

CITY OF SLIDELL, LOUISIANA

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

**FOR THE YEAR ENDED
JUNE 30, 2020**

Submitted by:

Department of Finance

BLAIR ELLINWOOD
Director

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INTRODUCTORY SECTION



The City of Slidell

FINANCE DEPARTMENT
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GREG CROMER
Mayor

BLAIR ELLINWOOD
Director of Finance

January 26, 2021

To the Honorable Mayor Greg Cromer, 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 of Slidell, Louisiana (the "City") for the fiscal year ended June 30, 2020.

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, 2020 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 unmodified opinion that the City's financial statements for the fiscal year ended June 30, 2020 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, Grants and Donations Fund, Public Safety 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 87-88.

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 27,600) is located in the southeastern portion of St. Tammany Parish - about 20 miles from New Orleans. The City is uniquely located at the intersection of 3 interstates – Interstate 10, 12 and 59. 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 broad and diverse employment opportunities. The City's transportation accessibility, low business costs, availability of labor, superb school system, low crime rate, and first-rate medical facilities encourage continued growth.

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 from 2009 to 2013 for sales tax revenue, the City's major revenue source. Due to the opening of a major new shopping center located in the Fremaux Economic Development District in March 2014, the City is attracting many shoppers to return to Slidell as a shopping destination.

The average unemployment rate in St. Tammany Parish and the New Orleans metropolitan area is 8.9 % and 15.9%, respectively.

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 embarked 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 2020 and 2021 budgets include funding in the Utility Fund to provide debt service for issuance of \$18.9 million in utility revenue bonds. The City entered into a loan agreement in 2018 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 \$6.4 million in improvements to sewer lift stations. As of June 30, 2020, \$1,239,379 has been drawn on this line of credit. 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 City expects to close on this loan in 2021.

FEMA has obligated \$125.7 million dollars for Hurricane Katrina damages sustained by the City on August 29, 2005. To date, the City has received \$106.5 million dollars - \$11.4 million for debris removal, \$9.2 million for emergency protective measures, \$4.7 million for street damages, \$2.4 million for damage to water control facilities, \$17.5 million for building and equipment damages, \$60.5 million for sub-surface drainage and sewerage system damages and \$800,000 for park damages. Construction on the sub-surface drainage projects started in June of 2018 and is expected to be completed in 2021.

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, 2019. This is the thirty-second 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,



Blair Ellinwood
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, 2019

Christopher P. Morill

Executive Director/CEO

**CITY OF SLIDELL, LOUISIANA
PRINCIPAL ELECTED OFFICIALS
JUNE 30, 2020**

MAYOR

Greg Cromer – Mayor

COUNCIL MEMBERS

William Borchert – Councilman-at-Large

Glynn Pichon – Councilman-at-Large

Leslie Denham – District A

David Dunham – District B

Warren Crocket – District C

Valsin Vanney Jr. – District D

Kenneth Tamborella – District E

Kim Baronet Harbison – District F

Cynthia King – District G

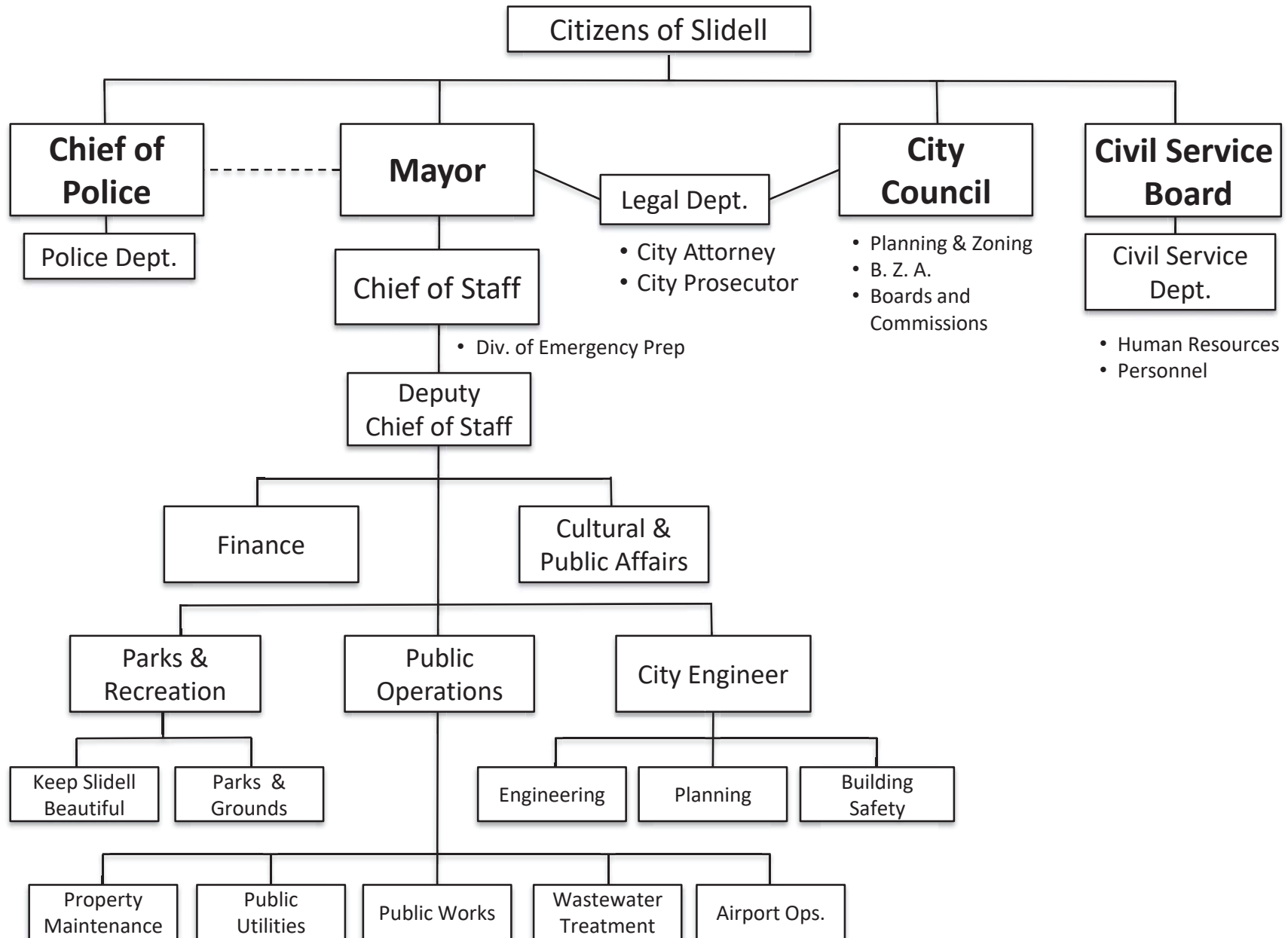
CHIEF OF POLICE

Randy Fandal – Chief of Police

Organization Plan

Government of the City of Slidell

5/22/2019



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, 2020, 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
January 26, 2021

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, 2020, 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 changes in net OPEB liability and related ratios, schedule of employer contributions, schedule of proportionate share of the net pension liability and schedule of contributions - retirement plan on pages 4 through 14 and 71 through 83 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 96 through 100, 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* 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
January 26, 2021

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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 26, 2021, 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 solely 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 effectiveness of the City's 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
January 26, 2021


Certified Public Accountants

CITY OF SLIDELL, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2020

Our discussion and analysis of the City of Slidell's (the "City") financial performance provides an overview of the City's financial activities for the fiscal year ended June 30, 2020. Please read it in conjunction with the transmittal letter on pages I through V 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, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
JUNE 30, 2020

- **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, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
JUNE 30, 2020

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, Public Safety Fund, and Katrina Fund and changes in net OPEB liability and related ratios, employer contributions, proportionate share of net pension liability, and contributions-retirement plan. Required supplementary information can be found on pages 71 to 83 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 84 to 88 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 \$210.5 million at the close of fiscal year 2020 as compared to \$192.3 million at the close of fiscal year 2019.

