turnover rate; (2) retirement rate; (3) health care cost trend rate; (4) mortality rate; (5) discount rate (investment return assumption); and (6) the period to which the costs apply (past, current, or future years of service by employees). Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

The actuarial calculations are based on the types of benefits provided under the terms of the substantive plan (the plan as understood by the City and its employee plan members) at the time of the valuation and on the pattern of sharing costs between the City and its plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the City and plan members in the future. Consistent with the long-term perspective of actuarial calculations, the actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial liabilities and the actuarial value of assets.

Actuarial Cost Method

The ARC is determined using the Projected Unit Credit Cost Method. The employer portion of the cost for retiree medical care in each future year is determined by projecting the current cost levels using the healthcare cost trend rate and discounting this projected amount to the valuation date using the other described pertinent actuarial assumptions, including the investment return assumption (discount rate), mortality and turnover.

Actuarial Value of Plan Assets

There are not any plan assets. It is anticipated that in future valuations, should funding take place, a smoothed market value consistent with Actuarial Standards Board ASOP 6, as provided in paragraph No. 125 of GASB Codification Section P50.

Turnover Rate

An age-related turnover scale based on actual experience has been used. The rates, when applied to the active employee census, produce a composite average annual turnover of approximately 17%.

Post-employment Benefit Plan Eligibility Requirements

Based on past experience, it has been assumed that entitlement to benefits will commence three years after earliest retirement eligibility (D.R.O.P entry), as described above under "Plan Description". The three years represents the three years in the D.R.O.P. medical benefits are provided to employees upon actual retirement.

CITY OF SLIDELL, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2017

(12) OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Investment Return Assumption (Discount Rate)

GASB Codification Section P50 states that the investment return assumption should be the estimated long-term investment yield on the investments that are expected to be used to finance the payment of benefits (that is, for a plan which is funded). Based on the assumption that the ARC will not be funded, a 4% annual investment return has been used in this valuation.

Health Care Cost Trend Rate

The expected rate of increase in medical cost is based on a graded schedule beginning with 8% annually, down to an ultimate annual rate of 5.0% for ten years out and later.

Mortality Rate

The 1994 Group Annuity Reserving (94GAR) table, projected to 2002, based on a fixed blend of 50% of the unloaded male mortality rates and 50% of the unloaded female mortality rates, is used. This is a recently published mortality table which has been used in determining the value of accrued benefits in defined benefit pension plans. Projected future mortality improvement has not been used since it is our opinion that this table contains sufficiently conservative margin for the population involved in this valuation.

Method of Determining Value of Benefits

The "value of benefits" has been assumed to be the portion of the premium after retirement date expected to be paid by the employer for each retiree and has been used as the basis for calculating the actuarial present value of OPEB benefits to be paid. The medical rates provided are "blended" rates for active and retired before Medicare eligibility, so we have estimated the "unblended" rates (as required by GASB Codification Section P50 for valuation purposes) for retirees before Medicare as 130% of the blended rate. The plan's Medicare Advantage rates have been used after age 65.

Inflation Rate

Included in both the Investment Return Assumption and the Healthcare Cost Trend rates above, is an implicit inflation assumption of 2.50% annually.

Projected Salary Increases

This assumption is not applicable since neither the benefit structure nor the valuation methodology involves salary.

CITY OF SLIDELL, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2017

(12) OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Post-retirement Benefit Increases

The plan benefit provisions in effect for retirees as of the valuation date have been used and it has been assumed for valuation purposes that there will not be any changes in the future.

Below is a summary of OPEB cost and contributions for the last three fiscal calendar years.

	<u>OPEB Costs and Contributions</u>		
	<u>2015</u>	<u>2016</u>	<u>2017</u>
OPEB Cost	\$ 2,923,349	\$ 3,020,328	\$ 3,102,060
Contribution	-	-	-
Retiree premium	<u>1,454,821</u>	<u>1,571,207</u>	<u>1,794,676</u>
Total contribution and premium	<u>1,454,821</u>	<u>1,571,207</u>	<u>1,794,676</u>
Change in net OPEB obligation	<u>\$ 1,468,528</u>	<u>\$ 1,449,121</u>	<u>\$ 1,307,384</u>
% of contribution to cost	0.00%	0.00%	0.00%
% of contribution plus premium to costs	49.77%	52.02%	57.85%

(13) LEASES

The City is leasing a building which it owns, which it refers to as the DISA Building, to two separate tenants. The DISA Building was acquired by the City in 1996 by an act of donation. The estimated fair market value is \$7,500,000 and has a carrying value as of June 30, 2017 of \$3,944,000. Depreciation expense related to the building for the year ended June 30, 2017 was approximately \$137,000, which was recorded in the government-wide financial statements.

One lease was renewed in June 2017, has a term of one year, and calls for lease payments of approximately \$60,474 per month. The second lease was renewed in June 2015, has a term of three years, and calls for lease payments of approximately \$3,201, per month. The total lease revenue, including utility reimbursements, to the City for the current fiscal year was approximately \$1,577,000.

(14) NEW ACCOUNTING PRONOUNCEMENTS

The GASB has issued Statement No. 74, "Financial Reporting for Post-employment Benefit Plans Other Than Pension Plans." The requirements of this Statement will improve financial reporting primarily through enhanced note disclosures and schedules of required supplementary information that will be presented by OPEB plans that are administered through trusts that meet the specified criteria. This Statement is effective for financial statements for fiscal years beginning after June 15, 2016. This Statement did not have a material effect on the City's financial statements upon implementation.

CITY OF SLIDELL, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2017

(14) NEW ACCOUNTING PRONOUNCEMENTS (CONTINUED)

The GASB has issued Statement No. 75, "*Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions.*" The requirements of this Statement will improve the decision-usefulness of information in employer and governmental nonemployer contributing entity financial reports and will enhance its value for assessing accountability and interperiod equity by requiring recognition of the entire OPEB liability and a more comprehensive measure of OPEB expense. This Statement is effective for fiscal years beginning after June 15, 2017. The City plans to adopt this Statement as applicable by the effective date.

The GASB has issued Statement No. 77, "*Tax Abatement Disclosures.*" The requirements of this Statement improve financial reporting by giving users of financial statements essential information that is not consistently or comprehensively reported to the public at present. Disclosure of information about the nature and magnitude of tax abatements will make these transactions more transparent to financial statement users. The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2015. This Statement did not have a material effect on the City's financial statements upon implementation.

The GASB has issued Statement No. 78, "*Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans.*" This Statement amends the scope and applicability of Statement No. 68 to exclude pensions provided to employees of state or local governmental employers through a cost-sharing multiple-employer defined benefit pension plan that (1) is not a state or local governmental pension plan, (2) is used to provide defined benefit pensions both to employees of state or local governmental employers and to employees of employers that are not state or local governmental employers, and (3) has no predominant state or local governmental employer (either individually or collectively with other state or local governmental employers that provide pensions through the pension plan). This Statement establishes requirements for recognition and measurement of pension expense, expenditures, and liabilities; note disclosures; and required supplementary information for pensions that have the characteristics described above. The requirements of this Statement are effective for reporting periods beginning after December 15, 2015. This Statement did not have a material effect on the City's financial statements upon implementation.

The GASB has issued Statement No. 79, "*Certain External Investment Pools and Pool Participants.*" This Statement addresses accounting and financial reporting for certain external investment pools and pool participants. Specifically, it establishes criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost for financial reporting purposes. The requirements of this Statement are effective for reporting periods beginning after June 15, 2015, except for certain provisions on portfolio quality, custodial credit risk, and shadow pricing. Those provisions are effective for reporting periods beginning after December 15, 2015. This Statement did not have a material effect on the City's financial statements upon implementation.

The GASB has issued Statement No. 80, "*Blending Requirements for Certain Component Units an amendment of GASB Statement No. 14.*" The objective of this Statement is to improve financial reporting by clarifying the financial statement presentation requirements for certain component units. This Statement amends the blending requirements established in paragraph 53 of Statement No. 14, "*The Financial Reporting Entity,*" as amended. The requirements of this Statement are effective for reporting periods beginning after June 15, 2016. This Statement did not have a material effect on the City's financial statements upon implementation.

CITY OF SLIDELL, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2017

(14) NEW ACCOUNTING PRONOUNCEMENTS (CONTINUED)

The GASB has issued Statement No. 81, "*Irrevocable Split-Interest Agreements.*" The objective of this Statement is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2016. The City plans to adopt this Statement as applicable by the effective date.

The GASB has issued Statement No. 82, "*Pension Issues an amendment of GASB Statements No. 67, No. 68, and No. 73.*" The objective of this Statement is to address certain issues that have been raised with respect to Statements No. 67, "*Financial Reporting for Pension Plans,*" No. 68, "*Accounting and Financial Reporting for Pensions,*" and No. 73, "*Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68.*" Specifically, this Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. The requirements of this Statement are effective for reporting periods beginning after June 15, 2016, except for the requirements of this Statement for the selection of assumptions in a circumstance in which an employer's pension liability is measured as of a date other than the employer's most recent fiscal year-end. In that circumstance, the requirements for the selection of assumptions are effective for that employer in the first reporting period in which the measurement date of the pension liability is on or after June 15, 2017. The City plans to adopt this Statement as applicable by the effective date.

The GASB has issued Statement No. 83, "*Certain Asset Retirement Obligations.*" The objective of this Statement is to provide financial statement users with information about asset retirement obligations (AROs) that were not addressed in GASB standards by establishing uniform accounting and financial reporting requirements for these obligations. This Statement establishes criteria for determining the timing and the pattern of recognition of a liability and a corresponding deferred outflow of resources for AROs, and requires (1) that recognition occur when the liability is both incurred and reasonably estimable; (2) the measurement of an ARO to be based on the best estimate of the current value of outlays expected to be incurred; (3) the current value of a government's AROs to be adjusted for the effects of general inflation or deflation at least annually; (4) a government to evaluate all relevant factors at least annually to determine whether the effects of one or more of the factors are expected to significantly change the estimated asset retirement outlays; and (5) disclosure of information concerning the nature of a government's AROs, the methods and assumptions used for the estimates of the liabilities, and the estimated remaining useful life of the associated tangible capital assets. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. The City plans to adopt this Statement as applicable by the effective date.

CITY OF SLIDELL, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2017

(14) NEW ACCOUNTING PRONOUNCEMENTS (CONTINUED)

The GASB has issued Statement No. 84, "*Fiduciary Activities*." The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. The City plans to adopt this Statement as applicable by the effective date.

The GASB has issued Statement No. 85, "*Omnibus 2017*." The objective of this Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits [OPEB]). The requirements of this Statement are effective for reporting periods beginning after June 15, 2017. The City plans to adopt this Statement as applicable by the effective date.

The GASB has issued Statement No. 86, "*Certain Debt Extinguishment Issues*." The primary objective of this Statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources—resources other than the proceeds of refunding debt—are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance. The requirements of this Statement are effective for reporting periods beginning after June 15, 2017. The City plans to adopt this Statement as applicable by the effective date.

The GASB has issued Statement No. 87, "*Leases*." The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. The City plans to adopt this Statement as applicable by the effective date.

CITY OF SLIDELL, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2017

(15) DISCRETELY PRESENTED COMPONENT UNITS

Fremaux Economic Development District, State of Louisiana ("the District")

Cash and cash equivalents

The District had the following cash and cash equivalents as of June 30, 2017:

	Total
<u>Governmental funds:</u>	
Restricted demand deposits	\$ 6
Restricted money market mutual funds	2,342,752
	\$ 2,342,758

Custodial credit risk is the risk that, in the event of a bank failure, the District's deposits might not be recovered. The District's deposit policy for custodial credit risk conforms to state law, as described in Note 1. At June 30, 2017, the District's demand deposit bank balances of \$9 were entirely secured by federal deposit insurance, and the District's money market mutual funds were entirely secured by government backed securities held in the District's name.

Dedicated Revenues

On March 25, 2008, the City Council passed ordinance number 3461 levying an additional sales tax of one percent (1%) in the District and passed ordinance number 3462 levying a hotel occupancy tax of one percent (1%) in the District to fund economic development projects selected by the District. On December 13, 2011, the City Council adopted ordinance number 3636 to reduce the levy from one percent (1%) to one-half of one percent (0.50%).

Long-term Debt

The following is a summary of long-term debt transactions of the District for the year ended June 30, 2017:

	Balance 6/30/2016	Additions	Reductions	Balance 6/30/2017	Due Within One Year
<u>Governmental Activities:</u>					
Sales Tax Bonds, Series 2014					
R-1	\$ 2,290,000	\$ -	\$ -	\$ 2,290,000	\$ -
R-2	3,200,000	-	-	3,200,000	-
Original issuance discounts	(41,580)	-	1,485	(40,095)	-
Sales Tax Bonds, Series 2015					
R-1	5,250,000	-	-	5,250,000	-
Original issuance discounts	(51,406)	-	1,750	(49,656)	-
Total governmental activities	\$ 10,647,014	\$ -	\$ 3,235	\$ 10,650,249	\$ -

Sales Tax Bonds secured by an irrevocable pledge of 100% of the City's sales and use taxes through 2045:

\$5,710,000 Sales Tax Bonds, Series 2014, issued on April 3, 2014, secured by an irrevocable pledge and dedication of all the avails or proceeds of the special one-half of one percent (1/2%) sales tax now being levied and collected, bearing interest from 5.0% to 6.0%, R-1 bonds mature in 2034 and R-2 bonds mature in 2043, economic development projects. \$ 5,490,000

CITY OF SLIDELL, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2017

(15) DISCRETELY PRESENTED COMPONENT UNITS (CONTINUED)

Fremaux Economic Development District, State of Louisiana ("the District") (continued)

Long-term Debt (continued)

\$5,250,000 Sales Tax Bonds, Series 2015, issued on November 12, 2015, secured by an irrevocable pledge and dedication of all the avails or proceeds of the special one-half of one percent (.50%) sales tax now being levied and collected, bearing interest of 5.50%, R-1 bonds mature in 2045, economic development projects. 5,250,000

\$ 10,740,000

The annual requirements to maturity for Sales Tax Bonds as of June 30, 2017 are as follows:

Year Ending <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>
2018	\$ -	\$ 597,250
2019	-	597,250
2020	-	597,250
2021	-	597,250
2022	-	597,250
2023-2027	-	2,986,250
2028-2032	-	2,986,250
2033-2037	2,510,000	3,109,000
2038-2042	-	3,231,750
2043-2046	<u>8,230,000</u>	<u>1,547,025</u>
Total	<u>\$10,740,000</u>	<u>\$16,846,525</u>

The Bonds were issued for the purpose of paying the costs of various capital improvements within the District and paying the costs of issuance of the Bonds. Most of the proceeds were used to pay or reimburse Slidell Development Company, L.L.C., the developer, for certain costs of economic development projects (consisting of water, sewer, drainage, roads and related infrastructure projects and other costs of a multi-purpose real estate development consisting of retail, commercial, residential, office, hotel, education and/or medical facilities) in or beneficial to the District.