Table 1
Net Position
(In Thousands)

	Governmental Activities		Business-type Activities		Total Government	
	2020	2019	2020	2019	2020	2019
Current and other assets	\$ 63,771	\$ 61,721	\$ 22,204	\$ 19,187	\$ 85,975	\$ 80,908
Capital assets	170,735	160,766	56,786	52,229	227,521	212,995
Total assets	234,506	222,487	78,990	71,416	313,496	293,903
 Total deferred outflow of resources	 13,269	 8,776	 2,873	 1,697	 16,142	 10,473
Long-term liabilities	86,488	81,606	17,331	14,957	103,819	96,563
Other liabilities	12,170	12,359	632	1,001	12,802	13,360
Total liabilities	98,658	93,965	17,963	15,958	116,621	109,923
 Total deferred inflows of resources	 2,248	 1,841	 306	 307	 2,554	 2,148
Net investment in capital assets	164,638	153,887	54,651	50,425	219,289	204,312
Restricted	12,424	2,648	785	790	13,209	3,438
Unrestricted	(30,193)	(21,078)	8,157	5,633	(22,036)	(15,445)
Total net position	<u>\$ 146,869</u>	<u>\$ 135,457</u>	<u>\$ 63,593</u>	<u>\$ 56,848</u>	<u>\$ 210,463</u>	<u>\$ 192,305</u>

Table 2

CITY OF SLIDELL, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
JUNE 30, 2020

Changes in Net Position
(In Thousands)

	Governmental Activities		Business-type Activities		Total Government	
	2020	2019	2020	2019	2020	2019
Revenues						
Program revenues:						
Charges for services	\$ 5,055	\$ 4,999	\$ 11,007	\$ 11,454	\$ 16,063	\$ 16,453
Operating grants	1,961	3,641	-	-	1,961	3,641
Capital grants	20,595	35,016	469	579	21,065	35,595
General revenues:						
Sales tax	21,544	20,691	-	-	21,544	20,691
Property tax	4,843	4,691	2,412	2,355	7,256	7,046
Other tax	3,298	1,949	-	-	3,298	1,949
Other general revenue	<u>1,105</u>	<u>1,440</u>	<u>125</u>	<u>114</u>	<u>1,228</u>	<u>1,554</u>
Total revenues	58,401	72,427	14,013	14,502	72,414	86,929
Program Expenses						
General government	9,882	9,964	-	-	9,882	9,964
Public works	13,851	13,138	-	-	13,851	13,138
Public safety	13,885	12,922	-	-	13,885	12,922
Recreation and culture	3,100	2,578	-	-	3,100	2,578
Judicial system	537	502	-	-	537	502
Interest on long-term debt	533	561	-	-	533	561
Bond issuance cost	-	6	-	-	-	6
Utilities	-	-	11,255	10,965	11,255	10,965
Airport	<u>-</u>	<u>-</u>	<u>1,214</u>	<u>1,284</u>	<u>1,214</u>	<u>1,284</u>
Total expenses	<u>41,788</u>	<u>39,671</u>	<u>12,469</u>	<u>12,249</u>	<u>54,257</u>	<u>51,920</u>
Excess before transfers	16,613	32,756	1,544	2,253	18,158	35,009
Transfers	<u>(5,201)</u>	<u>659</u>	<u>5,201</u>	<u>(659)</u>	<u>-</u>	<u>-</u>
Increase in net assets	<u>\$ 11,413</u>	<u>\$ 33,415</u>	<u>\$ 6,745</u>	<u>\$ 1,594</u>	<u>\$ 18,158</u>	<u>\$ 35,009</u>
Ending net position from Statement of Activities	<u>\$ 146,870</u>	<u>\$ 135,457</u>	<u>\$ 63,593</u>	<u>\$ 56,848</u>	<u>\$ 210,463</u>	<u>\$ 192,305</u>

By far the largest portion of the City's net position (104%) reflects its investment in capital assets (e.g. infrastructure, land, buildings, machinery, and equipment), less any related debt used to

CITY OF SLIDELL, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
JUNE 30, 2020

acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City'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's net position (6%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position is a negative \$(22.0) million. The primary reason for the deficit is due to reporting the net pension liability and the net other post-employment benefits liability.

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

The City's net position increased \$18.2 million during the current fiscal year.

Governmental Activities

Governmental activities increased the City's net position by \$11.4 million in 2020.

Total revenue from governmental activities decreased \$14.0 million or 19% in 2020. Revenue from capital grants (\$20.6 million in 2020) decreased by \$14.4 million primarily due to a public assistance grant from the Federal Emergency Management Agency ("FEMA") for repair of damage to City infrastructure during Hurricane Katrina on August 29, 2005.

Total expenses for governmental activities decreased by \$2.1 million or 5% in 2020. Program expenses for public safety increased by \$1.0 million primarily due to a reorganization of the police department to include animal control as part of public safety. Program expenses for public works increased by \$0.7 million primarily due to vacancies that were filled in 2020 and an increase in operating grant activity.

Business-type Activities

Business-type activities increased the City's net position by \$6.7 million in 2020.

Total revenue for business-type activities decreased by \$489,000 in 2020. The charges for service decreased by \$447,000 primarily due to a decrease in the number of gallons of fuel sold at the airport.

Total program expenses for business-type activities increased by 2%. An increase general operating expenses in the Utility Fund was offset by the decrease of fuel purchased in the Airport Fund.

CITY OF SLIDELL, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
JUNE 30, 2020

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 \$45.2 million, an increase of \$416,000 from 2019. Governmental fund expenditures exceeded revenues by \$206,000 and the net transfer from other funds was \$622,000.

Of the total fund balance amount, \$30.9 million or 68% is reported as unrestricted fund balance, either committed, assigned, or unassigned. The unrestricted fund balance includes \$27.7 million in committed funds which are formally dedicated by City Council ordinance for specific purposes. As of June 30, 2020, \$14.5 million is committed for capital outlay, \$10.3 million is committed for contingencies, and \$2.9 million is committed for operating reserves. Approximately \$4.3 million, or 14%, 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, public improvements, and compensated absences. The General Fund has \$2.4 million in unassigned fund balance, which is available for spending at the government's discretion. The Katrina Fund has an unassigned deficit fund balance of \$3.4 million. The remainder of fund balance is either non-spendable (4%) or restricted (27%). Restricted fund balance of \$12.1 million is primarily restricted to debt service and capital outlay for unexpended bond proceeds.

Fund balance in the General Fund increased by \$1.5 million during the current fiscal year.

Total revenue in the General Fund increased by \$748,000 or 10% in 2020. Revenue from franchise fees increased by \$1.3 million primarily due to renegotiations and other revenues decreased \$506,000 primarily due to a decrease in interest rates.

Total expenditures in the General Fund increased by \$274,000 or 5% in 2020 primarily due to an increase in salaries and benefits.

Transfers from the General Fund increased by \$297,000 primarily due to an increase in General Fund support of Public Safety Fund in accordance with budgetary authorizations.

CITY OF SLIDELL, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
JUNE 30, 2020

Fund balance in the Sales Tax Fund increased \$3.1 million in the current fiscal year.

Revenue in the Sales Tax Fund increased by \$941,000 in 2020. 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 \$13.5 million and \$12.6 million in 2020 and 2019, respectively. The Public Safety Fund recorded sales tax revenue of \$8.1 million and \$8.1 million in 2020 and 2019, respectively. Overall, total revenue from sales tax collections increased \$853,000 or 4% in 2020.

Expenditures in the Sales Tax Fund decreased \$642,000 or 6% from 2019 to 2020. Capital expenditures decreased \$657,000 or 27%. 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. General governmental expenditures decreased by \$601,000 or 16% which was offset by recreation and culture expenditures which increased by \$556,000 or 49% from 2019 to 2020.

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 growth in sales tax revenue is discussed above. Operating expenditures in the Public Safety Fund increased by \$1.4 million or 11% primarily due to an increase in salaries and benefits. The Public Safety Fund took over all expenditures associated with the animal control department for fiscal year 2020 which lead to an increase in general government expenditures of \$394,000.

The Grants and Donations Fund accounts for various grants and donations that are not accounted for in other funds. Total revenue was \$2.0 million and total expenditures were \$3.0 million resulting in a net decrease in fund balance of \$925,000 for the 2020 fiscal year-end. Reimbursements that are not received within 60 days after fiscal year end are recorded as a deferred inflow on the balance sheet of governmental funds. The City recorded \$1.5 million and \$578,000 for deferred inflows related to grants as of June 30, 2020 and 2019, respectively. In 2019, the City received \$1.9 million from FEMA for elevation of private residential property to mitigate the risk of future flooding.

CITY OF SLIDELL, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
JUNE 30, 2020

The Katrina Fund accounts for FEMA reimbursements, insurance proceeds and related costs associated with the storm. Total revenue was \$16.9 million and total expenditures were \$20.0 million, resulting in a net decrease in fund balance of \$3.0 million for the 2020 fiscal year-end. The City recorded \$5.1 million and \$4.2 million in deferred inflows related to grants as of June 30, 2020 and 2019, 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 2020 include \$6.3 million for infrastructure repairs in the Bayou Pattasat Drainage Basin, \$1.5 million for infrastructure repairs in the Schneider Canal Drainage Basin, \$4.0 million for infrastructure repairs in the Bayou Bonfouca Drainage Basin, \$288,000 for infrastructure repairs in the Lee Street Drainage Basin, \$1.1 million for infrastructure repairs in the Dellwood Drainage Basin, and \$355,000 million for infrastructure repairs in the Bayou Vincent Drainage Basin.

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 2020, revenue from interest income totaled \$152,000 and expenditures totaled \$489,000 primary for street repairs.

General Fund Budgetary Highlights

The City Council revised the 2020 original adopted budget for the General Fund once. The budget amendment appropriated funds from unassigned fund balance at June 30, 2019 to increase operating expenditures in various departments and divisions by \$32,000 and to increase the transfer to the Public Safety Fund by \$733,000.

By budgetary policy, revenue and expenditure estimates are prepared with a conservative bias. Overall, General Fund revenue in 2020 experienced a positive variance of \$1.9 million from the final adopted budget. Revenue from franchise had a positive variance of \$1.4 million primarily due to renegotiations in 2020. Actual expenditures of \$4.4 million were \$317,000 less than the final adopted budget primarily due the conservative bias in expenditure forecasting.

CITY OF SLIDELL, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
JUNE 30, 2020

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2020, the City had \$227.5 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 \$14.5 million from last year.

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

	Governmental Activities		Business-type Activities		Total Government	
	2020	2019	2020	2019	2020	2019
Land	\$ 21,977	\$ 22,010	\$ 76	\$ 76	\$ 22,053	\$ 22,086
Building and building improvements	31,340	32,229	664	750	32,004	32,949
Land improvements	4,478	4,714	2,881	3,240	7,359	7,954
Machinery and equipment	4,491	4,607	2,396	2,750	6,887	7,357
Infrastructure	59,836	48,860	42,205	36,123	102,041	84,983
Construction-in-progress	48,613	48,346	8,564	9,320	57,177	57,666
Total capital assets, net	<u>\$ 170,735</u>	<u>\$ 160,766</u>	<u>\$ 56,786</u>	<u>\$ 52,259</u>	<u>\$ 227,521</u>	<u>\$ 212,995</u>

Capital asset additions for governmental activities (\$24.0 million) in 2020 include \$18.7 million for construction-in-progress (primarily for street and drainage rehabilitation funded by FEMA public assistance), \$5.0 million for street rehabilitation primarily funded by General Obligation Bonds, and \$400,000 for equipment and vehicles. The governmental activities transferred \$5.2 million in construction in progress for sewer line rehabilitation to the business-type activities in 2020. Capital additions for business-type activities (\$7.6 million) in 2020 include \$7.1 million for construction-in-progress primarily for sewer line rehabilitation funded by FEMA public assistance.

More detailed information about the City's capital assets is presented in Note 8 to the financial statements.

CITY OF SLIDELL, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
JUNE 30, 2020

Debt

At year-end, the City had \$18.8 million in bonds and notes outstanding versus \$19.4 million last year as shown in Table 4.

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

	Governmental Activities		Business-type Activities		Total Government	
	2020	2019	2020	2019	2020	2019
General obligation bonds (backed by property tax)	\$ 16,608	\$ 17,566	\$ -	\$ -	\$ 16,608	\$ 17,566
Revenue bonds and notes (backed by specific tax and fee revenue)	-	-	2,149	1,822	2,149	1,822
Total outstanding debt	<u>\$ 16,608</u>	<u>\$ 17,566</u>	<u>\$ 2,149</u>	<u>\$ 1,822</u>	<u>\$ 18,757</u>	<u>\$ 19,388</u>

In 2020, principal additions were \$596,000 in the business type activities and principal reductions were \$948,000 and \$269,000 in the governmental and business-type activities, respectively. 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 (\$16.6 million) is significantly below this \$82.6 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 \$2.6 million and \$3.0 million were outstanding for the years ended 2020 and 2019, respectively. Other obligations include compensated absences (\$2.4 million), net other post-employment benefit liability (\$49.2 million) and net pension liability (\$30.1 million).

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 2021

Total budgeted revenues for operations in 2021 are \$45.6 million, and budgeted expenditures for departmental operations, debt service, grant related expenditures and capital outlay/reserves are \$38.3 million, \$2.8 million, \$180,000 and \$4.2 million, respectively.

CITY OF SLIDELL, LOUISIANA
MANAGEMENT’S DISCUSSION AND ANALYSIS (CONTINUED)
JUNE 30, 2020

Sales tax revenue which represents 44% of recurring revenue in the 2020 budget is budgeted with a conservative bias and is monitored very carefully throughout the year. Although the 2021 budget for sales tax revenue was estimated to approximate 2020 sales tax revenue and a 10% decrease due to COVID-19, actual revenue for the first five months of 2021 is 12% greater than the first five months of 2020. The increase is attributed to healthy retail sales in the Fremaux Economic Development District and construction activity. Property tax rates were slightly decreased from 27.07 mills in 2019 to 26.09 mills in the 2021 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. All other revenue and expenditure projections were budgeted with a conservative bias.

CONTACTING THE CITY’S FINANCIAL MANAGEMENT

The financial report is designed to provide our citizens, taxpayers, customers, 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, 2020

	PRIMARY GOVERNMENT			COMPONENT UNITS		
	Governmental Activities	Business-type Activities	Total	Fremaux EDD	Northshore Square EDD	Camellia Square EDD
<u>ASSETS:</u>						
Cash and cash equivalents	\$ 50,595,613	\$ -	\$ 50,595,613	\$ -	\$ -	\$ -
Investments	2,394,925	-	2,394,925	-	-	-
Receivables, net of allowances for uncollectibles						
Taxes	2,762,723	-	2,762,723	91,824	16,436	12,173
Water, sewerage and garbage	-	1,027,621	1,027,621	-	-	-
Unbilled receivables	-	590,703	590,703	-	-	-
Other	107,348	-	107,348	-	-	-
Internal balances	(19,515,990)	19,515,990	-	-	-	-
Inventory	145,590	177,776	323,366	-	-	-
Prepaid items	1,706,384	4,776	1,711,160	-	-	-
Due from other governments	13,561,909	101,782	13,663,691	-	-	-
Due from local entities	157,403	-	157,403	-	-	-
Restricted assets:						
Cash and cash equivalents	11,554,891	785,319	12,340,210	1,146,549	16,431	17,509
Investments	300,000	-	300,000	-	-	-
Capital assets not being depreciated	70,591,181	8,639,684	79,230,865	-	-	-
Capital assets being depreciated, net of accumulated depreciation	100,144,181	48,146,078	148,290,259	-	-	-
 Total assets	 234,506,158	 78,989,729	 313,495,887	 1,238,373	 32,867	 29,682
<u>DEFERRED OUTFLOWS OF RESOURCES:</u>						
Deferred charges on refundings	323,390	14,889	338,279	-	-	-
Pensions	6,392,376	1,113,286	7,505,662	-	-	-
OPEB	6,553,259	1,744,949	8,298,208	-	-	-
 Total deferred outflows of resources	 13,269,025	 2,873,124	 16,142,149	 -	 -	 -
<u>LIABILITIES:</u>						
Accounts payable and other current liabilities	11,440,750	631,731	12,072,481	80,158	-	(96)
Due to other governments	729,291	-	729,291	-	-	96
Noncurrent liabilities:						
Due within one year	3,326,857	347,044	3,673,901	-	-	-
Due in more than one year	18,594,665	2,156,335	20,751,000	9,134,954	-	-
Other noncurrent liabilities due in more than one year:						
Net other post employment benefits liability	38,893,687	10,356,307	49,249,994	-	-	-
Net pension liability	25,673,054	4,471,975	30,145,029	-	-	-
 Total liabilities	 98,658,304	 17,963,392	 116,621,696	 9,215,112	 -	 -
<u>DEFERRED INFLOWS OF RESOURCES:</u>						
OPEB	424,178	112,947	537,125	-	-	-
Pensions	1,823,428	193,148	2,016,576	-	-	-
 Total deferred inflows of resources	 2,247,606	 306,095	 2,553,701	 -	 -	 -
<u>NET POSITION:</u>						
Net investment in capital assets	164,637,972	54,651,272	219,289,244	-	-	-
Restricted for:						
Debt service	2,430,197	785,319	3,215,516	1,036,801	-	-
Grants	9,694,568	-	9,694,568	-	-	-
Workers compensation	300,000	-	300,000	-	-	-
Unrestricted	(30,193,464)	8,156,775	(22,036,689)	(9,013,540)	32,867	29,682
 Total net position (deficit)	 \$ 146,869,273	 \$ 63,593,366	 \$ 210,462,639	 \$ (7,976,739)	 \$ 32,867	 \$ 29,682

The accompanying notes are an integral part of this statement

CITY OF SLIDELL, LOUISIANA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020