Subsequent Event

When the District sold the 2015 series of bonds, a portion of the proceeds were deposited in escrow to be released to the developer in November 2017 if it satisfied certain conditions (most of which dealt with the amount of leased space and the average sales per square foot of those tenants). The conditions for release of funds to the developer were not satisfied. As a result, \$1,210,000 (consisting of \$1,100,000 from the Escrow Fund and \$110,000 from the Reserve Fund) were transferred to the Extraordinary Redemption Fund and used to redeem a portion of the Series 2015 Bonds on November 1, 2017.

CITY OF SLIDELL, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2017

(15) DISCRETELY PRESENTED COMPONENT UNITS (CONTINUED)

Camellia Square Economic Development District, State of Louisiana ("the District")

Cash and cash equivalents

The District had the following cash as of June 30, 2017:

	Total
<u>Governmental funds:</u>	
Restricted demand deposits	\$ 25,001

Custodial credit risk is the risk that, in the event of a bank failure, the District's deposits might not be recovered. The District's deposit policy for custodial credit risk conforms to state law, as described in Note 1. At June 30, 2017, the District's demand deposit bank balances of \$25,001 were entirely secured by federal deposit insurance.

Dedicated Revenues

On May 14, 2013, the Council passed ordinance number 3686 levying an additional sales and use tax of one percent (1%) in the District. The Council passed ordinance number 3487 levying a hotel occupancy tax of two percent (2%). The purpose of the District is to reimburse a developer for economic development (a shopping center and hotel) within the District.

Northshore Square Economic Development District, State of Louisiana ("the District")

Cash and cash equivalents

The District had the following cash as of June 30, 2017:

	Total
<u>Governmental funds:</u>	
Restricted demand deposits	\$ 337,704

Custodial credit risk is the risk that, in the event of a bank failure, the District's deposits might not be recovered. The District's deposit policy for custodial credit risk conforms to state law, as described in Note 1. At June 30, 2017, the District's demand deposit bank balances of \$337,704 were entirely secured by federal deposit insurance and by government backed securities held in the District's name.

Dedicated Revenues

Ordinance number 3753 levied a one half of one percent (0.5%) sales and use tax beginning April 1, 2015 for the purpose of paying the costs of economic development projects. The purpose of the District is to finance economic development projects within the District.

(16) SUBSEQUENT EVENTS

The City has been approved for a 0.95% interest rate loan from the DEQ Clean Drinking Water Revolving Loan Fund Program to finance \$10 million in improvements to the wastewater treatment plant and to fund \$10 million in improvements to sewer lift stations. The City has also been given approval from the EPA Clean Drinking Water Revolving Loan Fund Program for a 2.45% interest rate loan to fund \$2.5 million for water system distribution improvements.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

CITY OF SLIDELL, LOUISIANA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (BUDGETARY BASIS)
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2017

	<u>Budgetary Amounts</u>		Actual on Budgetary Basis	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<u>REVENUES:</u>				
Taxes:				
Ad valorem	\$ 1,212,000	\$ 1,212,000	\$ 1,312,806	\$ 100,806
Franchise	1,985,000	1,985,000	2,085,400	100,400
Licenses and permits	2,209,000	2,209,000	2,316,044	107,044
Intergovernmental revenues:				
Other state and local governmental revenues	62,000	62,000	67,632	5,632
Fines and forfeitures	260,000	260,000	257,079	(2,921)
Service charges	134,000	134,000	194,563	60,563
Other revenues, primarily interest	147,600	147,600	331,592	183,992
Total revenues	<u>6,009,600</u>	<u>6,009,600</u>	<u>6,565,116</u>	<u>555,516</u>
<u>EXPENDITURES:</u>				
General government:				
Administrative	562,268	564,268	553,575	10,693
Finance	673,983	673,983	651,268	22,715
Legal	538,221	544,221	543,522	699
Data processing	433,785	433,785	426,878	6,907
Purchasing	232,268	232,268	221,759	10,509
Civil service	275,850	275,850	262,265	13,585
Legislative	655,791	655,791	630,204	25,587
Risk management	563,006	563,006	487,668	75,338
	<u>3,935,172</u>	<u>3,943,172</u>	<u>3,777,139</u>	<u>166,033</u>
Public works:				
Building safety	450,934	432,934	419,878	13,056
Planning	239,648	247,648	242,135	5,513
	<u>690,582</u>	<u>680,582</u>	<u>662,013</u>	<u>18,569</u>
Cultural affairs	<u>261,235</u>	<u>263,235</u>	<u>264,023</u>	<u>(788)</u>
Judicial system	<u>452,644</u>	<u>482,644</u>	<u>458,887</u>	<u>23,757</u>
Total expenditures	<u>5,339,633</u>	<u>5,369,633</u>	<u>5,162,062</u>	<u>207,571</u>
Excess (deficiency) of revenues over (under) expenditures	<u>669,967</u>	<u>639,967</u>	<u>1,403,054</u>	<u>763,087</u>

CITY OF SLIDELL, LOUISIANA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE (CONTINUED)
BUDGET AND ACTUAL (BUDGETARY BASIS)
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2017

	<u>Budgetary Amounts</u>		<u>Actual on Budgetary Basis</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>OTHER FINANCING SOURCES (USES):</u>				
Transfers in	701,000	701,000	701,000	-
Transfers out	<u>(1,370,967)</u>	<u>(2,465,967)</u>	<u>(2,465,967)</u>	-
Total other financing (uses)	<u>(669,967)</u>	<u>(1,764,967)</u>	<u>(1,764,967)</u>	-
Net change in fund balance	-	(1,125,000)	(361,913)	763,087
Fund balances, beginning of year	<u>5,587,104</u>	<u>5,587,104</u>	<u>5,587,104</u>	-
Fund balances, end of year	<u>\$ 5,587,104</u>	<u>\$ 4,462,104</u>	<u>\$ 5,225,191</u>	<u>\$ 763,087</u>

*Note: The City legally adopts annual budgets for the General Fund and all Special Revenue Funds.

CITY OF SLIDELL, LOUISIANA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (BUDGETARY BASIS)
SALES TAX FUND
FOR THE YEAR ENDED JUNE 30, 2017

	<u>Budgetary Amounts</u>		<u>Actual on Budgetary Basis</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES:</u>				
Taxes:				
Sales	\$ 11,735,939	\$ 12,830,939	\$ 13,156,415	\$ 325,476
Ad valorem	483,000	483,000	524,605	41,605
Other state and local revenues	16,000	16,000	16,040	40
Service charges	10,000	10,000	38,747	28,747
Other revenue	2,500	2,500	1,710	(790)
Total revenues	<u>12,247,439</u>	<u>13,342,439</u>	<u>13,737,517</u>	<u>395,078</u>
<u>EXPENDITURES:</u>				
General government:				
Administrative	3,570,337	3,560,337	3,347,674	212,663
Animal control	393,681	403,681	390,755	12,926
	<u>3,964,018</u>	<u>3,964,018</u>	<u>3,738,429</u>	<u>225,589</u>
Public works:				
Streets, bridges and drainage	2,719,446	2,669,246	2,535,915	133,331
Engineering	529,769	529,769	502,447	27,322
Electrical	196,791	196,791	164,709	32,082
General maintenance	440,164	440,164	373,723	66,441
Vehicle maintenance	502,460	502,460	428,429	74,031
	<u>4,388,630</u>	<u>4,338,430</u>	<u>4,005,223</u>	<u>333,207</u>
Recreation	<u>1,090,051</u>	<u>1,140,251</u>	<u>1,099,515</u>	<u>40,736</u>
Capital outlay	<u>1,627,294</u>	<u>11,904,490</u>	<u>2,481,806</u>	<u>9,422,684</u>
Total expenditures	<u>11,069,993</u>	<u>21,347,189</u>	<u>11,324,973</u>	<u>10,022,216</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,177,446</u>	<u>(8,004,750)</u>	<u>2,412,544</u>	<u>10,417,294</u>

See Independent Auditors' Report

CITY OF SLIDELL, LOUISIANA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE (CONTINUED)
BUDGET AND ACTUAL (BUDGETARY BASIS)
SALES TAX FUND
FOR THE YEAR ENDED JUNE 30, 2017

	<u>Budgetary Amounts</u>		<u>Actual on Budgetary Basis</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>OTHER FINANCING SOURCES (USES):</u>				
Transfers out	<u>(1,177,446)</u>	<u>(1,177,446)</u>	<u>(1,149,618)</u>	<u>27,828</u>
Total other financing (uses)	<u>(1,177,446)</u>	<u>(1,177,446)</u>	<u>(1,149,618)</u>	<u>27,828</u>
Net change in fund balance	-	(9,182,196)	1,262,926	10,445,122
Fund balances, beginning of year	<u>13,493,341</u>	<u>13,493,341</u>	<u>13,493,341</u>	<u>-</u>
Fund balances, end of year	<u>\$ 13,493,341</u>	<u>\$ 4,311,145</u>	<u>\$ 14,756,267</u>	<u>\$ 10,445,122</u>

See Independent Auditors' Report

CITY OF SLIDELL, LOUISIANA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (BUDGETARY BASIS)
GRANTS AND DONATIONS FUND
FOR THE YEAR ENDED JUNE 30, 2017

	<u>Budgetary Amounts</u>		Actual on Budgetary Basis	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<u>REVENUES:</u>				
Intergovernmental revenues	\$ -	\$ 20,107,116	\$ 7,798,844	\$ (12,308,272)
Contributions	-	<u>952,069</u>	<u>245,455</u>	<u>(706,614)</u>
Total revenues	-	<u>21,059,185</u>	<u>8,044,299</u>	<u>(13,014,886)</u>
<u>EXPENDITURES:</u>				
General government	-	188,465	54,003	134,462
Public works	-	11,442,679	1,676,496	9,766,183
Public safety	-	284,997	227,082	57,915
Recreation and culture	-	338,178	137,647	200,531
Capital outlay	-	<u>8,804,866</u>	<u>6,504,362</u>	<u>2,300,504</u>
Total expenditures	-	<u>21,059,185</u>	<u>8,599,590</u>	<u>12,459,595</u>
Excess (deficiency) of revenues over (under) expenditures	-	-	(555,291)	(555,291)
<u>OTHER FINANCING SOURCES (USES)</u>				
Net change in fund balance	-	-	(555,291)	(555,291)
Fund balance, beginning of year	<u>(914,053)</u>	<u>(914,053)</u>	<u>(914,054)</u>	-
Fund balance, end of year	<u>\$ (914,053)</u>	<u>\$ (914,053)</u>	<u>\$ (1,469,345)</u>	<u>\$ (555,291)</u>

*Note: The Actual on Budgetary Basis amounts above reflect the modified accrual basis of accounting, except that federal asset forfeiture funds (\$91,662) are not reflected above in revenues and expenditures.

CITY OF SLIDELL, LOUISIANA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (BUDGETARY BASIS)
PUBLIC SAFETY FUND
FOR THE YEAR ENDED JUNE 30, 2017

	<u>Budgetary Amounts</u>		Actual on Budgetary Basis	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<u>REVENUES:</u>				
Taxes:				
Sales	\$ 7,543,061	\$ 6,448,061	\$ 6,448,061	\$ -
Ad valorem	1,085,000	1,085,000	1,325,727	240,727
Other state and local revenues	495,400	495,400	565,775	70,375
Service charges	182,000	182,000	218,669	36,669
Other revenues, primarily interest	1,000	1,000	-	(1,000)
Total revenues	<u>9,306,461</u>	<u>8,211,461</u>	<u>8,558,232</u>	<u>346,771</u>
<u>EXPENDITURES:</u>				
Current:				
Police	9,160,760	9,160,760	8,922,529	238,231
Corrections facility	817,031	817,031	803,005	14,026
Regional training facility	240,583	311,252	330,244	(18,992)
Capital outlay	427,829	1,466,512	785,917	680,595
Total expenditures	<u>10,646,203</u>	<u>11,755,555</u>	<u>10,841,695</u>	<u>913,860</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,339,742)</u>	<u>(3,544,094)</u>	<u>(2,283,463)</u>	<u>1,260,631</u>
<u>OTHER FINANCING SOURCES (USES):</u>				
Transfers in	1,339,742	2,434,742	2,434,742	-
Total other financing sources (uses)	<u>1,339,742</u>	<u>2,434,742</u>	<u>2,434,742</u>	<u>-</u>
Net change in fund balances	-	(1,109,352)	151,279	1,260,631
Fund balances - beginning of year	<u>2,097,844</u>	<u>2,097,844</u>	<u>2,097,844</u>	<u>-</u>
Fund balances - end of year	<u>\$ 2,097,844</u>	<u>\$ 988,492</u>	<u>\$ 2,249,123</u>	<u>\$ 1,260,631</u>

*Note: The Actual on Budgetary Basis amounts above reflect the modified accrual basis of accounting, except that state supplemental pay for police (\$481,514) is not reflected above in revenues and expenditures.