					Net (Expense) Revenue and Change in Net Position					
Functions/Programs	Expenses	Program Revenues			Primary Government			Component Units		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activites	Total	Fremaux EDD	Northshore Square EDD	Camellia Square EDD
PRIMARY GOVERNMENT:										
Governmental Activities:										
General government	\$ 9,882,006	\$ 3,804,579	\$ 131,965	\$ 22,038	\$ (5,923,424)	\$ -	\$ (5,923,424)	\$ -	\$ -	\$ -
Public works	13,850,841	-	90,913	20,212,338	6,452,410	-	6,452,410	-	-	-
Public safety	13,884,501	1,174,404	1,604,157	15,220	(11,090,720)	-	(11,090,720)	-	-	-
Recreation and culture	3,100,446	27,761	133,866	345,888	(2,592,931)	-	(2,592,931)	-	-	-
Judicial system	536,729	48,419	-	-	(488,310)	-	(488,310)	-	-	-
Interest on long-term debt	533,169	-	-	-	(533,169)	-	(533,169)	-	-	-
Total governmental activities	41,787,692	5,055,163	1,960,901	20,595,484	(14,176,144)	-	(14,176,144)	-	-	-
Business-type Activities:										
Utilities	-	-	-	400,661	-	400,661	400,661	-	-	-
Water	4,607,068	4,383,981	-	-	-	(223,087)	(223,087)	-	-	-
Sewer	4,451,877	4,725,228	-	-	-	273,351	273,351	-	-	-
Solid waste disposal	2,195,590	1,161,063	-	-	-	(1,034,527)	(1,034,527)	-	-	-
Airport	1,214,300	737,088	-	68,727	-	(408,485)	(408,485)	-	-	-
Total business-type activities	12,468,835	11,007,360	-	469,388	-	(992,087)	(992,087)	-	-	-
Total primary government	\$ 54,256,527	\$ 16,062,523	\$ 1,960,901	\$ 21,064,872	(14,176,144)	(992,087)	(15,168,231)	-	-	-
COMPONENT UNITS:										
Fremaux Economic Development District	535,956	-	-	-	-	-	-	(535,956)	-	-
Northshore Square Economic Development District	71,344	-	-	-	-	-	-	-	(71,344)	-
Camellia Square Economic Development District	106,776	-	-	-	-	-	-	-	-	(106,776)
Total component units	\$ 714,076	\$ -	\$ -	\$ -	-	-	-	(535,956)	(71,344)	(106,776)
General Revenues:										
Taxes:										
Ad Valorem					4,843,332	2,412,285	7,255,617	-	-	-
Sales and use					21,543,977	-	21,543,977	603,776	78,766	66,372
Hotel occupancy					-	-	-	-	-	23,892
Franchise					3,222,423	-	3,222,423	-	-	-
Beer and tobacco					75,405	-	75,405	-	-	-
Other general revenues					175,188	122,037	297,225	-	-	-
Investment earnings					929,001	1,909	930,910	15,650	179	262
Miscellaneous					314	-	314	-	-	-
Transfers					(5,200,892)	5,200,892	-	-	-	-
Total general revenues and transfers					25,588,748	7,737,123	33,325,871	619,426	78,945	90,526
Change in net position					11,412,604	6,745,036	18,157,640	83,470	7,601	(16,250)
Net position (deficit) - beginning of year					135,456,669	56,848,330	192,304,999	(8,060,209)	25,266	45,932
Net position (deficit) - end of year					\$ 146,869,273	\$ 63,593,366	\$ 210,462,639	\$ (7,976,739)	\$ 32,867	\$ 29,682

The accompanying notes are an integral part of this statement

CITY OF SLIDELL, LOUISIANA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2020

	<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
<u>CURRENT ASSETS:</u>								
Cash and cash equivalents	\$ 50,594,838	\$ 200	\$ 375	\$ 200	\$ -	\$ -	\$ -	\$ 50,595,613
Investments	-	-	-	-	-	-	2,394,925	2,394,925
Receivables, net of allowances for uncollectibles:								
Taxes	732,908	2,029,815	-	-	-	-	-	2,762,723
Other	30,737	1,978	60,962	-	-	-	13,671	107,347
Due from other funds	4,218,243	18,490,238	2,123,462	-	-	-	5,529,877	30,361,820
Due from local entities	21,178	136,225	-	-	-	-	-	157,403
Due from other governments	21,245	-	991,806	1,505,362	11,041,372	-	2,124	13,561,909
Inventory	145,590	-	-	-	-	-	-	145,590
Prepaid items	1,706,384	-	-	-	-	-	-	1,706,384
Restricted assets:								
Cash	643,081	-	-	-	-	10,438,702	473,108	11,554,891
Investments	300,000	-	-	-	-	-	-	300,000
 Total assets	<u>\$ 58,414,204</u>	<u>\$ 20,658,456</u>	<u>\$ 3,176,605</u>	<u>\$ 1,505,562</u>	<u>\$ 11,041,372</u>	<u>\$ 10,438,702</u>	<u>\$ 8,413,705</u>	<u>\$ 113,648,606</u>
	<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</u>							
<u>LIABILITIES:</u>								
Accounts, salaries, and other payables	\$ 4,279,811	\$ 425,454	\$ 149,640	\$ 559,148	\$ 5,754,381	\$ 75,909	\$ 22,847	\$ 11,267,190
Due to other funds	45,928,767	-	-	373,698	3,613,215	229,206	2,124	50,147,010
Due to other governments	-	460,091	-	-	-	-	-	460,091
Total liabilities	<u>50,208,578</u>	<u>885,545</u>	<u>149,640</u>	<u>932,846</u>	<u>9,367,596</u>	<u>305,115</u>	<u>24,971</u>	<u>61,874,291</u>
 <u>DEFERRED INFLOWS OF RESOURCES:</u>								
Unavailable revenue - intergovernmental	-	-	-	1,484,842	5,086,003	-	-	6,570,845
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,484,842</u>	<u>5,086,003</u>	<u>-</u>	<u>-</u>	<u>6,570,845</u>
 <u>FUND BALANCES:</u>								
Nonspendable:								
Inventory	145,590	-	-	-	-	-	-	145,590
Prepaid items	1,706,384	-	-	-	-	-	-	1,706,384
Restricted for:								
Debt service	-	-	-	-	-	-	2,430,197	2,430,197
Streets and drainage	-	-	-	(912,126)	-	10,133,587	473,107	9,694,568
Workers compensation	300,000	-	-	-	-	-	-	300,000
Committed to:								
Capital outlay	-	10,388,873	439,487	-	-	-	3,712,896	14,541,256
Contingencies	2,065,317	5,322,000	1,274,815	-	-	-	1,598,834	10,260,966
Operating reserves	566,000	1,758,997	528,000	-	-	-	-	2,852,997
Assigned to:								
Compensated absences	654,000	-	-	-	-	-	-	654,000
Claims - workers compensation	230,725	-	-	-	-	-	-	230,725
Claims - general liability	106,226	-	-	-	-	-	-	106,226
Claims - medical	-	-	-	-	-	-	-	-
Public improvements, facilities & equipment	-	2,303,041	-	-	-	-	173,700	2,476,741
Public safety	-	-	784,663	-	-	-	-	784,663
Unassigned	2,431,384	-	-	-	(3,412,227)	-	-	(980,843)
Total fund balances	<u>8,205,626</u>	<u>19,772,911</u>	<u>3,026,965</u>	<u>(912,126)</u>	<u>(3,412,227)</u>	<u>10,133,587</u>	<u>8,388,734</u>	<u>45,203,470</u>
 Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 58,414,204</u>	<u>\$ 20,658,456</u>	<u>\$ 3,176,605</u>	<u>\$ 1,505,562</u>	<u>\$ 11,041,372</u>	<u>\$ 10,438,702</u>	<u>\$ 8,413,705</u>	<u>\$ 113,648,606</u>

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, 2020

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

Funds balances, total governmental funds	\$ 45,203,470
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.	6,570,845
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	170,735,362
Deferred outflows of resources related to net pension liability are not reported in governmental funds.	6,392,376
Deferred inflows of resources related to net pension liability are not reported in governmental funds.	(1,823,428)
Deferred outflows of resources related to other postemployment benefit liability are not reported in governmental funds.	6,553,259
Deferred inflows of resources related to other postemployment benefit liability are not reported in governmental funds.	(424,178)
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	(173,560)
Claims	(2,592,932)
Compensated absences	(1,996,000)
Other postemployment benefits liability	(38,893,687)
Pension liability	(25,673,054)
Bonds, notes, and loans payable (net of premiums, discounts and deferred charges)	(17,009,200)
	<u>(86,338,433)</u>
Net position of governmental activities	<u>\$ 146,869,273</u>

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, 2020

	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
<u>REVENUES:</u>								
Taxes and assessments:								
Sales taxes	\$ -	\$ 13,473,302	\$ 8,070,675	\$ -	\$ -	\$ -	\$ -	\$ 21,543,977
Ad valorem	1,361,601	544,104	1,375,002	-	-	-	1,562,625	4,843,332
Franchise	3,222,423	-	-	-	-	-	-	3,222,423
Licenses and permits	2,263,147	-	-	-	-	-	-	2,263,147
Intergovernmental revenues:								
Federal and state grants	-	-	954,997	1,839,826	16,876,832	-	357,154	20,028,809
Other state and local governmental revenues	75,405	16,040	1,081,436	-	-	-	-	1,172,881
State supplemental pay	-	-	503,723	-	-	-	-	503,723
Fines and forfeitures	225,719	-	-	-	-	-	-	225,719
Service charges	351,184	27,761	240,204	-	-	-	980,651	1,599,800
Contributions	-	-	-	195,270	-	-	-	195,270
Other revenues, primarily interest	761,788	100,016	-	-	-	151,928	43,236	1,056,968
Total revenues	<u>8,261,267</u>	<u>14,161,223</u>	<u>12,226,037</u>	<u>2,035,096</u>	<u>16,876,832</u>	<u>151,928</u>	<u>2,943,666</u>	<u>56,656,049</u>
<u>EXPENDITURES:</u>								
Current:								
General government	4,414,261	3,153,195	394,629	144,563	71,109	-	912,196	9,089,953
Public works	783,196	4,386,606	-	1,274,503	-	-	-	6,444,305
Public safety	-	-	12,099,414	143,864	-	-	-	12,243,278
Recreation and culture	282,537	1,694,019	-	71,389	-	-	-	2,047,945
Judicial system	473,556	-	-	-	-	-	-	473,556
Debt service:								
Principal retirement	-	-	-	-	-	-	948,000	948,000
Interest and fiscal charges	-	-	-	-	-	-	552,473	552,473
Bond issuance cost	-	-	-	-	-	-	-	-
Capital outlay	-	1,744,609	1,066,882	1,325,699	19,834,462	488,637	602,236	25,062,525
Total expenditures	<u>5,953,550</u>	<u>10,978,429</u>	<u>13,560,925</u>	<u>2,960,018</u>	<u>19,905,571</u>	<u>488,637</u>	<u>3,014,905</u>	<u>56,862,035</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,307,717</u>	<u>3,182,794</u>	<u>(1,334,888)</u>	<u>(924,922)</u>	<u>(3,028,739)</u>	<u>(336,709)</u>	<u>(71,239)</u>	<u>(205,986)</u>
<u>OTHER FINANCING SOURCES (USES):</u>								
Transfers in	766,000	-	1,494,020	-	-	-	25,402	2,285,422
Transfers (out)	(1,525,245)	(112,905)	-	-	-	-	(25,402)	(1,663,552)
Total other financing sources (uses)	<u>(759,245)</u>	<u>(112,905)</u>	<u>1,494,020</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>621,870</u>
Net change in fund balances	1,548,472	3,069,889	159,132	(924,922)	(3,028,739)	(336,709)	(71,239)	415,884
Fund balances - beginning of year	<u>6,657,154</u>	<u>16,703,022</u>	<u>2,867,833</u>	<u>12,796</u>	<u>(383,488)</u>	<u>10,470,296</u>	<u>8,459,973</u>	<u>44,787,586</u>
Fund balances - end of year	<u>\$ 8,205,626</u>	<u>\$ 19,772,911</u>	<u>\$ 3,026,965</u>	<u>\$ (912,126)</u>	<u>\$ (3,412,227)</u>	<u>\$ 10,133,587</u>	<u>\$ 8,388,734</u>	<u>\$ 45,203,470</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, 2020

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

Net change in fund balances, total governmental funds	\$	415,884	
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		24,025,043	
Depreciation expense		<u>(8,165,350)</u>	
			15,859,693
Transfers of capital assets to the utility fund from the general fund.			(5,822,761)
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.			
			(67,661)
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.			
			948,000
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		380,511	
Compensated absences		(50,990)	
Amortization of deferred charges		8,706	
OPEB		(959,074)	
Accrued interest expense		10,598	
Pensions		(1,684,108)	
Non-employer contributions for pensions		<u>561,265</u>	
			(1,733,092)
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		6,570,845	
Less: unavailable revenue - intergovernmental for the prior year		<u>(4,758,304)</u>	
			<u>1,812,541</u>
Change in net position of governmental activities	\$		<u>11,412,604</u>

The accompanying notes are an integral part of this statement

CITY OF SLIDELL, LOUISIANA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2020

	Utilities	Airport	Total
<u>ASSETS:</u>			
Current assets:			
Cash and cash equivalents	\$ -	\$ -	\$ -
Accounts receivable, net of allowances for doubtful accounts of \$1,977,517 in 2020	1,027,621	-	1,027,621
Unbilled receivables	590,703	-	590,703
Other receivables	-	-	-
Prepaid expenses	4,176	600	4,776
Due from other funds	18,786,825	729,165	19,515,990
Inventory	151,005	26,771	177,776
Due from other governments	22,901	78,881	101,782
Total current assets	<u>20,583,231</u>	<u>835,417</u>	<u>21,418,648</u>
Noncurrent assets:			
Restricted assets:			
Cash and cash equivalents	785,319	-	785,319
Capital assets, net of accumulated depreciation	53,296,437	3,489,325	56,785,762
Total noncurrent assets	<u>54,081,756</u>	<u>3,489,325</u>	<u>57,571,081</u>
Total assets	<u>74,664,987</u>	<u>4,324,742</u>	<u>78,989,729</u>
<u>DEFERRED OUTFLOWS OF RESOURCES:</u>			
Deferred charges on refundings	14,889	-	14,889
Pensions	1,089,821	23,465	1,113,286
OPEB	1,667,396	77,553	1,744,949
Total deferred outflows of resources	<u>2,772,106</u>	<u>101,018</u>	<u>2,873,124</u>
<u>LIABILITIES:</u>			
Current liabilities:			
Accounts payable	598,776	24,692	623,468
Interest payable	8,263	-	8,263
Bonds payable	279,825	-	279,825
Compensated absences	67,219	-	67,219
Total current liabilities	<u>954,083</u>	<u>24,692</u>	<u>978,775</u>
Non-current liabilities:			
Bonds payable	1,869,554	-	1,869,554
Compensated absences	268,781	18,000	286,781
Total OPEB liability	9,896,027	460,280	10,356,307
Net pension liability	4,355,170	116,805	4,471,975
Total noncurrent liabilities	<u>16,389,532</u>	<u>595,085</u>	<u>16,984,617</u>
Total liabilities	<u>17,343,615</u>	<u>619,777</u>	<u>17,963,392</u>

The accompanying notes are an integral part of this statement

CITY OF SLIDELL, LOUISIANA
STATEMENT OF NET POSITION (CONTINUED)
PROPRIETARY FUNDS
JUNE 30, 2020

	<u>Utilities</u>	<u>Airport</u>	<u>Total</u>
<u>DEFERRED INFLOWS OF RESOURCES:</u>			
Pensions	195,007	(1,859)	193,148
OPEB	<u>107,927</u>	<u>5,020</u>	<u>112,947</u>
Total deferred inflows of resources	<u>302,934</u>	<u>3,161</u>	<u>306,095</u>
 <u>NET POSITION:</u>			
Net investment in capital assets	43,889,934	3,765,688	47,655,622
Restricted for:			
Debt service	785,319	-	785,319
Unrestricted	<u>15,115,291</u>	<u>37,134</u>	<u>15,152,425</u>
Total net position	<u>\$ 59,790,544</u>	<u>\$ 3,802,822</u>	<u>\$ 63,593,366</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, 2020

	Utilities	Airport	Total
<u>OPERATING REVENUES:</u>			
Charges for services:			
Water	\$ 4,217,610	\$ -	\$ 4,217,610
Sewer	4,565,483	-	4,565,483
Solid waste disposal	1,161,063	-	1,161,063
Connection charges	169,377	-	169,377
Fuel	-	616,014	616,014
Tie down and rental revenues	-	120,999	120,999
Penalties	156,737	75	156,812
Total operating revenues	<u>10,270,270</u>	<u>737,088</u>	<u>11,007,358</u>
<u>OPERATING EXPENSES:</u>			
Salaries, wages and related benefits	4,358,038	270,118	4,628,156
Solid waste disposal	2,327,858	-	2,327,858
Repairs and maintenance	631,822	78,268	710,090
Fuel	-	363,305	363,305
Materials and supplies	383,945	4,137	388,082
Utilities	463,909	8,230	472,139
Gas and oil	66,814	3,503	70,317
Insurance	80,592	7,455	88,047
Office expense	6,818	3,381	10,199
Certification and training	13,512	1,073	14,585
Other	293,088	33,214	326,302
Depreciation	2,588,491	441,616	3,030,107
Total operating expenses	<u>11,214,887</u>	<u>1,214,300</u>	<u>12,429,187</u>
Operating loss	(944,617)	(477,212)	(1,421,829)
<u>NON-OPERATING REVENUES (EXPENSES):</u>			
Ad valorem taxes assessed for sewerage maintenance	1,340,158	-	1,340,158
Ad valorem taxes assessed for garbage service	1,072,127	-	1,072,127
Interest income	1,909	-	1,909
Interest and fiscal charges	(39,648)	-	(39,648)
Other revenues (expenses)	114,479	7,560	122,039
Total non-operating revenues	<u>2,489,025</u>	<u>7,560</u>	<u>2,496,585</u>
Income (loss) before contributions and transfers	1,544,408	(469,652)	1,074,756
Capital contributions	400,661	68,727	469,388
Transfers in	5,853,987	112,905	5,966,892
Transfers out	(766,000)	-	(766,000)
Change in net position	7,033,056	(288,020)	6,745,036
Net position - beginning of the year	<u>52,757,488</u>	<u>4,090,842</u>	<u>56,848,330</u>
Net position - end of the year	<u>\$ 59,790,544</u>	<u>\$ 3,802,822</u>	<u>\$ 63,593,366</u>