CITY OF SLIDELL, LOUISIANA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (BUDGETARY BASIS)
KATRINA FUND
FOR THE YEAR ENDED JUNE 30, 2017

	<u>Budgetary Amounts</u>		Actual on Budgetary Basis	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<u>REVENUES:</u>				
Intergovernmental revenues	\$ -	\$ 35,746,213	\$ 10,258,013	\$ (25,488,200)
Total revenues	-	35,746,213	10,258,013	(25,488,200)
<u>EXPENDITURES:</u>				
Capital outlay	-	35,746,213	7,576,046	28,170,167
Total expenditures	-	35,746,213	7,576,046	28,170,167
Excess (deficiency) of revenues over (under) expenditures	-	-	2,681,967	2,681,967
<u>OTHER FINANCING SOURCES (USES):</u>				
Net change in fund balance	-	-	2,681,967	2,681,967
Fund balance, beginning of year	(860,596)	(860,596)	(860,596)	-
Fund balance, end of year	\$ (860,596)	\$ (860,596)	\$ 1,821,371	\$ 2,681,967

CITY OF SLIDELL, LOUISIANA
SCHEDULE OF FUNDING PROGRESS OF OPEB PLAN
FOR THE YEAR ENDED JUNE 30, 2017

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) Projected Unit Cost	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
	(a)	(b)	(b-a)	(a/b)	(c)	[(b-a)/c]
7/1/2016	\$ -	\$ 45,885,210	\$ 45,885,210	0.00%	\$ 11,460,190	400.39%
7/1/2015	\$ -	\$ 43,677,108	\$ 43,677,108	0.00%	\$ 10,901,148	400.67%
7/1/2014	\$ -	\$ 41,997,220	\$ 41,997,220	0.00%	\$ 10,531,720	398.77%
7/1/2013	\$ -	\$ 37,966,602	\$ 37,966,602	0.00%	\$ 9,904,744	383.32%
7/1/2012	\$ -	\$ 36,506,348	\$ 36,506,348	0.00%	\$ 10,287,953	354.85%
7/1/2011	\$ -	\$ 36,792,503	\$ 36,792,503	0.00%	\$ 10,842,309	339.34%
7/1/2010	\$ -	\$ 34,016,737	\$ 34,016,737	0.00%	\$ 11,212,448	303.38%
7/1/2009	\$ -	\$ 25,961,933	\$ 25,961,933	0.00%	\$ 11,783,250	220.33%

CITY OF SLIDELL, LOUISIANA
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
FOR THE YEAR ENDED JUNE 30, 2017*

	<u>6/30/2017</u>	<u>6/30/2016</u>	<u>6/30/2015</u>
<u>Municipal System</u>			
City's Proportion of the Net Pension Liability	3.66849%	3.68263%	3.58843%
City's Proportionate Share of the Net Pension Liability	\$ 15,036,066	\$ 13,154,743	\$ 9,209,507
City's Covered-Employee Payroll	\$ 6,415,651	\$ 5,576,000	\$ 5,292,000
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	234.37%	235.92%	174.03%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	62.11%	66.18%	73.99%
<u>Police System</u>			
City's Proportion of the Net Pension Liability	1.613780%	1.592232%	1.518915%
City's Proportionate Share of the Net Pension Liability	\$ 15,125,703	\$ 12,473,473	\$ 9,502,271
City's Covered-Employee Payroll	\$ 4,483,688	\$ 4,076,000	\$ 3,820,000
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	337.35%	306.02%	248.75%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	66.04%	70.73%	75.10%
<u>LASERS System</u>			
City's Proportion of the Net Pension Liability	0.00206%	0.00186%	0.00182%
City's Proportionate Share of the Net Pension Liability	\$ 161,527	\$ 126,644	\$ 113,961
City's Covered-Employee Payroll	\$ 35,917	\$ 34,000	\$ 34,000
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	449.72%	372.48%	335.18%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	57.70%	62.66%	65.02%

Note: Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

**The amounts presented have a measurement date of the previous fiscal year end.*

CITY OF SLIDELL, LOUISIANA
SCHEDULE OF CONTRIBUTIONS - RETIREMENT PLAN
FOR THE YEAR ENDED JUNE 30, 2017

	<u>6/30/2017</u>	<u>6/30/2016</u>	<u>6/30/2015</u>
<u>Municipal System</u>			
Contractually Required Contribution	\$ 1,515,787	\$ 1,267,000	\$ 1,101,000
Contributions in Relation to the Contractually Required Contribution	<u>(1,515,787)</u>	<u>(1,267,091)</u>	<u>(1,303,828)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ (91)</u>	<u>\$ (202,828)</u>
City's Covered-Employee Payroll	\$ 6,662,801	\$ 5,642,000	\$ 5,576,000
Contributions as a Percentage of Covered-Employee Payroll	22.75%	22.46%	23.38%
<u>Police System</u>			
Contractually Required Contribution	\$ 1,510,089	\$ 1,323,000	\$ 1,285,000
Contributions in Relation to the Contractually Required Contribution	<u>(1,510,089)</u>	<u>(1,323,195)</u>	<u>(1,318,452)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ (195)</u>	<u>\$ (33,452)</u>
City's Covered-Employee Payroll	\$ 4,750,774	\$ 4,298,000	\$ 4,076,000
Contributions as a Percentage of Covered-Employee Payroll	31.79%	30.79%	32.35%
<u>LASERS System</u>			
Contractually Required Contribution	\$ 14,233	\$ 13,700	\$ 14,300
Contributions in Relation to the Contractually Required Contribution	<u>(14,233)</u>	<u>(14,320)</u>	<u>(13,786)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ (620)</u>	<u>\$ 514</u>
City's Covered-Employee Payroll	\$ 37,455	\$ 35,000	\$ 34,000
Contributions as a Percentage of Covered-Employee Payroll	38.00%	40.91%	40.55%

Note: Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

CITY OF SLIDELL, LOUISIANA
NOTES TO REQUIRED SUPPLEMENTAL INFORMATION
JUNE 30, 2017

(1) **PENSION PLAN SCHEDULES**

Changes of Benefit Terms

For LASERS, a 1.5% COLA, effective July 1, 2016, provided by Acts 93 and 512 of the 2016 Louisiana Regular Legislative Session, and, added benefits for members of the Harbor Police Retirement System which was merged with LASERS effective July 1, 2015 by Act 648 of 2014.

For MERS and MPERS, there were no changes of benefit terms for the three years ended June 30, 2017.

Changes of Assumptions

For LASERS, there were no changes of assumptions for the three years ended June 30, 2017.

For MERS, the investment rate of return was decreased from 7.75% to 7.5%, the rate for projected salary increases was decreased from 5.75% to 5.0%, and the rate of inflation was decreased from 3.0% to 2.875% for the valuation dated June 30, 2015.

For MPERS, the inflation rate was decreased from 3% to 2.875% and the salary growth rates were changed over various years of service for the valuation dated June 30, 2015.

OTHER SUPPLEMENTARY INFORMATION

CITY OF SLIDELL, LOUISIANA
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2017

SPECIAL REVENUE FUNDS

Special Revenue funds are used to account for specific revenues that are legally restricted to expenditures for a particular purpose.

Community Development Block Grant Fund – accounts for the proceeds of entitlement grants received from the Department of Housing and Urban Development.

DISA Fund – accounts for revenues earned through the lease of a City-owned building which are used for the upkeep and maintenance of the building.

CAPITAL PROJECTS FUNDS

Capital Projects 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.

City Capital Construction Fund – was established to account for monies received from an outside agency and proceeds from the sales of City property.

Public Works Fund – accounts for transfers from the DISA Fund.

General Obligation Bonds 2010 Fund – accounts for improvements to the City's streets, bridges and drainage. The fund's resources are derived from the proceeds of a general obligation bond.

DEBT SERVICE FUNDS

Debt Service funds are used to account for and report financial resources restricted, committed, or assigned to pay debt principal and interest on general long-term debt. They do not include debt issued by the Proprietary Funds.

Debt Service Fund – was established to accumulate monies for the payments of General Obligation Bonds, Series 2010; Refunding Bonds, Series 2016; General Obligation Bonds, Series 2016; Public Improvement Bonds, Series 2003; and LCDA Loan, Series 1991. The bonds are secured through the City's ad valorem and sales and use taxes.

**CITY OF SLIDELL, LOUISIANA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2017**

ASSETS

	Special Revenue		Debt Service	Capital Projects			Total
	Community Development Block Grant	DISA	Debt Service	Public Works	General Obligation Bonds 2010 Fund	City Capital Construction	Nonmajor Governmental Funds
		Total					
<u>CURRENT ASSETS:</u>							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	2,202,972	-	-	2,202,972
Other receivables	-	20,813	20,813	-	-	-	20,813
Due from other governments							
U.S. Government	1,172	-	1,172	-	-	-	1,172
Due from other funds	-	1,757,070	1,757,070	14,623	2,258,271	-	6,655,065
Restricted assets:							
Cash	-	-	-	-	1,304,407	-	1,304,407
Total assets	\$ 1,172	\$ 1,777,883	\$ 1,779,055	\$ 2,217,595	\$ 2,258,271	\$ 1,304,407	\$ 10,184,429

LIABILITIES AND FUND BALANCES

<u>LIABILITIES:</u>								
Accounts payable and accrued expenditures	\$ 707	\$ 4,067	\$ 4,774	\$ -	\$ 15,004	\$ 18,259	\$ 253	\$ 38,290
Due to other funds	465	-	465	-	-	1	-	466
Total liabilities	1,172	4,067	5,239	-	15,004	18,260	253	38,756
<u>FUND BALANCES:</u>								
Restricted for:								
Debt service	-	-	-	2,217,595	-	-	-	2,217,595
Streets and drainage	-	-	-	-	-	1,286,147	-	1,286,147
Committed to:								
Capital outlay	-	866,584	866,584	-	2,243,267	-	2,624,848	5,734,699
Contingencies	-	600,000	600,000	-	-	-	-	600,000
Appropriations	-	196,001	196,001	-	-	-	-	196,001
Assigned to:								
Public improvements	-	111,231	111,231	-	-	-	-	111,231
Unassigned	-	-	-	-	-	-	-	-
Total fund balances	-	1,773,816	1,773,816	2,217,595	2,243,267	1,286,147	2,624,848	10,145,673
Total liabilities and fund balances	\$ 1,172	\$ 1,777,883	\$ 1,779,055	\$ 2,217,595	\$ 2,258,271	\$ 1,304,407	\$ 2,625,101	\$ 10,184,429

See Independent Auditors' Report

CITY OF SLIDELL, LOUISIANA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AN CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2017

	Special Revenue			Debt Service	Capital Projects			Total
	Community Development Block Grant	DISA	Total	Debt Service	Public Works	General Obligation Bonds 2010 Fund	City Capital Construction	Nonmajor Governmental Funds
REVENUES:								
Taxes	\$ -	\$ -	\$ -	\$ 1,622,917	\$ -	\$ -	\$ -	\$ 1,622,917
Intergovernmental revenues								
Federal/state grants	317,788	-	317,788	-	-	-	-	317,788
Other state and local governmental revenues	-	-	-	-	-	-	318,188	318,188
Service charges	-	1,577,094	1,577,094	-	-	-	-	1,577,094
Other revenues, primarily interest and tuition	-	-	-	7,620	-	11,724	-	19,344
Total revenues	<u>317,788</u>	<u>1,577,094</u>	<u>1,894,882</u>	<u>1,630,537</u>	<u>-</u>	<u>11,724</u>	<u>318,188</u>	<u>3,855,331</u>
EXPENDITURES:								
General government	17,488	1,045,132	1,062,620	16,468	-	-	-	1,079,088
Debt service:								
Principal retirement	-	-	-	1,883,100	-	-	-	1,883,100
Interest and fiscal charges	-	-	-	414,793	-	-	-	414,793
Capital outlay	300,300	83,453	383,753	-	634,835	1,032,945	216,826	2,268,359
Total expenditures	<u>317,788</u>	<u>1,128,585</u>	<u>1,446,373</u>	<u>2,314,361</u>	<u>634,835</u>	<u>1,032,945</u>	<u>216,826</u>	<u>5,645,340</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>448,509</u>	<u>448,509</u>	<u>(683,824)</u>	<u>(634,835)</u>	<u>(1,021,221)</u>	<u>101,362</u>	<u>(1,790,009)</u>
OTHER FINANCING SOURCES (USES):								
Transfers in	-	-	-	1,059,935	428,550	-	-	1,488,485
Transfers out	-	(428,550)	(428,550)	-	-	-	-	(428,550)
Total other financing sources (uses)	<u>-</u>	<u>(428,550)</u>	<u>(428,550)</u>	<u>1,059,935</u>	<u>428,550</u>	<u>-</u>	<u>-</u>	<u>1,059,935</u>
Net change in fund balances	-	19,959	19,959	376,111	(206,285)	(1,021,221)	101,362	(730,074)
Fund balances, beginning of year	-	1,753,857	1,753,857	1,841,484	2,449,552	2,307,368	2,523,486	10,875,747
Fund balances, end of year	<u>\$ -</u>	<u>\$ 1,773,816</u>	<u>\$ 1,773,816</u>	<u>\$ 2,217,595</u>	<u>\$ 2,243,267</u>	<u>\$ 1,286,147</u>	<u>\$ 2,624,848</u>	<u>\$ 10,145,673</u>

CITY OF SLIDELL, LOUISIANA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (BUDGETARY BASIS)
COMMUNITY DEVELOPMENT BLOCK GRANT FUND
FOR THE YEAR ENDED JUNE 30, 2017

	<u>Budgetary Amounts</u>		Actual on Budgetary Basis	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<u>REVENUES:</u>				
Intergovernmental revenues	\$ 213,000	\$ 510,767	\$ 317,788	\$ (192,979)
Total revenues	<u>213,000</u>	<u>510,767</u>	<u>317,788</u>	<u>(192,979)</u>
<u>EXPENDITURES:</u>				
General government	-	-	17,488	(17,488)
Capital outlay	<u>213,000</u>	<u>510,767</u>	<u>300,300</u>	<u>210,467</u>
Total expenditures	<u>213,000</u>	<u>510,767</u>	<u>317,788</u>	<u>192,979</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Net change in fund balance	-	-	-	-
Fund balance, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF SLIDELL, LOUISIANA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (BUDGETARY BASIS)
DISA FUND
FOR THE YEAR ENDED JUNE 30, 2017

	<u>Budgetary Amounts</u>		Actual on Budgetary Basis	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<u>REVENUES:</u>				
Service charges	\$ 1,729,000	\$ 1,504,000	\$ 1,577,094	\$ 73,094
Total revenues	<u>1,729,000</u>	<u>1,504,000</u>	<u>1,577,094</u>	<u>73,094</u>
<u>EXPENDITURES:</u>				
General government	1,190,450	1,082,450	1,045,132	37,318
Capital outlay	100,000	1,746,038	83,453	1,662,585
Total expenditures	<u>1,290,450</u>	<u>2,828,488</u>	<u>1,128,585</u>	<u>1,699,903</u>
Excess (deficiency) of revenues over (under) expenditures	<u>438,550</u>	<u>(1,324,488)</u>	<u>448,509</u>	<u>1,772,997</u>
<u>OTHER FINANCING SOURCES (USES):</u>				
Transfers out	(438,550)	(428,550)	(428,550)	-
Total other financing (uses)	<u>(438,550)</u>	<u>(428,550)</u>	<u>(428,550)</u>	<u>-</u>
Net change in fund balance	-	(1,753,038)	19,959	1,772,997
Fund balance, beginning of year	<u>1,753,857</u>	<u>1,753,857</u>	<u>1,753,857</u>	<u>-</u>
Fund balance, end of year	<u>\$ 1,753,857</u>	<u>\$ 819</u>	<u>\$ 1,773,816</u>	<u>\$ 1,772,997</u>

CITY OF SLIDELL, LOUISIANA
BALANCE SHEET
CAMELLIA SQUARE ECONOMIC DEVELOPMENT DISTRICT
JUNE 30, 2017

ASSETS

	General Fund
<u>CURRENT ASSETS:</u>	
Receivables, net of allowances for uncollectibles:	
Taxes	\$ 16,571
Restricted assets:	
Cash	25,001
Total assets	\$ 41,572

LIABILITIES AND FUND BALANCES

<u>LIABILITIES:</u>	\$ -
<u>FUND BALANCES:</u>	
Restricted for economic development	41,572
Total fund balances	41,572
Total liabilities and fund balances	\$ 41,572

CITY OF SLIDELL, LOUISIANA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (BUDGETARY BASIS)
CAMELLIA SQUARE ECONOMIC DEVELOPMENT DISTRICT
FOR THE YEAR ENDED JUNE 30, 2017

	<u>Budgetary Amounts</u>		<u>Actual on Budgetary Basis</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES:</u>				
Taxes:				
Sales and use	\$ 62,000	\$ 62,000	\$ 62,948	\$ 948
Hotel occupancy	35,000	35,000	35,689	689
Other revenue	<u>80</u>	<u>80</u>	<u>110</u>	<u>30</u>
Total revenues	<u>97,080</u>	<u>97,080</u>	<u>98,747</u>	<u>1,667</u>
<u>EXPENDITURES:</u>				
General government	3,100	3,100	3,070	30
Economic development	<u>93,980</u>	<u>93,980</u>	<u>96,420</u>	<u>(2,440)</u>
Total expenditures	<u>97,080</u>	<u>97,080</u>	<u>99,490</u>	<u>(2,410)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>(743)</u>	<u>(743)</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Net change in fund balance	-	-	(743)	(743)
Fund balance, beginning of year	<u>-</u>	<u>-</u>	<u>42,315</u>	<u>-</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 41,572</u>	<u>\$ (743)</u>

CITY OF SLIDELL, LOUISIANA
BALANCE SHEET
NORTHSHORE SQUARE ECONOMIC DEVELOPMENT DISTRICT
JUNE 30, 2017

ASSETS

	General Fund
<u>CURRENT ASSETS:</u>	
Receivables, net of allowances for uncollectibles:	
Taxes	\$ 21,039
Restricted assets:	
Cash	337,704
Total assets	\$ 358,743

LIABILITIES AND FUND BALANCES

<u>LIABILITIES:</u>	\$ -
<u>FUND BALANCES:</u>	
Restricted for economic development	358,743
Total fund balances	358,743
Total liabilities and fund balances	\$ 358,743

CITY OF SLIDELL, LOUISIANA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (BUDGETARY BASIS)
NORTHSHORE SQUARE ECONOMIC DEVELOPMENT DISTRICT
FOR THE YEAR ENDED JUNE 30, 2017

	<u>Budgetary Amounts</u>		<u>Actual on Budgetary Basis</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES:</u>				
Taxes:				
Sales and use	\$ 144,000	\$ 144,000	\$ 147,671	\$ 3,671
Other revenue	<u>1,600</u>	<u>1,600</u>	<u>1,863</u>	<u>263</u>
Total revenues	<u>145,600</u>	<u>145,600</u>	<u>149,534</u>	<u>3,934</u>
<u>EXPENDITURES:</u>				
General government	5,000	5,000	4,957	43
Economic development	<u>140,600</u>	<u>140,600</u>	-	<u>140,600</u>
Total expenditures	<u>145,600</u>	<u>145,600</u>	<u>4,957</u>	<u>140,643</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>144,577</u>	<u>144,577</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Net change in fund balance	-	-	144,577	144,577
Fund balance, beginning of year	<u>-</u>	<u>-</u>	<u>214,166</u>	<u>-</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 358,743</u>	<u>\$ 144,577</u>

CITY OF SLIDELL, LOUISIANA
FIDUCIARY FUND
JUNE 30, 2017

AGENCY FUND

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

Animal Assistance League of Slidell - This fund is used for the care and protection of stray animals.

CITY OF SLIDELL, LOUISIANA
STATEMENT OF ASSETS AND LIABILITIES
FIDUCIARY FUND
JUNE 30, 2017

		<u>Agency Funds</u> <u>Animal Assistance League of Slidell</u>
<u>ASSETS:</u>		
Cash and cash equivalents	\$	1,050
Restricted cash		96,341
Due from General Fund		<u>173,094</u>
 Total assets	 \$	 <u>270,485</u>
<u>LIABILITIES:</u>		
Accounts payable	\$	229
Due to local entities		<u>270,256</u>
 Total liabilities	 \$	 <u>270,485</u>

CITY OF SLIDELL, LOUISIANA
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND
FOR THE YEAR ENDED JUNE 30, 2017

	ANIMAL ASSISTANCE LEAGUE OF SLIDELL			
	Balance July 1, 2016	Additions	Deductions	Balance June 30, 2017
<u>ASSETS:</u>				
Cash and cash equivalents	\$ 1,050	\$ -	\$ -	\$ 1,050
Restricted cash	95,699	642	-	96,341
Due from General Fund	136,790	36,304	-	173,094
Total assets	\$ 233,539	\$ 36,946	\$ -	\$ 270,485
<u>LIABILITIES:</u>				
Accounts payable	\$ 1,316	\$ -	\$ 1,087	\$ 229
Due to local entities	232,223	54,765	16,732	270,256
Total liabilities	\$ 233,539	\$ 54,765	\$ 17,819	\$ 270,485

See Independent Auditors' Report

SUPPORTING SCHEDULES

CITY OF SLIDELL, LOUISIANA
SCHEDULE OF FUNCTIONAL EXPENDITURES BY DEPARTMENT (BUDGETARY BASIS)
GENERAL FUND
FOR YEAR ENDED JUNE 30, 2017

	Salaries, Wages and Related Benefits	Contract Services	Supplies and Materials	Equipment	Museum/ Arts Evening	Community Service	Legal Fees and Claims	Main Street/ Planning & Zoning	Total
Administrative	\$ 516,449	\$ 31,814	\$ 5,312	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 553,575
Finance	579,987	41,189	28,736	1,356	-	-	-	-	651,268
Legal	251,239	48,108	4,175	-	-	-	240,000	-	543,522
Data processing	287,516	602	134,082	4,678	-	-	-	-	426,878
Purchasing	211,390	3,775	5,866	728	-	-	-	-	221,759
Risk management	426,602	45,721	5,345	-	-	10,000	-	-	487,668
Permits	397,042	11,883	10,953	-	-	-	-	-	419,878
Cultural arts	176,488	41,146	7,575	1,505	37,309	-	-	-	264,023
Civil service	195,289	39,427	27,141	408	-	-	-	-	262,265
City Marshall	179,005	27,000	2,000	-	-	-	-	-	208,005
City Prosecutor	134,535	1,591	2,590	-	-	-	-	-	138,716
Planning	204,847	6,798	5,490	-	-	-	-	25,000	242,135
City Court	108,694	-	3,472	-	-	-	-	-	112,166
Legislative	513,409	90,797	11,055	14,943	-	-	-	-	630,204
Total expenditures	\$ 4,182,492	\$ 389,851	\$ 253,792	\$ 23,618	\$ 37,309	\$ 10,000	\$ 240,000	\$ 25,000	\$ 5,162,062

See Independent Auditors' Report

CITY OF SLIDELL, LOUISIANA
SCHEDULE OF FUNCTIONAL EXPENDITURES BY DEPARTMENT (BUDGETARY BASIS)
SALES TAX FUND
FOR YEAR ENDED JUNE 30, 2017

	Salaries, Wages and Related Benefits	Contract Services	Supplies and Materials	Equipment	Legal Fees and Claims	Heritage Festival	Total
Administrative	\$ 896,667	\$ 2,269,077	\$ 6,104	\$ -	\$ 175,826	\$ -	\$ 3,347,674
Vehicle maintenance	327,884	19,084	75,461	6,000	-	-	428,429
Streets, bridges and drainage	1,897,737	110,763	522,666	4,749	-	-	2,535,915
Parks and recreation	781,832	179,660	130,432	5,091	-	2,500	1,099,515
General maintenance	234,008	43,301	95,462	952	-	-	373,723
Engineering	476,777	12,477	13,193	-	-	-	502,447
Animal control	355,858	3,945	30,952	-	-	-	390,755
Electrical	152,050	1,020	8,315	3,324	-	-	164,709
Total expenditures	\$ 5,122,813	\$ 2,639,327	\$ 882,585	\$ 20,116	\$ 175,826	\$ 2,500	\$ 8,843,167

CITY OF SLIDELL, LOUISIANA
SCHEDULE OF FUNCTIONAL EXPENDITURES BY DEPARTMENT (BUDGETARY BASIS)
PUBLIC SAFETY FUND
FOR YEAR ENDED JUNE 30, 2017

	<u>Salaries, Wages and Related Benefits</u>	<u>Contract Services</u>	<u>Supplies and Materials</u>	<u>Equipment</u>	<u>Total</u>
Police	\$ 8,162,775	\$ 287,707	\$ 471,033	\$ 1,014	\$ 8,922,529
Corrections facility	745,055	28,037	29,913	-	803,005
Regional training facility	<u>242,077</u>	<u>54,598</u>	<u>33,569</u>	<u>-</u>	<u>330,244</u>
 Total expenditures	 <u>\$ 9,149,907</u>	 <u>\$ 370,342</u>	 <u>\$ 534,515</u>	 <u>\$ 1,014</u>	 <u>\$ 10,055,778</u>

*Note: The Actual on Budgetary Basis amounts above reflect the modified accrual basis of accounting, except that state supplemental pay for police (\$481,514) is not reflected above in revenues or expenditures.

CITY OF SLIDELL, LOUISIANA
SCHEDULE OF COUNCILPERSONS' COMPENSATION
FOR YEAR ENDED JUNE 30, 2017

<u>COUNCILPERSON</u>	<u>COMPENSATION</u>
L. Landon Cusimano	\$ 20,733
Kim Baronet Harbison	20,733
Glynn Pichon	20,733
Samuel Abney	20,733
Warren Crocket	20,733
Valsin Vanney Jr.	20,733
Salvatore Caruso	20,733
Jay Newcomb	20,733
William Borchert	20,733

CITY OF SLIDELL
SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS TO AGENCY HEAD
FOR THE YEAR ENDED JUNE 30, 2017

		<u>Mayor Freddy Drennan</u>
Salary	\$	113,491
Benefits - medical and dental insurance		15,156
Benefits - retirement (deferred comp)		13,218
Benefits - life insurance		305
Benefits - disability insurance		210
Car allowance		6,600
Per diem		128
Travel		72
Registration fees		450
Conference travel		<u>495</u>
 Total compensation, benefits, and other payments	 \$	 <u>150,125</u>

STATISTICAL SECTION

This part of the City of Slidell, Louisiana's (the "City") comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the City's overall financial health.

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Financial Trends

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

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These schedules contain information to help the reader assess the City's property tax.

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Debt Capacity

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

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Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

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These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

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Sources: Unless otherwise noted, the information in these tables is derived from the comprehensive annual financial reports for the relevant year. The city implemented GASB Statement 34 in fiscal year 2003; tables presenting government-wide information include information beginning in that year.