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, 2020

	<u>Utilities</u>	<u>Airport</u>	<u>Total</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>			
Receipts from customers and users	\$ 10,277,899	\$ 671,249	\$ 10,949,148
Payments for goods and services	(4,657,113)	(483,012)	(5,140,125)
Payments to employees	(3,523,934)	(237,565)	(3,761,499)
Miscellaneous income	<u>-</u>	<u>-</u>	<u>-</u>
Net cash provided by operating activities	<u>2,096,852</u>	<u>(49,328)</u>	<u>2,047,524</u>
<u>CASH FLOWS FROM NON-CAPITAL FINANCING</u>			
<u>ACTIVITIES:</u>			
Transfers from other funds	5,853,987	112,905	5,966,892
Transfers to other funds	(766,000)	-	(766,000)
Advances from other funds	-	-	-
Advances to other funds	(2,890,588)	(70,812)	(2,961,400)
Property tax assessed for sewer maintenance	1,340,158	-	1,340,158
Property tax assessed for garbage service	1,072,127	-	1,072,127
Other non-operating revenue	<u>100,422</u>	<u>7,560</u>	<u>107,982</u>
Net cash provided by non-capital financing activities	<u>4,710,106</u>	<u>49,653</u>	<u>4,759,759</u>
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING</u>			
<u>ACTIVITIES:</u>			
Capital contributions	400,661	68,727	469,388
Acquisition and construction of capital assets	(7,517,868)	(69,052)	(7,586,920)
Principal paid on capital debt	(269,000)	-	(269,000)
Proceeds from capital debt	596,266	-	596,266
Interest paid on capital debt	(34,269)	-	(34,269)
Bond issuance costs	-	-	-
Proceeds from sale of capital assets	<u>14,057</u>	<u>-</u>	<u>14,057</u>
Net cash provided (used) by capital and related financing activities	<u>(6,810,153)</u>	<u>(325)</u>	<u>(6,810,478)</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>			
Receipts of interest income	<u>1,909</u>	<u>-</u>	<u>1,909</u>
Net cash provided by investing activities	<u>1,909</u>	<u>-</u>	<u>1,909</u>
Net decrease in cash and cash equivalents	(1,286)	-	(1,286)
Cash and cash equivalents, beginning of year	<u>786,605</u>	<u>-</u>	<u>786,605</u>
Cash and cash equivalents, end of year	<u>\$ 785,319</u>	<u>\$ -</u>	<u>\$ 785,319</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, 2020

	<u>Utilities</u>	<u>Airport</u>	<u>Total</u>
<u>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</u>			
Operating loss	\$ (944,617)	\$ (477,212)	\$ (1,421,829)
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:			
Depreciation	2,588,491	441,616	3,030,107
Change in allowance for doubtful accounts	168,484	-	168,484
Pension expense	231,003	18,950	249,953
Change in asset and liabilities:			
(Increase) decrease in accounts receivable/other assets	(160,923)	(65,659)	(226,582)
(Increase) decrease in inventory	(15,616)	17,505	1,889
Increase (decrease) in accounts payable	(375,071)	4,869	(370,202)
Increase (decrease) in OPEB liability	<u>605,101</u>	<u>10,603</u>	<u>615,704</u>
Net cash provided (used) by operating activities	<u>\$ 2,096,852</u>	<u>\$ (49,328)</u>	<u>\$ 2,047,524</u>
<u>Noncash investing, capital and financing activities:</u>			
Bond refunding premiums/discounts	<u>\$ (3,722)</u>	<u>\$ -</u>	<u>\$ (3,722)</u>
<u>Reconciliation of cash and cash equivalents to statement of net position:</u>			
Cash and cash equivalents, restricted	<u>\$ 785,319</u>	<u>\$ -</u>	<u>\$ 785,319</u>
Cash and cash equivalents, end of year	<u>\$ 785,319</u>	<u>\$ -</u>	<u>\$ 785,319</u>

The accompanying notes are an integral part of this statement

CITY OF SLIDELL, LOUISIANA
STATEMENT OF ASSETS AND LIABILITIES
FIDUCIARY FUNDS
JUNE 30, 2020

ASSETS

	Agency Funds
Cash and cash equivalents	\$ 1,050
Restricted cash	96,140
Due from General Fund	<u>269,200</u>
Total assets	<u><u>\$ 366,390</u></u>

LIABILITIES

Accounts payable	\$ 884
Due to local entities	<u>365,506</u>
Total liabilities	<u><u>\$ 366,390</u></u>

The accompanying notes are an integral part of this statement

CITY OF SLIDELL, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

(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.

CITY OF SLIDELL, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2020

(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 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, 2020

(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, 2020

(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, 2020

(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 (\$503,723 in 2020) 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 except for 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 68 to 74 and 84 to 85) 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 the 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, 2020

(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, 2020, 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, 2020

(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 \$643,081, 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 of \$785,319 represents 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 \$473,108 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 \$10,438,702 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, 2020

(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 and other post-employment benefits 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 and other post-employment benefits 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, 2020

(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, 2020

(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, 2020

(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 and Katrina Fund had a deficit fund balance of \$(912,126) and \$(3,412,227), respectively, at June 30, 2020. The deficit fund balance results primarily from expenditures incurred for which the related revenue is unavailable at June 30, 2020.

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, 2020

(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 January 26, 2021, 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, 2020:

	<u>Total</u>
<u>Governmental funds:</u>	
Unrestricted:	
Petty cash	\$ 1,825
Demand deposits	51,207,182
Restricted: Demand deposits	10,941,497
<u>Proprietary funds:</u>	
Restricted: Demand deposits	785,319
<u>Fiduciary Funds:</u>	
Unrestricted: Petty cash	1,050
Restricted: Demand deposits	<u>94,140</u>
	<u>\$ 63,033,013</u>

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, 2020, the City's demand deposit bank balances of \$64,213,502 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, 2020 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, 2020

(2) CASH AND INVESTMENTS (CONTINUED)

Investments (continued)

Concentration of credit risk relates to the amount of investments in any one entity. At June 30, 2020, 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, 2020, 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	\$ 2,394,832	\$ 2,394,832	\$ -	\$ -	\$ -
Certificates of Deposit	300,000	300,000	-	-	-
	<u>\$ 2,694,832</u>	<u>\$ 2,694,832</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, 2020, 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.

The fair value measurements of the investments noted above have been classified by the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on valuation inputs used to measure the fair value of investments. The levels of the fair value hierarchy are as follows:

- a. Level 1 - investments reflect prices quoted in active markets.
- b. Level 2 - investments reflect prices that are based on a similar observable asset either directly or indirectly, which may include inputs in markets that are not considered to be active.
- c. Level 3 - investments reflect prices based upon unobservable sources.

There were no Level 2 or 3 inputs used by the City for the year ended June 30, 2020.

CITY OF SLIDELL, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2020

(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).

Prior to January 1, 2013, 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 30 years of creditable service. The retirement benefit is generally two percent of the member's final compensation multiplied by his years of creditable service. After 2013, municipal employees participating in the Municipal System are entitled to a retirement benefit at or after age 67 with 7 years of creditable service, at or after age 62 with 10 years of creditable service, at or after age 55 with 30 years of creditable service, or at any age with 25 years of creditable service. The retirement benefit is generally two 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.

Police participating in the Police System prior to January 1, 2013 for at least one year are eligible for regular retirement after he has been a member of the System and has 25 years of creditable service at any age or has 20 years of creditable service and is age 50 or has 12 years creditable service and is age 55. A member is eligible for early retirement after he has been a member of the System for 20 years of creditable service at any age with an actuarially reduced benefit. 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). Police participating in the Police System after January 1, 2013, under the Hazardous Duty sub plan, is eligible for regular retirement after he has been a member of the System and has 25 years of creditable service at any age or has 12 years of creditable service at age 55. Under the Non Hazardous Duty sub plan, a member is eligible for regular retirement after he has been a member of the System and has 30 years of creditable service at any age, 25 years of creditable service at age 55, or 10 years of creditable service at age 60. Under both sub plans, a member is eligible for early retirement after he has been a member of the System for 20 years of creditable service at any age, with an actuarially reduced benefit from age 55. Under the Hazardous and Non Hazardous Duty sub plans, the benefit rates are 3% (generally) and 2½%, respectively, of average final compensation (average monthly earnings during the highest 60 consecutive months or joined months if service was interrupted) per number of years of creditable service not to exceed 100% of final salary. 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.

CITY OF SLIDELL, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2020

(3) RETIREMENT PLANS (CONTINUED)

Plan Description (continued)

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. The rank and file members hired between July 1, 2006 and June 30, 2015 may retire at age 60 upon completing 5 years of creditable service and those hired on or after July 1, 2015 may retire at age 62 with 5 years of creditable service. 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 2020:

Municipal System	\$ 7,314,000
Police System	4,801,000
LASERS System	<u>41,000</u>
Total	<u>\$ 12,156,000</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, 2020 the contribution rates were 27.75% and 9.50% of employee earnings, respectively, for the Municipal System, 32.5% and 10.00% of employee earnings, respectively, for the Police System, as well as 42.0% and 13.0% of employee earnings, respectively, for the LASERS System.