CITY OF SLIDELL, LOUISIANA
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)

TABLE 1

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Governmental Activities										
Net investment in capital assets	\$ 50,303,228	\$ 61,334,324	\$ 79,841,867	\$ 88,377,938	\$ 96,377,271	\$ 96,620,849	\$105,863,429	\$110,077,230	\$112,257,231	\$115,852,285
Restricted	2,544,719	3,439,748	14,041,419	4,447,007	2,268,579	1,968,120	1,944,959	1,935,784	2,151,136	2,517,595
Unrestricted	17,349,944	15,295,234	2,167,967	11,040,772	11,275,798	12,765,363	16,982,470	(2,236,414)	(258,836)	(254,087)
Total governmental activities net position	\$ 70,197,891	\$ 80,069,306	\$ 96,051,253	\$103,865,717	\$109,921,648	\$111,354,332	\$124,790,858	\$109,776,600	\$114,149,531	\$118,115,793
Business-Type Activities										
Net investment in capital assets	\$ 42,827,531	\$ 40,501,548	\$ 43,457,832	\$ 44,074,766	\$ 44,870,637	\$ 44,815,853	\$ 45,992,103	\$ 46,008,954	\$ 46,078,298	\$ 50,248,160
Restricted	3,154,790	1,583,578	1,160,704	1,030,629	1,020,672	365,891	364,825	337,806	218,108	162,816
Unrestricted	488,503	4,868,813	5,466,652	6,396,677	5,393,149	6,719,480	6,782,823	4,963,616	6,992,581	8,185,227
Total business-type activities net position	\$ 46,470,824	\$ 46,953,939	\$ 50,085,188	\$ 51,502,072	\$ 51,284,458	\$ 51,901,224	\$ 53,139,751	\$ 51,310,376	\$ 53,288,987	\$ 58,596,203
Primary Government										
Net investment in capital assets	\$ 93,130,759	\$101,835,872	\$123,299,699	\$132,452,704	\$141,247,908	\$141,436,702	\$151,855,532	\$156,086,184	\$158,335,529	\$166,100,445
Restricted	5,699,509	5,023,326	15,202,123	5,477,636	3,289,251	2,334,011	2,309,784	2,273,590	2,369,244	2,680,411
Unrestricted	17,838,447	20,164,047	7,634,619	17,437,449	16,668,947	19,484,843	23,765,293	2,727,202	6,733,745	7,931,140
Total primary government net position	\$116,668,715	\$127,023,245	\$146,136,441	\$155,367,789	\$161,206,106	\$163,255,556	\$177,930,609	\$161,086,976	\$167,438,518	\$176,711,996

CITY OF SLIDELL, LOUISIANA
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)

TABLE 2

Expenses	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Governmental activities:										
General government	\$ 9,076,962	\$ 9,729,025	\$ 9,707,627	\$ 9,303,729	\$ 9,283,019	\$ 9,646,398	\$ 9,484,652	\$ 9,580,823	\$ 10,300,723	\$ 9,908,542
Public works	11,366,623	11,141,279	10,755,204	11,528,312	11,428,558	13,090,015	14,630,818	14,013,867	15,680,663	17,614,676
Public safety	10,075,755	9,505,618	9,753,105	10,488,683	10,110,483	10,747,248	10,696,681	11,808,793	12,143,610	12,929,437
Recreation and culture	2,116,497	2,346,960	2,389,670	2,191,622	2,644,291	2,063,753	1,979,693	2,091,626	2,335,422	2,229,585
Judicial system	352,926	404,717	410,671	404,146	420,504	437,307	373,389	396,846	474,972	555,810
Interest on long-term debt	819,182	666,292	538,794	838,176	709,649	641,998	509,918	469,907	414,182	615,151
Bond issuance costs	-	-	-	-	-	-	-	-	80,855	248,697
Total governmental activities expenses	<u>33,807,945</u>	<u>33,793,891</u>	<u>33,555,071</u>	<u>34,754,668</u>	<u>34,596,504</u>	<u>36,626,719</u>	<u>37,675,151</u>	<u>38,361,862</u>	<u>41,430,427</u>	<u>44,101,898</u>
Business-type activities:										
Utilities	8,914,670	9,331,791	9,500,931	9,598,912	10,078,812	10,031,018	10,208,370	10,272,796	10,485,691	10,679,617
Airport	581,366	657,650	693,333	695,313	1,120,767	1,194,655	1,039,799	1,007,560	970,750	1,125,221
Total business-type activities expenses	<u>9,496,036</u>	<u>9,989,441</u>	<u>10,194,264</u>	<u>10,294,225</u>	<u>11,199,579</u>	<u>11,225,673</u>	<u>11,248,169</u>	<u>11,280,356</u>	<u>11,456,441</u>	<u>11,804,838</u>
Total primary government expenses	<u>\$ 43,303,981</u>	<u>\$ 43,783,332</u>	<u>\$ 43,749,335</u>	<u>\$ 45,048,893</u>	<u>\$ 45,796,083</u>	<u>\$ 47,852,392</u>	<u>\$ 48,923,320</u>	<u>\$ 49,642,218</u>	<u>\$ 52,886,868</u>	<u>\$ 55,906,736</u>
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 4,257,489	\$ 4,239,152	\$ 4,321,647	\$ 4,206,584	\$ 4,215,048	\$ 4,191,714	\$ 3,557,467	\$ 3,958,521	\$ 3,819,562	\$ 3,706,168
Public works	459,014	637,713	288,869	231,106	335,367	294,012	492,521	622,261	405,610	308,705
Public safety	1,080,721	968,232	948,598	1,283,631	1,035,330	1,022,664	926,715	923,583	957,568	994,037
Recreation and culture	20,010	16,100	13,925	20,800	18,255	87,165	107,631	90,820	131,610	109,123
Judicial system	12,799	10,353	9,739	7,740	35,007	15,894	42,288	39,945	43,821	47,438
Operating grants and contribution:										
General government	315,006	477,311	598,837	381,983	577,479	317,926	699,533	323,423	1,112,432	1,390,085
Public works	1,527,622	5,255,020	766,727	873,531	1,081,905	3,881,803	5,241,718	2,028,400	3,330,837	5,280,417
Public safety	1,685,409	500,673	1,239,293	589,341	585,052	596,579	580,346	903,347	982,385	798,656
Recreation and culture	142,564	21,878	21,350	51,165	61,817	29,958	205,190	214,844	175,701	191,811
Judicial system	-	-	-	-	-	4,699	-	8,224	8,895	10,962
Capital grants and contributions:										
General government	51,976	1,727,893	3,249,389	3,186,209	500,783	151,424	(78,704)	39,168	240,862	(136,738)
Public works	9,953,231	3,687,074	12,685,634	2,057,035	5,741,151	1,207,872	11,242,720	4,832,529	5,651,961	7,692,981
Public safety	1,233,775	50,002	279,584	95,178	241,128	82,996	96,873	129,385	627,264	104,122
Recreation and culture	65,808	177,443	603,937	5,128,197	1,385,479	3,633	313,172	317,571	51,189	(8,997)
Judicial system	-	-	-	-	-	-	-	-	-	38,652
Total governmental activities program revenues	<u>20,805,424</u>	<u>17,768,844</u>	<u>25,027,529</u>	<u>18,112,500</u>	<u>15,813,801</u>	<u>11,888,339</u>	<u>23,427,470</u>	<u>14,432,021</u>	<u>17,539,697</u>	<u>20,527,422</u>

CITY OF SLIDELL, LOUISIANA
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS - CONTINUED
(ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)

TABLE 2

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Business-type activities:										
Charges for services:										
Utilities	8,140,057	8,545,599	8,525,779	9,081,628	9,301,875	9,516,836	9,594,013	9,806,762	9,969,089	9,972,551
Airport	100,163	101,319	118,042	83,344	640,733	695,547	503,162	516,640	399,454	493,126
Capital grants and contributions										
Utilities	227,484	288,078	2,220,503	876,315	113,113	38,250	1,316,986	394,147	1,299,983	4,541,459
Airport	410,721	88,251	1,098,301	62,055	119,595	382,806	2,441	48,870	308,598	238,944
Total business-type activities program revenues	<u>8,878,425</u>	<u>9,023,247</u>	<u>11,962,625</u>	<u>10,103,342</u>	<u>10,175,316</u>	<u>10,633,439</u>	<u>11,416,602</u>	<u>10,766,419</u>	<u>11,977,124</u>	<u>15,246,080</u>
Total primary government program revenues	<u>\$ 29,683,849</u>	<u>\$ 26,792,091</u>	<u>\$ 36,990,154</u>	<u>\$ 28,215,842</u>	<u>\$ 25,989,117</u>	<u>\$ 22,521,778</u>	<u>\$ 34,844,072</u>	<u>\$ 25,198,440</u>	<u>\$ 29,516,821</u>	<u>\$ 35,773,502</u>
Net (expense)/revenue										
Governmental activities	\$(13,002,521)	\$(16,025,047)	\$(8,527,542)	\$(16,642,168)	\$(18,782,703)	\$(24,738,380)	\$(14,247,681)	\$(23,929,841)	\$(23,890,730)	\$(23,574,476)
Business-type activities	(617,611)	(966,194)	1,768,361	(190,883)	(1,024,263)	(592,234)	168,433	(513,937)	520,683	3,441,242
Total primary government net expense	<u>\$(13,620,132)</u>	<u>\$(16,991,241)</u>	<u>\$ (6,759,181)</u>	<u>\$(16,833,051)</u>	<u>\$(19,806,966)</u>	<u>\$(25,330,614)</u>	<u>\$(14,079,248)</u>	<u>\$(24,443,778)</u>	<u>\$(23,370,047)</u>	<u>\$(20,133,234)</u>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes:										
Ad Valorem	\$ 3,391,577	\$ 3,854,291	\$ 3,974,834	\$ 3,991,512	\$ 3,866,282	\$ 4,253,539	\$ 4,230,985	\$ 4,323,125	\$ 3,580,394	\$ 4,786,055
Sales and use	21,130,329	19,178,627	17,911,488	17,980,547	17,919,089	17,992,111	18,361,905	18,849,553	19,354,308	19,604,476
Franchise	2,000,835	2,007,030	1,789,043	1,903,308	1,824,971	2,919,497	2,062,463	2,061,909	2,001,780	2,085,400
Beer	106,212	71,468	67,216	57,622	70,766	66,816	67,095	66,650	65,591	67,632
Restitution	-	-	-	-	-	-	-	350,000	2,247,255	-
Investment earnings	827,026	407,632	223,125	264,362	249,765	263,712	132,630	131,883	165,167	378,309
Miscellaneous	91,331	22,272	87,022	41,850	26,616	41,614	38,994	26,724	237,833	38,774
Loan cancellation	-	-	-	-	-	-	2,356,878	-	-	-
Transfers	346,577	355,142	456,761	217,430	881,145	633,775	703,423	594,701	611,333	580,092
Total governmental activities	<u>27,893,887</u>	<u>25,896,462</u>	<u>24,509,489</u>	<u>24,456,631</u>	<u>24,838,634</u>	<u>26,171,064</u>	<u>27,954,373</u>	<u>26,404,545</u>	<u>28,263,661</u>	<u>27,540,738</u>
Business-type activities:										
Taxes:										
Ad Valorem	1,445,932	1,740,852	1,796,502	1,804,360	1,669,640	1,833,422	1,892,000	1,937,536	1,975,390	2,325,836
Investment earnings	77,540	56,591	14,277	4,155	3,156	1,985	1,027	946	955	1,228
Miscellaneous	8,319	7,008	8,870	16,682	14,998	7,368	14,950	(67,741)	92,916	119,002
Transfers	(346,577)	(355,142)	(456,761)	(217,430)	(881,145)	(633,775)	(703,423)	(594,701)	(611,333)	(580,092)
Total business-type activities	<u>1,185,214</u>	<u>1,449,309</u>	<u>1,362,888</u>	<u>1,607,767</u>	<u>806,649</u>	<u>1,209,000</u>	<u>1,204,554</u>	<u>1,276,040</u>	<u>1,457,928</u>	<u>1,865,974</u>
Total primary government	<u>\$ 29,079,101</u>	<u>\$ 27,345,771</u>	<u>\$ 25,872,377</u>	<u>\$ 26,064,398</u>	<u>\$ 25,645,283</u>	<u>\$ 27,380,064</u>	<u>\$ 29,158,927</u>	<u>\$ 27,680,585</u>	<u>\$ 29,721,589</u>	<u>\$ 29,406,712</u>
Changes in Net Position										
Governmental activities	\$ 14,891,366	\$ 9,871,415	\$ 15,981,947	\$ 7,814,463	\$ 6,055,931	\$ 1,432,684	\$ 13,706,692	\$ 2,474,704	\$ 4,372,931	\$ 3,966,262
Business-type activities	567,603	483,115	3,131,249	1,416,884	(217,614)	616,766	1,372,987	762,103	1,978,611	5,307,216
Total primary government	<u>\$ 15,458,969</u>	<u>\$ 10,354,530</u>	<u>\$ 19,113,196</u>	<u>\$ 9,231,347</u>	<u>\$ 5,838,317</u>	<u>\$ 2,049,450</u>	<u>\$ 15,079,679</u>	<u>\$ 3,236,807</u>	<u>\$ 6,351,542</u>	<u>\$ 9,273,478</u>

CITY OF SLIDELL, LOUISIANA
GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)

TABLE 3

<u>Fiscal Year</u>	<u>Sales Tax</u>	<u>Property Tax</u>	<u>Franchise Tax</u>	<u>Alcoholic Beverage Tax</u>	<u>Total</u>
2008	21,130,329	3,391,577	1,444,166	50,831	26,016,902
2009	19,178,628	3,854,291	2,007,030	71,468	25,111,418
2010	17,896,150	3,974,834	1,789,043	67,216	23,727,243
2011	18,013,281	3,991,512	1,903,308	57,622	23,965,723
2012	17,919,088	3,866,282	1,824,971	70,766	23,681,107
2013	17,992,111	4,253,539	2,919,497	66,816	25,231,963
2014	18,361,905	4,230,985	2,062,463	67,095	24,722,448
2015	18,849,553	4,323,125	2,061,908	66,650	25,301,236
2016	19,354,308	3,580,394	2,001,780	65,591	25,002,073
2017	19,604,476	4,786,055	2,085,400	67,632	26,543,563

CITY OF SLIDELL, LOUISIANA
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)

TABLE 4

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General fund										
Reserved	\$ 1,613,325	\$ 1,651,152	\$ 1,582,510	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	3,524,088	3,446,072	2,756,461	-	-	-	-	-	-	-
Nonspendable*	-	-	-	1,432,377	1,601,902	1,655,956	1,564,634	1,590,133	176,269	1,364,171
Restricted*	-	-	-	275,000	275,000	300,000	300,000	300,000	300,000	300,000
Committed to*	-	-	-	819,500	901,000	992,000	1,374,000	1,616,000	1,616,000	1,616,000
Assigned to*	-	-	-	1,079,188	1,448,369	1,491,474	1,069,652	1,295,230	869,256	1,196,449
Unassigned*	-	-	-	967,497	387,258	1,085,113	1,497,719	951,759	2,625,579	748,571
Total general fund	\$ 5,137,413	\$ 5,097,224	\$ 4,338,971	\$ 4,573,562	\$ 4,613,529	\$ 5,524,543	\$ 5,806,005	\$ 5,753,122	\$ 5,587,104	\$ 5,225,191
All other governmental funds										
Reserved	\$ 3,402,614	\$ 3,104,748	\$ 3,901,853	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue funds	14,230,778	15,327,413	24,876,646	-	-	-	-	-	-	-
Capital projects funds	23,203	527,459	299,427	-	-	-	-	-	-	-
Nonspendable*	-	-	-	-	-	-	-	-	-	-
Restricted*	-	-	-	14,355,948	12,466,011	8,506,647	8,377,549	7,311,175	5,264,651	16,143,113
Committed to*	-	-	-	9,882,355	9,815,311	10,485,048	15,769,879	15,844,831	19,305,549	20,886,678
Assigned to*	-	-	-	3,836,684	4,625,721	5,693,663	3,392,001	2,522,619	1,896,732	4,602,014
Unassigned	-	-	-	-	-	-	-	-	(1,774,650)	(1,469,345)
Total all other governmental funds	\$ 17,656,595	\$ 18,959,620	\$ 29,077,926	\$ 28,074,987	\$ 26,907,043	\$ 24,685,358	\$ 27,539,429	\$ 25,678,625	\$ 24,692,282	\$ 40,162,460

*GASB Statement No. 54 changed fund balance classifications in 2011.

CITY OF SLIDELL, LOUISIANA
CHANGES IN FUNDS BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)

TABLE 5

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Revenues										
Taxes and assessments	\$ 26,522,742	\$ 25,039,948	\$ 23,675,366	\$ 23,875,367	\$ 23,610,341	\$ 25,165,147	\$ 24,655,353	\$ 25,234,587	\$ 24,936,482	\$ 26,475,931
Licenses and permits	2,344,813	2,426,706	2,079,238	2,028,220	2,106,164	2,114,167	2,383,461	2,525,052	2,431,112	2,316,044
Intergovernmental revenue	10,937,074	12,747,209	18,862,504	10,942,957	11,056,064	7,088,868	16,439,679	8,253,019	7,840,201	19,915,456
Fines and forfeitures	503,042	426,576	394,095	419,421	333,622	273,537	273,489	280,080	272,613	257,079
Restitution	-	-	-	-	-	-	-	350,000	2,247,255	-
Lease revenues	2,518,564	2,606,645	2,696,163	2,885,569	2,751,390	2,705,834	2,008,001	2,327,449	2,132,528	2,029,073
Contributions	183,647	413,064	3,543,256	290,730	377,895	305,454	353,694	282,331	308,429	245,455
Other revenues, primarily interest	1,015,615	516,778	320,900	332,993	325,505	337,060	247,941	245,477	419,306	423,147
Total revenues	\$ 44,025,497	\$ 44,176,926	\$ 51,571,522	\$ 40,775,257	\$ 40,560,981	\$ 37,990,067	\$ 46,361,618	\$ 39,497,995	\$ 40,587,926	\$ 51,662,185
Expenditures										
Current:										
General government	\$ 8,355,382	\$ 9,090,386	\$ 8,733,377	\$ 8,330,163	\$ 8,297,155	\$ 8,723,912	\$ 8,629,951	\$ 8,668,243	\$ 9,140,898	\$ 8,648,659
Public works	6,205,252	6,715,587	6,371,037	6,282,337	6,076,453	8,593,339	9,709,417	6,459,538	6,694,891	6,343,732
Public safety	9,252,271	8,206,178	8,313,735	8,916,071	9,117,522	9,355,011	9,654,798	10,360,372	10,553,716	10,856,036
Parks and recreation	1,664,041	1,786,679	1,698,369	1,644,297	1,594,654	1,544,437	1,356,894	1,457,915	1,420,869	1,501,185
Judicial system	321,528	355,259	361,880	334,936	361,443	387,105	333,954	353,866	396,253	458,887
Debt service:										
Principal	2,727,165	2,799,456	1,807,964	2,140,199	2,502,925	2,564,513	2,173,858	2,099,600	2,191,600	1,883,100
Interest	676,843	535,030	413,769	626,458	957,622	588,590	503,293	440,982	379,677	414,793
Other charges	-	-	166,466	-	-	-	-	-	80,855	248,697
Capital outlay	7,774,413	13,780,658	24,821,372	13,486,576	13,662,329	8,177,606	12,518,430	12,165,867	11,530,116	19,634,975
Total expenditures	\$ 36,976,895	\$ 43,269,233	\$ 52,687,969	\$ 41,761,037	\$ 42,570,103	\$ 39,934,513	\$ 44,880,595	\$ 42,006,383	\$ 42,388,875	\$ 49,990,064
Excess of revenues over (under) expenditures	7,048,602	907,693	(1,116,447)	(985,780)	(2,009,122)	(1,944,446)	1,481,023	(2,508,388)	(1,800,949)	1,672,121
Other financing sources (uses)										
Transfers in	\$ 6,738,738	\$ 10,146,314	\$ 7,003,160	\$ 7,576,966	\$ 7,425,748	\$ 6,806,531	\$ 6,485,352	\$ 5,333,061	\$ 4,709,802	\$ 4,624,227
Transfers out	(6,392,161)	(9,791,171)	(6,546,399)	(7,359,536)	(6,544,603)	(6,172,756)	(5,781,929)	(4,738,360)	(4,098,469)	(4,044,135)
Proceeds from the sale of capital assets	-	-	-	-	-	-	-	-	-	-
Premium on bonds sold	-	-	69,739	-	-	-	-	-	-	836,052
Payments to refunded bond escrow agent	-	-	-	-	-	-	-	-	(5,108,745)	-
Issuance of debt	-	-	9,950,000	-	-	-	-	-	5,146,000	12,000,000
Proceeds from insurance	-	-	-	-	-	-	-	-	-	-
Loan proceeds	-	-	-	-	-	-	-	-	-	-
Loan cancellation	-	-	-	-	-	-	972,260	-	-	-
Total other financing sources (uses)	346,577	355,143	10,476,500	217,430	881,145	633,775	1,675,683	594,701	648,588	13,416,144
Net change in fund balances	\$ 7,395,179	\$ 1,262,836	\$ 9,360,053	\$ (768,350)	\$ (1,127,977)	\$ (1,310,671)	\$ 3,156,706	\$ (1,913,687)	\$ (1,152,361)	\$ 15,088,265
Capitalized expenditures	\$ 11,540,245	\$ 13,539,118	\$ 22,521,408	\$ 12,515,983	\$ 12,675,590	\$ 7,972,405	\$ 13,847,048	\$ 9,839,988	\$ 8,725,335	\$ 10,581,076
Debt service as a percentage of noncapital expenditures	13.38%	11.22%	7.36%	9.46%	11.58%	9.87%	8.63%	7.90%	7.64%	5.83%

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

TABLE 6

Fiscal Year	Real Property		Commercial Personal Property		Public Service Property		Railroad Stock		Total		Total Direct Tax Rate	Assessed Value as a Percentage of Actual Value
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value		
2008	\$ 104,096,168	\$ 1,040,961,680	\$ 45,282,932	\$ 301,886,213	\$ 12,495,807	\$ 83,305,380	\$ 77,570	\$ 517,133	\$ 161,952,477	\$ 1,426,670,407	30.98	11%
2009	152,689,219	1,526,892,190	43,196,593	287,977,286	12,867,749	85,784,993	76,810	512,067	208,830,371	1,901,166,536	27.82	11%
2010	158,105,667	1,581,056,670	43,284,871	288,565,807	13,246,268	88,308,453	43,090	287,267	214,679,896	1,958,218,197	27.82	11%
2011	159,545,775	1,595,457,750	40,136,624	267,577,493	13,318,052	88,787,013	76,120	507,467	213,076,571	1,952,329,723	27.82	11%
2012	162,233,882	1,622,338,820	37,314,678	248,764,520	13,016,490	86,776,600	98,340	655,600	212,663,390	1,958,535,540	26.79	11%
2013	188,834,872	1,888,348,720	38,153,308	254,355,387	12,934,379	86,229,193	103,010	686,733	240,025,569	2,229,620,033	26.56	11%
2014	185,222,294	1,852,222,940	42,519,217	283,461,447	13,880,086	92,533,907	89,460	596,400	241,711,057	2,228,814,694	25.89	11%
2015	186,909,760	1,869,097,600	42,769,382	285,129,213	14,760,190	98,401,267	93,880	625,867	244,533,212	2,253,253,947	25.85	11%
2016	193,066,706	1,930,667,060	46,386,440	309,242,933	13,561,160	90,407,733	95,830	638,867	253,110,136	2,330,956,593	22.50	11%
2017	199,418,066	1,994,180,660	47,631,954	317,546,360	14,642,954	97,619,693	89,350	595,667	261,782,324	2,409,942,380	27.52	11%

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

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

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

TABLE 7

Fiscal Year	Direct Rates			Overlapping Rates									
	City of Slidell			Parish			School District					Total Direct Rates	Total Direct & Overlapping Rates
	Operating Millage	Debt Service Millage	Total City Millage	Operating Millage	Debt Service Millage	Total Parish Millage	Operating Millage	Debt Service Millage	Total School Millage	Special Districts			
2008	22.38	8.60	30.98	35.98	-	35.98	55.94	21.90	77.84	56.34	170.16	201.14	
2009	20.53	7.29	27.82	35.98	-	35.98	47.55	21.90	69.45	48.71	150.63	181.96	
2010	20.53	7.29	27.82	32.47	-	32.47	47.55	20.90	68.45	49.71	150.63	178.45	
2011	20.53	7.29	27.82	32.47	-	32.47	47.55	20.90	68.45	47.38	148.30	176.12	
2012	19.52	7.27	26.79	32.22	-	32.22	47.55	20.90	68.45	48.23	148.90	175.69	
2013	19.33	7.23	26.56	36.55	-	36.55	47.28	20.90	68.18	43.2	147.93	174.49	
2014	19.33	6.56	25.89	36.03	-	36.03	50.28	17.90	68.18	43.20	147.41	173.30	
2015	19.33	6.52	25.85	35.91	-	35.91	50.28	17.90	68.18	47.00	151.09	176.94	
2016	19.33	3.17	22.50	37.47	-	37.47	50.28	17.90	68.18	48.50	154.15	176.65	
2017	21.24	6.28	27.52	36.26	-	36.26	48.51	17.90	66.41	47.14	149.81	177.33	

CITY OF SLIDELL, LOUISIANA
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO
(UNAUDITED)

TABLE 8

Taxpayer	2017			2008		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Central LA Electric Company	\$ 8,432,530	1	3.22%	\$ 6,223,230	1	3.84%
Slidell Development Company LLC	5,990,918	2	2.29%	-	-	-
AT&T Southeast Tax Dept	3,191,367	3	1.22%	-	-	-
Walmart Real Estate Business	2,708,405	4	1.03%	1,424,770	7	0.88%
Atmos Energy	2,122,040	5	0.81%	-	-	-
Pelican Pointe NE Limited Par	1,872,788	6	0.71%	1,349,390	10	0.83%
Capital One N A	1,556,440	7	0.59%	2,957,460	3	1.83%
Robert Levis Chevrolet LLC	1,551,868	8	0.59%	-	-	-
Wal-Mart Stores Inc. #553	1,508,870	9	0.58%	-	-	-
JP Morgan Chase Bank	1,500,740	10	0.57%	2,179,790	6	-
Bellsouth Communications	-	-	-	4,799,010	2	2.96%
Sizeler North Shore Limited	-	-	-	2,843,100	4	1.76%
North Shore Regional Med Center	-	-	-	2,506,360	5	1.55%
Wal-Mart Stores Inc	-	-	-	1,368,530	8	0.84%
Sam's Club	-	-	-	1,355,010	9	0.84%
TOTALS	<u><u>\$ 30,435,966</u></u>		<u><u>11.59%</u></u>	<u><u>\$ 27,006,650</u></u>		<u><u>15.33%</u></u>

Source of data: St. Tammany Parish Assessor's Office

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

TABLE 9

Fiscal Year	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections for Previous Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy *
2008	\$ 5,017,288	\$ 4,781,614	95%	\$ 56,780	\$ 4,838,394	96%
2009	5,809,662	5,588,340	96%	6,803	5,595,144	96%
2010	5,972,761	5,765,969	97%	8,128	5,774,097	97%
2011	5,927,815	5,786,605	98%	11,164	5,797,769	98%
2012	5,697,252	5,527,287	97%	9,271	5,536,558	97%
2013	6,375,079	6,080,058	95%	9,407	6,089,465	96%
2014	6,257,899	6,110,623	98%	14,273	6,124,896	98%
2015	6,321,186	6,236,073	99%	29,469	6,265,542	99%
2016	5,695,000	5,548,130	97%	7,653	5,555,783	98%
2017	7,204,250	7,096,458	99%	882	7,097,340	99%

* Total collections include redemptions.

Property tax is collected by another governmental entity. Information concerning the tax year related to collections for previous years is currently not available. Additional time is needed to make appropriate tax system changes to make this information available.

**CITY OF SLIDELL, LOUISIANA
PRINCIPAL SALES TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO
(UNAUDITED)**

TABLE 10

Taxpayer	2017			2008		
	Sales Tax Collections	Rank	Percentage of Total Sales Tax Collected	Taxable Sales Tax Collections	Rank	Percentage of Total Sales Tax Collected
Retail Sales 1	1,447,583	1	7.38%	1,890,592	1	8.81%
Auto Sales	1,034,774	2	5.28%	1,046,069	3	4.87%
Retail Sales 2	838,308	3	4.28%	1,063,766	2	4.96%
Retail Sales 3	557,560	4	2.84%	838,999	4	3.91%
Retail Sales 4	487,232	5	2.49%	-	-	-
Grocery Sales 1	433,273	6	2.21%	381,898	8	1.78%
Grocery Sales 2	394,171	7	2.01%	-	-	-
Grocery Sales 3	291,246	8	1.49%	436,945	5	2.04%
Pharmacy Sales	257,133	9	1.31%	302,316	10	1.41%
Hardware Stores	256,167	10	1.31%	424,026	7	1.98%
Retail Sales 5	-	-	-	367,420	9	1.71%
Retail Sales 6	-	-	-	431,111	6	2.01%
TOTALS	<u>\$ 5,997,447</u>		<u>30.59%</u>	<u>\$ 7,183,142</u>		<u>33.47%</u>

Source: Based on Sales Tax Collections, compiled by City of Slidell Finance Department. Business names are not disclosed because sales tax information is confidential.