The City's 2020 contributions to the Municipal System consisted of 27.75% of participating employee earnings. The City's 2020 contributions to the Police System consisted of 32.5% of participating employee wages. The City's 2020 contributions to the LASERS System consisted of 42.0%, of the participating judge's wages.

The City's contributions to the Municipal System for the years ended June 30, 2020 were approximately \$1,902,000, equal to the required contribution for each year. The City's contributions to the Police System for the years ended June 30, 2020 were approximately \$1,562,000, equal to the required contribution for each year. The City's contributions to the LASERS System for the year ended June 30, 2020 was approximately \$17,000, equal to the required contribution for the year.

CITY OF SLIDELL, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2020

(3) RETIREMENT PLANS (CONTINUED)

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

At June 30, 2020, the City reported a liability totaling \$30,145,029 of which \$16,219,078 was for its proportionate share of the net pension liability for the Municipal System, \$13,771,779 for the Police System, and \$154,172 for the LASERS System. The net pension liability was measured as of June 30, 2019 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, 2019, the City's proportion was 3.881405% for the Municipal System, which was a decrease of .115476% from its proportion measured as of June 30, 2018. At June 30, 2019, the City's proportion was 1.516436% for the Police System, which was a decrease of .132432% from its proportion measured as of June 30, 2018. At June 30, 2019, the City's proportion was .002128% for the LASERS System, which was a decrease of .000028% from its proportion measured as of June 30, 2018.

For the year ended June 30, 2020, the City recognized pension expense totaling \$5,503,498, of which \$3,260,013 was for the Municipal System, \$2,223,606 for the Police System, and \$19,879 for the LASERS System. Subtracted from pension expense is the employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions totaling \$(86,189), of which \$(99,242) was for the Municipal System, \$11,961 was for the Police System, and \$1,092 was for the LASERS System.

For the year ended June 30, 2020, the City recognized revenue for the support provided by non-employer contributing entities totaling \$561,265, of which \$249,074 was for the Municipal System and \$312,191 was for the Police System.

At June 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

CITY OF SLIDELL, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2020

(3) RETIREMENT PLANS (CONTINUED)

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

	Deferred Outflows of Resources				Deferred Inflows of Resources			
	Municipal	Police	LASERS	Total	Municipal	Police	LASERS	Total
Differences between expected and actual experience	\$ -	\$ 28,896	\$ -	\$ 28,896	\$ 395,729	\$ 423,696	\$ 320	\$ 819,745
Change in assumptions	409,873	771,745	1,321	1,182,939	-	-	-	-
Net difference between projected and actual earnings on pension plan investments	1,608,584	894,730	5,326	2,508,640	-	-	-	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	39,407	263,846	1,668	304,921	358,606	837,001	1,224	1,196,831
Employer contributions subsequent to the measurement date	<u>1,901,579</u>	<u>1,561,544</u>	<u>17,143</u>	<u>3,480,266</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 3,959,443</u>	<u>\$ 3,520,761</u>	<u>\$ 25,458</u>	<u>\$ 7,502,662</u>	<u>\$ 754,335</u>	<u>\$ 1,260,697</u>	<u>\$ 1,544</u>	<u>\$ 2,016,576</u>

Employer contributions subsequent to the measurement date totaling \$3,480,266 and reported as deferred outflows of resources will be recognized as a reduction of the net pension liability in the year ending June 30, 2021. 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:	Municipal	Police	LASERS	Total
2021	754,117	567,180	4,859	1,326,156
2022	208,953	(166,018)	(1,550)	41,385
2023	205,423	73,980	1,465	280,868
2024	<u>135,036</u>	<u>223,378</u>	<u>1,997</u>	<u>360,411</u>
Total	<u>\$ 1,303,529</u>	<u>\$ 698,520</u>	<u>\$ 6,771</u>	<u>\$ 2,008,820</u>

Actuarial Assumptions – Municipal System Plan A

The actuarial assumptions used in the June 30, 2019 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, 2019 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, 2019
Actuarial Cost Method: Entry Age Normal

CITY OF SLIDELL, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2020

(3) RETIREMENT PLANS (CONTINUED)

Actuarial Assumptions – Municipal System Plan A (continued)

Actuarial Assumptions:

Investment Rate of Return 7.0%, net of investment expense

Projected Salary Increases	Years of Service <u>(less than or equal to)</u>	Salary Increase <u>(in the following year)</u>
	1-4	6.4%
	Above 4	4.5%

Mortality Rates 120% of the PubG-2010(B) Employee Tables for males and females, each with the full generational MP2018 scale

120% of the PubG-2010(B) Healthy Retiree Tables for males and females, each with the full generational MP2018 scale

120% of the PubNS-2010(B) Disabled Retiree Tables for males and females, each with the full generational MP2018 scale

Expected Remaining
Service Lives 3 years for Plan A

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, 2019 are summarized in the following table:

CITY OF SLIDELL, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2020

(3) RETIREMENT PLANS (CONTINUED)

Actuarial Assumptions – Municipal System Plan A (continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Public equity	50%	2.15%
Public fixed income	35%	1.51%
Alternatives	15%	0.64%
Total	100%	4.30%
Inflation		2.7%
Expected Arithmetic Nominal Return		7.0%

Discount Rate

The discount rate used to measure the total pension liability was 7.0% for the year ended June 30, 2020. 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 which are calculated in accordance with relevant statutes and approved by the Board of Trustees and the Public Retirement Systems' Actuarial Committee. 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.

The effects of certain other changes in the net pension liability are required to be included in pension expense over the current and future periods. The effects on the total pension liability of (1) changes of economic and demographic assumptions or of other inputs and (2) differences between expected and actual experience are required to be included in pension expense in a systematic and rational manner over a closed period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension plan (active employees and inactive employees), determined as of the beginning of the measurement period. The effect on net pension liability of differences between the projected earnings on pension plan investments and actual experience with regard to those earnings is required to be included in pension expense in a systematic and rational manner over a closed period of five years, beginning with the current period.

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 7.0%, 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:

CITY OF SLIDELL, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2020

(3) RETIREMENT PLANS (CONTINUED)

Actuarial Assumptions – Municipal System Plan A (continued)

	<u>Municipal System Plan A</u>		
	Current		
	1% Decrease <u>6.0%</u>	Discount Rate <u>7.0%</u>	1% Increase <u>8.0%</u>
City's proportionate share of the Net Pension Liability	\$ 21,146,776	\$ 16,219,078	\$ 12,052,863

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, 2019. 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, 2019 valuation for the Police System were based on the assumptions used in the June 30, 2019 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, 2019 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, 2019								
Actuarial Cost Method:	Entry Age Normal								
Actuarial Assumptions:									
Investment Rate of Return	7.125% (Net of investment expense)								
Inflation	2.50%								
Salary increases, including Inflation and merit increases	<table> <tr> <th><u>Years of Service</u></th><th><u>Salary Growth Rate</u></th></tr> <tr> <td>1 – 2</td><td>9.75%</td></tr> <tr> <td>3 – 23</td><td>4.75%</td></tr> <tr> <td>24 & over</td><td>4.25%</td></tr> </table>	<u>Years of Service</u>	<u>Salary Growth Rate</u>	1 – 2	9.75%	3 – 23	4.75%	24 & over	4.25%
<u>Years of Service</u>	<u>Salary Growth Rate</u>								
1 – 2	9.75%								
3 – 23	4.75%								
24 & over	4.25%								
Mortality Rates	<p>RP-2000 Combined Healthy with Blue Collar Adjustment Sex Distinct Tables projected to 2029 by Scale AA (set back 1 year for females) for healthy annuitants and beneficiaries.</p> <p>RP-2000 Disabled Lives Table set back 5 years for males and set back 3 years for females for disabled annuitants.</p> <p>RP-2000 Employee Table set back 4 years for males and 3 years for females for active members.</p>								
Expected Remaining Service Lives	4 years								

CITY OF SLIDELL, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2020

(3) RETIREMENT PLANS (CONTINUED)

Actuarial Assumptions – Police System (continued)

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.

The mortality rate assumption used was set based upon an experience study performed by the prior actuary on plan data for the period of July 1, 2009 through June 30, 2014, and review of similar law enforcement mortality. The data was 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 set-back of standard tables. The result of the procedure indicated that the tables used would produce liability values approximating the appropriate generational mortality tables.

The best estimates of the arithmetic nominal rates of return for each major asset class included in the System's target allocation as of June 30, 2019 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Equity	48.50%	3.28%
Fixed income	33.50%	0.80%
Alternatives	18.00%	1.06%
Other	0.00%	0.00%
Total	<u>100%</u>	5.14%
Inflation		<u>2.75%</u>
Expected Arithmetic Nominal Return		<u>7.89%</u>

Discount Rate

The discount rate used to measure the total pension liability was 7.125%. 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, 2020

(3) RETIREMENT PLANS (CONTINUED)

Actuarial Assumptions – Police System (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 7.125%, 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>Police System</u>		
		1% Decrease	Current	1% Increase
		<u>6.125%</u>	<u>Discount Rate</u>	<u>8.125%</u>
			<u>7.125%</u>	
City's proportionate share				
of the Net Pension Liability	\$	19,188,625	\$	13,771,779
				\$ 9,227,586

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, 2019. 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, 2019 actuarial valuations for the LASERS System was determined using the following actuarial assumptions:

Valuation Date:	June 30, 2019
Actuarial Cost Method:	Entry Age Normal
Actuarial Assumptions:	
Investment Rate of Return	7.60% per annum
Inflation	2.50% per annum
Expected Remaining Service Lives	2 years
Mortality Rates	Non-disabled members – Mortality rates for 2019 were based on the RP-2014 Healthy Mortality Table with mortality improvement projected using the MP-2018 Mortality Improvement Scale, applied on a fully generational basis. 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 (2014-2018) experience study of the System's members for 2019.