CITY OF SLIDELL, LOUISIANA
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(UNAUDITED)

TABLE 11

Fiscal Year	Governmental Activities					Business - Type Activities		Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
	General Obligation Bonds	Sales Tax Revenue Bonds	Capital Leases	LCDA Excess Rev Bond	Community Disaster Loan	Utility Bonds	Certificate of Indebtedness			
2008	\$ 5,647,352	\$ 6,282,567	\$ 890,432	\$ 3,425,600	\$ 2,000,000	\$ 7,020,000	\$ 1,971,000	\$ 27,236,951	3.76%	1,052
2009	4,517,175	5,078,392	756,576	3,145,000	2,000,000	6,500,000	1,807,000	23,804,143	3.13%	876
2010	13,972,402	4,314,077	617,212	2,851,400	2,000,000	5,965,000	1,637,000	31,357,091	4.01%	1,141
2011	13,122,890	3,520,042	472,113	2,546,300	2,000,000	5,293,648	1,460,000	28,414,993	3.67%	1,050
2012	12,108,378	2,700,867	321,043	2,227,700	1,846,745	4,704,918	1,276,000	25,185,651	3.14%	919
2013	11,058,866	2,201,692	163,758	1,877,600	1,384,618	4,096,188	1,084,000	21,866,722	2.65%	799
2014	9,995,845	1,844,353	-	1,517,500	-	3,086,350	884,000	17,328,048	2.07%	630
2015	8,850,589	1,251,235	-	1,137,900	-	2,480,675	676,000	14,396,399	1.72%	521
2016	8,207,843	638,117	-	741,300	-	1,970,000	460,000	12,017,260	1.39%	430
2017	20,192,921	-	-	327,200	-	1,545,000	235,000	22,300,121	2.57%	796

NOTE: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

(1) See the Schedule of Demographic and Economic Statistics, Table 16, for personal income and population data.

CITY OF SLIDELL, LOUISIANA
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
(UNAUDITED)

TABLE 12

Fiscal Year	General Obligation Bonds (2)	Less: Amounts Available in Debt Service Fund (3)	Total	Percentage of Estimated Actual Taxable (1) Value of Property	Per Capita (4)
2008	\$ 5,647,352	\$ 1,267,583	\$ 4,379,769	0.31%	169
2009	4,517,175	1,404,003	3,113,172	0.16%	115
2010	13,972,402	2,167,344	11,805,058	0.60%	430
2011	13,122,890	2,390,160	10,732,730	0.55%	397
2012	12,108,378	2,396,031	9,712,347	0.50%	354
2013	11,058,866	2,547,268	8,511,598	0.38%	311
2014	9,995,845	2,587,133	7,408,712	0.33%	269
2015	8,850,589	2,638,672	6,211,917	0.28%	225
2016	8,207,843	1,841,484	6,366,382	0.27%	228
2017	20,192,921	2,217,595	17,975,326	0.75%	642

- (1) See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property, Table 6, for property value data.
(2) Amount does not include special assessment, sales tax or revenue bonds.
(3) Amount available for repayment of general obligation bonds.
(4) 2006-2008 population is based on research Division, College of Administration and Business, Louisiana Tech University.
2009, 2013, 2014, 2015, 2016 information is based on estimates of U.S. Census Bureau.
2011 is based on the 2010 census.

CITY OF SLIDELL, LOUISIANA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2017
(UNAUDITED)

TABLE 13

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable (1)</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes:			
St. Tammany Parish	\$ 7,755,000	10.58%	\$ 820,479
St. Tammany Parish School Board	\$ 228,115,000	10.58%	<u>24,134,567</u>
Subtotal, overlapping debt			\$ 24,955,046
City of Slidell direct debt		100%	<u>\$ 20,520,121</u>
Total direct and overlapping debt			<u><u>\$ 45,475,167</u></u>

Source: St. Tammany Parish School Board officials and St. Tammany Parish Comprehensive Financial Annual Report.

NOTE: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and, therefore, is responsible for repaying the debt of each overlapping government.

(1) The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the Parish's taxable assessed value that is within the City's boundaries and dividing it by the Parish's total taxable assessed value.

CITY OF SLIDELL, LOUISIANA
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
(UNAUDITED)

TABLE 14

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Debt limit	\$55,525,341	\$ 71,145,288	\$ 73,705,796	\$ 73,940,185	\$ 73,407,791	\$ 81,177,785	\$84,598,870	\$ 85,586,624	\$ 88,588,548	\$ 91,623,813
Total net debt applicable to limit	(4,504,641)	(3,175,997)	(11,792,656)	(10,714,840)	(9,688,969)	(8,482,732)	(7,352,867)	(6,161,328)	(6,325,516)	(17,975,326)
Legal debt margin	<u>\$51,020,700</u>	<u>\$ 67,969,291</u>	<u>\$ 61,913,140</u>	<u>\$ 63,225,345</u>	<u>\$ 63,718,822</u>	<u>\$ 72,695,053</u>	<u>\$ 77,246,003</u>	<u>\$ 79,425,296</u>	<u>\$ 82,263,032</u>	<u>\$ 73,648,487</u>
Total net debt applicable to the limit as a percentage of debt limit	<u>8.11%</u>	<u>4.46%</u>	<u>15.90%</u>	<u>14.49%</u>	<u>13.20%</u>	<u>10.45%</u>	<u>8.69%</u>	<u>7.20%</u>	<u>7.14%</u>	<u>19.62%</u>

Legal debt margin calculation for fiscal year 2017

Assessed value	<u>\$ 261,782,324</u>
Debt Limit - 35% of \$261,782,324 (1)	\$ 91,623,813
Debt applicable to the limit:	
General obligation bonds	\$ 20,192,921
Less: Amount set aside for repayment of general obligation debt	<u>(2,217,595)</u>
Total net debt applicable to limit	<u>17,975,326</u>
Legal debt margin	<u>\$ 73,648,487</u>

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

CITY OF SLIDELL, LOUISIANA
 PLEDGED - REVENUE COVERAGE
 LAST TEN FISCAL YEARS
 (UNAUDITED)

TABLE 15

Fiscal Year	Utility Revenue Bonds						Sales Tax Bonds			
	Utility Charges and Other	Less: Operating Expenses (1)	Net Available Revenue	Debt Service		Coverage	Sales Tax Revenue	Debt Service		Coverage
				Principal	Interest			Principal	Interest	
2008	\$9,663,529	\$6,551,620	\$ 3,111,909	\$ 495,000	\$ 320,363	3.82	\$ 21,130,329	\$ 1,235,000	\$ 251,193	14.22
2009	10,343,042	6,708,150	3,634,892	520,000	298,730	4.44	19,158,940	1,245,000	204,630	13.22
2010	10,336,558	7,074,392	3,262,166	535,000	275,950	4.02	17,896,150	805,000	161,430	18.52
2011	10,890,143	7,134,999	3,755,144	640,000	229,001	4.32	17,980,547	835,000	136,830	18.50
2012	11,003,101	7,405,468	3,597,633	595,000	198,027	4.54	17,921,402	860,000	111,405	18.45
2013	11,383,684	7,452,090	3,931,594	595,000	102,875	5.63	17,984,751	540,000	90,134	28.54
2014	11,530,190	7,663,648	3,866,542	590,000	195,531	4.92	18,361,905	560,000	72,805	29.02
2015	11,701,266	7,797,201	3,904,065	605,000	73,031	5.76	18,849,553	580,000	53,985	29.73
2016	12,061,307	8,040,248	4,021,059	510,000	58,578	7.07	19,354,308	600,000	33,625	30.55
2017	12,441,874	8,245,019	4,196,855	425,000	45,977	8.91	19,604,476	625,000	11,563	30.80

NOTE: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

(1) Amount does not include depreciation.

CITY OF SLIDELL AND ST. TAMMANY PARISH, LOUISIANA
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
(UNAUDITED)

TABLE 16

Fiscal Year	City of Slidell Population (1)	St. Tammany Parish Population (2)	St. Tammany Parish Total Personal Income (2)	St. Tammany Parish Per Capita Personal Income (2)	State Unemployment Rate (3)	St. Tammany Parish School Enrollment (4)	Median Age (5)
2008	25,879	226,625	6,340,288,000	27,977	3.3%	35,523	36.7
2009	27,183	228,456	6,453,653,544	28,249	5.7%	35,878	*
2010	27,477	231,495	6,584,180,790	28,442	6.4%	36,441	38.7
2011	27,068	233,740	6,681,925,380	28,587	7.8%	37,221	37.3
2012	27,419	236,785	6,933,538,370	29,282	8.6%	37,508	39.8
2013	27,369	239,453	7,215,437,249	30,133	7.9%	37,926	36.4
2014	27,526	242,333	7,384,855,842	30,474	5.7%	38,044	37.1
2015	27,622	245,829	7,464,105,927	30,363	7.0%	38,193	39
2016	27,942	250,088	7,739,723,424	30,948	7.0%	38,439	38.6
2017	28,013	253,602	7,867,241,244	31,022	5.9%	38,681	38.4

NOTE: The City of Slidell is located within St. Tammany Parish.

* Information not available / no current information

Sources:

- (1) 2007-2008 population is based on research Division, College of Administration and Business, Louisiana Tech University.
2009-2016 information is based on U.S. Census Bureau.
- (2) 2007 information is based on St. Tammany Economic Development Foundation.
2008-2016 information is based on U.S. Census Bureau.
- (3) Louisiana Department of Labor
- (4) St. Tammany Parish School Board
- (5) U.S. Census Bureau

CITY OF SLIDELL, LOUISIANA
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO
(UNAUDITED)

TABLE 17

Employer	Location	2017			2008		
		Employees	Rank	% of Total St. Tammany Parish Employment	Employees	Rank	% of Total St. Tammany Parish Employment
St. Tammany Parish School Board	Parish wide	5,839	1	5.28%	7,757	1	6.61%
St. Tammany Parish Hospital	Covington	2,176	2	1.97%	1,714	2	1.46%
Slidell Memorial Hospital	Slidell	1,469	3	1.33%	1,100	4	0.94%
Lakeview Regional Medical Center	Covington	950	4	0.86%	745	5	0.63%
Ochsner Medical Center - North Shore	Parish wide	942	5	0.85%	-	-	-
Hornbeck Offshore Services, Inc.	Covington	756	6	0.68%	-	-	-
St. Tammany Parish Sheriff's Office	Parish wide	682	7	0.62%	704	6	0.60%
Textron Systems Marine & Land	Slidell	390	8	0.35%	-	-	-
City of Slidell	Slidell	356	9	0.32%	-	-	-
Rotolo Consultant's Inc.	Slidell	350	10	0.32%	-	-	-
Southeast Louisiana Hospital	Mandeville	-	-	-	532	8	0.45%
Northshore Regional Medical Center	Slidell	-	-	-	660	7	0.56%
Wal-Mart	Parish Wide	-	-	-	1,125	3	0.96%
Home Depot	Parish Wide	-	-	-	500	9	0.43%
St. Tammany Parish Government	Parish Wide	-	-	-	470	10	0.40%
TOTAL		<u>13,910</u>		<u>12.58%</u>	<u>15,307</u>		<u>13.04%</u>

NOTE: Information is only available for St. Tammany Parish, in which the City of Slidell is located.

CITY OF SLIDELL, LOUISIANA
FULL - TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS
(UNAUDITED)

TABLE 18

Function	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Government										
Administrative	6.5	6.5	6.5	5.1	5	5	5	5	5	5
Finance (1)	22	22	22	21	20	19	19	19	20	20
Legal	2	2	2	2	2	2	2	2	2	2
Animal Control	8	8	8	8	7	7	7	7	7	7
Civil Service	4	4	4	4	3	3	3	3	3	3
Legislative	12	12	12	12	12	12	12	12	12	12
Public Safety										
Police	115	117	117	113	112	110	104	105	105	106
Public Works										
Public Operations (2)	74.5	72.5	71.5	66.5	63.5	62.5	58.5	58.5	58.5	58.5
Permits	11	11	11	10	6	5.5	6.5	6.5	6.5	6.5
Planning	5	5	5	5	3.5	3.5	3.5	3.5	3.5	3.5
Engineering	9	9	9	8	7	7	6	6	6	6
Public Utility (3)	64.5	63.5	61.5	61.5	61.5	61.5	61.5	61.5	61.5	61.5
Judicial System (4)	4	5	6	6	6	6	6	6	6	5
Recreation and Culture	17.5	17.5	17.5	16.1	15.5	15	13	13	13	13
Airport	3	3	3	3	2	1	1	1	2	2
DISA (5)	0	0	0	0	0	0	5	5	5	5
Total	<u>358</u>	<u>358</u>	<u>356</u>	<u>341.2</u>	<u>326</u>	<u>320</u>	<u>313</u>	<u>314</u>	<u>316</u>	<u>316</u>

Source: Adopted FY2017 Budget City of Slidell

Note: Includes Elected, Unclassified, and Classified full time employees per the original adopted budget.
2016 figures represent budgeted positions by department.

- (1) Includes Finance Administration, Data Processing, Purchasing and Risk Management.
- (2) Includes Sales Tax Administration, Vehicle Maintenance, Streets, Bridges, Drainage, General Maintenance & Electrical.
- (3) Includes Public Utility Administration, Wastewater Treatment Plant, Wastewater Collection & Water Maintenance.
- (4) Includes City Court, City Marshall and City Prosecutor
- (5) DISA employees became full time employees in 2014. From 2008-2013 DISA employees were contract employees.

CITY OF SLIDELL, LOUISIANA
OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS
(UNAUDITED)

TABLE 19

Function	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Public Safety										
Total arrests	3,780	3,640	3,237	3,312	3,167	2,847	2,647	2,649	2,505	2,215
Parking tickets	311	188	170	107	53	69	56	42	28	36
Traffic violations	4,947	4,357	4,087	5,391	4,509	3,608	3,349	2,799	2,677	2,541
Public Works										
Potholes repaired	577	1,525	2,503	2,318	1,876	1,455	1,635	2,053	2,398	1,914
Public Utility										
Water										
Number of accounts	10,404	10,407	10,470	10,570	10,625	10,730	10,806	10,944	11,060	11,058
New meter connections	168	40	91	309	241	204	255	187	288	197
Old meter change out	189	10,300	232	170	26	18	14	20	26	23
Daily average consumption (MGD)	3.1	3.1	3.0	3.1	3.4	3.1	3.2	3.3	3	3
Wastewater										
Number of accounts	10,202	10,187	10,236	10,316	10,359	10,455	10,514	10,638	10,733	10,711
Average daily treated wastewater (MGD)	3.94	3.63	4.46	3.65	3.92	4.31	4.27	3.93	4.16	4.03
Building Permits										
New residential	136	52	24	14	15	43	26	16	25	33
Residential additions	262	132	103	140	112	257	213	177	185	210
New commercial	34	34	17	24	9	11	27	39	13	11
Commercial additions	114	108	98	90	96	89	121	97	134	111
Recreation and Culture										
Number of teams in softball league	70	86	85	72	90	86	84	60	40	36
Number of children on summer camp	174	175	174	173	175	173	174	175	174	175
Park pavilions rentals	151	143	140	155	172	195	218	209	241	212
Airport										
Number of land leases	9	17	16	16	16	16	16	16	15	15
Number of tie downs	26	33	35	38	28	30	29	28	30	28
Number of hanger leases	3	1	2	2	-	-	-	1	1	1

Note: Indicators are not available for the general government function

* Information not available

Sources: Various government departments

CITY OF SLIDELL, LOUISIANA
CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS
(UNAUDITED)

TABLE 20

Function	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Government										
Vehicles	21	20	19	19	17	16	18	17	17	13
Machinery & equipment	6	6	8	8	8	9	10	9	9	9
Public Safety										
Vehicles	129	146	134	131	138	150	130	139	161	191
Machinery & equipment	12	13	12	12	12	11	17	16	15	15
Stations	2	2	2	2	2	2	2	2	2	2
Training Academy	1	1	1	1	1	1	1	1	1	1
Public Works										
Vehicles	75	78	82	80	75	74	71	68	67	69
Machinery & equipment	82	84	88	92	95	92	95	100	104	111
Paved streets (miles)	146.53	153.12	155.21	155.21	155.35	153.56	152.8	153.5	153.5	153.5
Unimproved streets (miles)	8	8	8	8	8	12.75	12.7	12.5	12.7	12.7
Concrete streets (miles)	98.53	105.56	107.21	107.21	107.35	88.07	88.1	88	88	88
Asphalt streets (miles)	48	48	48	48	48	65.49	64.7	65.5	65.5	65.5
Streetlights	2907	2921	2924	2927	2949	3049	3075	3,077	3,080	3,082
Traffic signals	59	58	59	59	64	64	64	64	63	63
Public Utility										
Water										
Vehicles	16	18	17	16	15	15	15	13	13	13
Machinery & equipment	15	17	17	17	18	18	20	23	23	22
Water mains (miles)	166.5	166.9	167.4	165.88	165.88	171.64	172.2	179.1	181	181.8
Maximum capacity of water storage tanks (gallons)	2,150,000	2,500,000	2,500,000	2,150,000	2,150,000	3,000,000	2,100,000	2,154,000	2,154,000	2,154,000
Number of water storage tanks	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0
Productive capacity (MGD)	10.9	15.9	15.562	15.562	15.562	15.9	15.9	15.9	15.9	15.3
Sewer										
Vehicles	32	35	35	32	32	31	33	34	34	35
Machinery & equipment	22	23	26	26	31	29	30	32	34	34
Sanitary sewers (miles)	162	162	162.1	169.1	169.1	165.68	166.5	167.2	168.2	169.08
Plant capacity (MGD)	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0
Recreation and Cultural Arts										
Vehicles	15	15	12	11	11	13	12	12	12	11
Machinery & equipment	32	33	36	37	38	37	35	33	32	30
Parks acreage	420.24	420.24	420.24	420.24	420.24	430.24	430.24	430.24	430.24	430.24
Number of playgrounds	22	22	22	22	22	22	22	23	23	23
Number of picnic areas	18	18	18	18	18	18	18	18	18	18
Number of gyms	2	2	2	2	2	2	2	2	2	2
Airport										
Vehicles	1	2	1	1	1	2	2	3	4	6
Machinery & equipment	5	6	6	6	5	5	5	7	7	9
Feet of runway	5,002	5,002	5,002	5,002	5,002	5,002	5,001	5,001	5,001	5,001
Feet of parallel taxiway	5,002	5,002	5,002	5,002	5,002	5,002	5,000	5,000	5,000	5,000
Feet of connecting taxiway	1,250	1,250	1,250	1,250	1,250	1,250	1,750	1,750	1,750	1,750
Feet of auburn taxilane	800	800	800	800	800	800	820	820	820	820
Number of t-hangers	16	16	32	32	32	32	32	32	32	32
Feet of t-hangers taxilane	1,386	1,386	1,386	1,386	1,386	1,386	2,000	2,000	2,000	2,000
Sq feet of t-hangers	18,550	18,550	37,100	37,100	37,100	37,100	36,400	36,400	36,400	36,400

Sources: Various city departments.

* Information not available

SINGLE AUDIT SECTION



INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental Audit Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Slidell, Louisiana (the "City") as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated December 19, 2017.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.



To the Honorable Mayor
and Members of the City Council
City of Slidell, Louisiana
December 19, 2017

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, 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 or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

This report is intended solely for the information and use of management, the City Council, the Louisiana Legislative Auditor, and federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

December 19, 2017
Mandeville, Louisiana

A handwritten signature in black ink that reads "Ericksen Krentel LLP".

Certified Public Accountants



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE
UNIFORM GUIDANCE**

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

Report on Compliance for Each Major Federal Program

We have audited the City of Slidell, Louisiana's (the "City") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended June 30, 2017. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance 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'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 on compliance for each major federal program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Each Major Federal Program

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2017.



To the Honorable Mayor
and Members of the City Council
City of Slidell, Louisiana
December 19, 2017

Report on Internal Control over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

This report is intended for the information of management, the City Council, others within the City, the Louisiana Legislative Auditor, and federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than those specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

December 19, 2017
Mandeville, Louisiana

Certified Public Accountants

CITY OF SLIDELL, LOUISIANA
 SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED JUNE 30, 2017

Federal Grantor/Pass-Through or Grantor/Program or Cluster Title	Federal CFDA Number	Grant Number	Total Grant Award	Federal Expenditures
U.S. Department of Homeland Security				
<i>Pass - Through Louisiana Governor's Office of Homeland Security and Emergency Preparedness:</i>				
Public Assistance Grant - Katrina 1603	97.036	DR 1603	\$82,771,942	\$ 7,576,046
Drainage Improvements	97.039	HMGP-1603n-103-0043	18,208,439	2,973,119
Safe Room Construction	97.039	HMPG-1786-103-0007	108,503	81,156
Reconstruction Project Phase VIII	97.039	HMPG-1603-103-0003	4,455,120	<u>98,287</u>
Total CFDA 97.039				3,152,562
Elevations Phase 9	97.029	FMA-PJ-06-LA-2014-011	3,735,539	1,499,884
Elevations Phase 10	97.029	FMA-PJ-06-LA-2014-017	1,211,860	323,757
Elevations Phase 11	97.029	FMA-PJ-06-LA-2015-003	3,963,943	1,845,493
Elevations Phase 12	97.029	FMA-PJ-06-LA-2015-012	4,687,326	<u>1,352,319</u>
Total CFDA 97.029				<u>5,021,453</u>
Total U.S. Department of Homeland Security				<u>15,750,061</u>
U.S. Department of Housing and Urban Development				
Community Development Block Grant/Entitlement Grants	14.218	B-14-MC-22-0010	182,222	146,787
Community Development Block Grant/Entitlement Grants	14.218	B-15-MC-22-0010	183,823	<u>171,001</u>
Total CFDA 14.218				<u>317,788</u>
Total U.S. Department of Housing and Urban Development				<u>317,788</u>
U.S. Department of Health and Human Services				
Food and Drug Administration FY16 Task Force	93.UNKNOWN	-	20,000	4,134
Food and Drug Administration FY17 Task Force	93.UNKNOWN	-	20,000	<u>10,966</u>
Total U.S. Department of Health and Human Services				<u>15,100</u>
U.S. Department of Justice				
Bureau of Justice Assistance: Bulletproof Vest Partnership Grant FY16	16.607	-	14,451	7,663
Asset Forfeiture and Money Laundering Section: Equitable Sharing Funds	16.922	-	-	<u>91,662</u>
Total U.S. Department of Justice				<u>99,325</u>
U.S. Department of Interior				
<i>Pass - Through Louisiana Department of Culture, Recreation & Tourism:</i>				
Historic Preservation Grant	15.904	16-HP-11	10,000	<u>9,800</u>
Total U.S. Department of Interior				<u>9,800</u>
U.S. Department of Transportation				
<i>Pass - Through Louisiana Department of Transportation and Development:</i>				
<i>Aviation Division</i>				
Rehabilitate Runway and Taxiway	20.106	AIP 3-22-0060-020-2015	236,863	20,454
Airport Master Plan	20.106	AIP 3-22-0060-019-2014	136,800	29,304
Airport Apron Expansion	20.106	AIP 3-22-0060-021-2017	382,033	<u>34,728</u>
Total CFDA 20.106				84,486
<i>Pass- Through Louisiana Department of Public Safety and Corrections, LA</i>				
<i>Highway Safety Commission:</i>				
<i>Highway Planning and Construction Cluster:</i>				
DWI Enforcement Grant	20.205	LHSC 2016-30-44	25,253	7,834
<i>Pass- Through Louisiana Department of Culture, Recreation, and Tourism</i>				
<i>Highway Planning and Construction Cluster:</i>				
West Hall Bike Trail	20.219	H.011117	190,131	<u>4,200</u>
Total Planning and Construction Cluster				12,034
<i>Pass- Through Louisiana Department of Public Safety and Corrections, LA</i>				
<i>Highway Safety Commission:</i>				
<i>Highway Safety Cluster:</i>				
DWI Enforcement Grant	20.600	LHSC 2017-30-49	25,748	<u>13,701</u>
Total Highway Safety Cluster				13,701
<i>Pass- Through Louisiana Department of Public Safety and Corrections, LA</i>				
<i>Highway Safety Commission:</i>				
DWI Enforcement Grant	20.608	LHSC 2016-30-44	74,246	23,501
DWI Enforcement Grant	20.608	LHSC 2017-30-49	75,682	<u>41,104</u>
Total CFDA 97.029				<u>64,605</u>
Total U.S. Department of Transportation				<u>174,826</u>
U.S. Department of Treasury				
US Secret Service Joint Operations FY16	21.UNKNOWN	-	3,000	1,107
US Secret Service Joint Operations FY17	21.UNKNOWN	-	3,000	<u>329</u>
Total U.S. Department of Treasury				<u>1,436</u>
Total Expenditures of Federal Awards				<u>\$ 16,368,336</u>

CITY OF SLIDELL, LOUISIANA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2017

NOTE 1 – SCOPE OF AUDIT PURSUANT TO *GOVERNMENT AUDITING STANDARDS AND TITLE 2 U.S. CODE OF FEDERAL REGULATIONS PART 200, UNIFORM ADMINISTRATIVE REQUIREMENTS, COST PRINCIPLES, AND AUDIT REQUIREMENTS FOR FEDERAL AWARDS* (UNIFORM GUIDANCE)

All federal grant operations of the City of Slidell, Louisiana (the “City”) are included in the scope of the single audit. Those programs which were major grants and selected for specific testing were:

Disaster Grants – Public Assistance (CFDA No. 97.036)
Hazard Mitigation Grant (CFDA No. 97.039)

NOTE 2 – FISCAL PERIOD AUDIT

Single audit testing procedures were performed for program transactions occurring during the year ended June 30, 2017.

NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

Accrued and Deferred 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. Accrued balances at year end represent an excess of reimbursable expenditures over cash reimbursements and expenditures will be reversed in the remaining grant period.

Pass-Through Entity Information

Pass-through entity identifying numbers are presented where available.

Payments to Subrecipients

There were no payments to subrecipients for the fiscal year ended June 30, 2017.

NOTE 4 – INDIRECT COST RATE

The City has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

CITY OF SLIDELL, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2017

A. SUMMARY OF AUDIT RESULTS

1. The independent auditors' report expresses an unmodified opinion on the financial statements of the City of Slidell, Louisiana.
2. No significant deficiencies or material weaknesses in internal control relating to the audit of the financial statements are reported in the Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.
3. No instances of noncompliance material to the financial statements of the City of Slidell, Louisiana were reported in the Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.
4. No significant deficiencies or material weaknesses relating to the audit of the major federal award programs are reported in the Independent Auditors' Report on Compliance for Each Major Program and on Internal Control over Compliance in Accordance with the Uniform Guidance.
5. The auditors' report on compliance for the major federal award programs for the City of Slidell, Louisiana expresses an unmodified opinion.
6. There were no audit findings required to be reported in accordance with 2 CFR section 200.516(a).
7. A management letter was not issued for the year ended June 30, 2017.
8. The programs tested as major programs were:

	<u>CFDA Number</u>
Disaster Grants - Public Assistance	97.036
Hazard Mitigation Grant	97.039

9. The threshold for distinguishing Types A and B programs was \$750,000.
10. 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, 2017.

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

There were no findings related to major federal award programs for the year ended June 30, 2017.

CITY OF SLIDELL, LOUISIANA
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2017

SECTION I - FINDINGS RELATED TO THE FINANCIAL STATEMENTS

N/A

**SECTION II - FINDINGS AND QUESTIONED COSTS RELATED TO MAJOR FEDERAL
AWARD PROGRAMS**

N/A

SECTION III - MANAGEMENT LETTER

N/A

CITY OF SLIDELL, LOUISIANA
MANAGEMENT'S CORRECTIVE ACTION PLAN
JUNE 30, 2017

There are no compliance and/or internal control findings as described in the Schedule of Findings and Questioned Costs. Accordingly, no corrective action plan is required as a part of this section.