CITY OF SLIDELL, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2020

(3) RETIREMENT PLANS (CONTINUED)

Actuarial Assumptions – LASERS System (continued)

Salary increases Salary increases were projected based on a 2014-2018 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	3.2%	13.0%
Judges	2.8%	5.3%
Corrections	3.8%	14.0%
Hazardous Duty	3.8%	14.0%
Wildlife	3.8%	14.0%

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, 2019 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	23%	4.83%
International equity	32%	5.83%
Domestic fixed income	6%	2.79%
International fixed income	3%	4.49%
Alternative investments	29%	8.32%
Global asset allocation	7%	5.06%
Total	<u>100%</u>	6.09%

Discount Rate

The discount rate used to measure the total pension liability was 7.60%. 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.

CITY OF SLIDELL, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2020

(3) RETIREMENT PLANS (CONTINUED)

Actuarial Assumptions – LASERS System (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 7.60%, 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>LASERS System</u>		
	Current		
	1% Decrease	Discount Rate	1% Increase
	<u>6.60%</u>	<u>7.60%</u>	<u>8.60%</u>
City’s proportionate share of the Net Pension Liability	\$ 194,584	\$ 154,172	\$ 120,037

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, 2019. Access to the report can be found on the Louisiana Legislative Auditor’s website, www.la.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.

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.

CITY OF SLIDELL, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2020

(4) DEDICATED REVENUES (CONTINUED)

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 25-year life, expiring December 1, 2031.

(5) LONG-TERM DEBT

The following is a summary of long-term debt transactions of the City for the year ended June 30, 2020:

	<u>Balance</u> <u>6/30/2019</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>6/30/2020</u>	<u>Due Within</u> <u>One Year</u>
<u>Governmental Activities:</u>					
General obligation bonds	\$ 17,556,000	\$ -	\$ (948,000)	\$ 16,608,000	\$ 999,000
Issuance premiums	773,367	-	(48,777)	724,590	48,777
Compensated absences (Note 1)	1,945,010	355,865	(304,875)	1,996,000	278,551
Net OPEB liability (Note 12)	32,275,233	7,909,011	(1,290,557)	38,893,687	-
Net pension liability (Note 3)	26,082,654	7,134	(416,734)	25,673,054	-
Claims and judgments	<u>2,973,443</u>	<u>5,737,210</u>	<u>(6,117,721)</u>	<u>2,592,932</u>	<u>2,000,529</u>
Total governmental activities	<u>81,605,707</u>	<u>14,009,220</u>	<u>(9,126,664)</u>	<u>86,488,263</u>	<u>3,326,857</u>
<u>Business-Type Activities:</u>					
Utility revenue bonds	1,822,113	596,266	(269,000)	2,149,379	279,825
Net OPEB liability (Note 12)	8,228,270	2,544,566	(416,529)	10,356,307	-
Net pension liability (Note 3)	4,553,811	-	(81,836)	4,471,975	-
Compensated absences (Note 1)	<u>353,000</u>	<u>72,242</u>	<u>(71,242)</u>	<u>354,000</u>	<u>67,219</u>
Total business-type activities	<u>14,957,194</u>	<u>3,213,074</u>	<u>(838,607)</u>	<u>17,331,661</u>	<u>347,044</u>
Total governmental and business-type activities	<u>\$ 96,562,901</u>	<u>\$ 17,222,294</u>	<u>\$ (9,965,271)</u>	<u>\$103,819,924</u>	<u>\$ 3,673,901</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.

CITY OF SLIDELL, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2020

(5) LONG-TERM DEBT (CONTINUED)

	Deferred Outflow of Resources			
	Balance 6/30/2019	Additions	Reductions	Balance 6/30/2020
<u>Governmental Activities:</u>				
General Obligation Bonds: deferred charges on refunding	\$ 363,461	\$ -	\$ (40,071)	\$ 323,390
OPEB (Note 12)	983,011	5,570,248	-	6,553,259
Pension (Note 3)	7,429,048	3,202	(1,039,874)	6,392,376
Total governmental activities	<u>8,775,520</u>	<u>5,573,450</u>	<u>(1,079,945)</u>	<u>13,269,025</u>
<u>Business-Type Activities:</u>				
Utility Revenue Bonds: deferred charges on refunding	18,611	-	(3,722)	14,889
OPEB (Note 12)	250,609	1,494,340	-	1,744,949
Pension (Note 3)	<u>1,427,616</u>	<u>-</u>	<u>(314,330)</u>	<u>1,113,286</u>
Total business-type activities	<u>1,696,836</u>	<u>1,494,340</u>	<u>(318,052)</u>	<u>2,873,124</u>
Total governmental and business-type activities	<u>\$10,472,356</u>	<u>\$ 7,067,790</u>	<u>\$ (1,397,997)</u>	<u>\$16,142,149</u>

	Deferred Inflow of Resources			
	Balance 6/30/2019	Additions	Reductions	Balance 6/30/2020
<u>Governmental Activities:</u>				
OPEB (Note 12)	\$ (513,310)	\$ -	\$ 89,132	\$ (424,178)
Pension (Note 3)	<u>(1,327,658)</u>	<u>(495,919)</u>	<u>149</u>	<u>(1,823,428)</u>
Total governmental activities	<u>(1,840,968)</u>	<u>(495,919)</u>	<u>89,281</u>	<u>(2,247,606)</u>
<u>Business-Type Activities:</u>				
OPEB (Note 12)	(130,940)	-	17,993	(112,947)
Pension (Note 3)	<u>(175,689)</u>	<u>(17,459)</u>	<u>-</u>	<u>(193,148)</u>
Total business-type activities	<u>(306,629)</u>	<u>(17,459)</u>	<u>17,993</u>	<u>(306,095)</u>
Total governmental and business-type activities	<u>\$ (2,147,597)</u>	<u>\$ (513,378)</u>	<u>\$ 107,274</u>	<u>\$ (2,553,701)</u>

Details on the City's long-term debt as of June 30, 2020 are as follows:

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.	\$ 1,090,000
\$5,146,000 Refunding Bonds, Series 2016, bearing interest at 2.25%, payable semi-annually through 2029, street and bridges, and drainage.	4,903,000
\$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.	<u>10,615,000</u>
	<u>\$ 16,608,000</u>

CITY OF SLIDELL, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2020

(5) LONG-TERM DEBT (CONTINUED)

Utility Revenue Bonds, secured by an irrevocable pledge of 100% of the City's revenues of the Utility Fund through 2039:

\$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. \$ 910,000

\$16,400,000 Utility Revenue Bonds (DEQ), Series 2018, bearing interest at 0.95%, payable semi-annually through 2039, improvements to the wastewater treatment plant and sewer lift stations. 1,239,379

\$ 2,149,379

The annual requirements to maturity for general obligation bonds as of June 30, 2020 are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2021	\$ 999,000	\$ 520,680
2022	1,046,000	487,178
2023	1,088,000	450,743
2024	1,134,000	418,300
2025	1,184,000	384,298
2026-2030	5,962,000	1,385,563
2031-2035	4,215,000	563,350
2036	<u>980,000</u>	<u>29,400</u>
	<u>\$ 16,608,000</u>	<u>\$ 4,239,512</u>

The annual requirements to maturity for utility revenue bonds as of June 30, 2020 are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2021	\$ 220,000	\$ 21,276
2022	225,000	16,132
2023	230,000	10,872
2024	<u>235,000</u>	<u>5,494</u>
	<u>\$ 910,000</u>	<u>\$ 53,774</u>

CITY OF SLIDELL, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2020

(5) LONG-TERM DEBT (CONTINUED)

On June 27, 2018, the City entered into a loan and pledge agreement with the Louisiana Department of Environmental Quality (DEQ) Loan No. CS221123-03. The purpose of the loan is to pay the cost of constructing improvements to the wastewater treatment plant and sewer lift stations in the City. Under terms of the agreement, the DEQ, through its Municipal Facilities Revolving Loan Fund, will loan the City an amount not to exceed \$16,400,000. Upon completion of the project (currently expected to be in December 2020) the actual amount borrowed will be determined and the City will issue Utility Revenue Bonds to evidence the debt as authorized by ordinance No. 3885. The bonds will be payable over a 20-year period and will bear an interest rate of 0.95%. As of June 30, 2020, \$1,239,379 has been drawn down on the loan. This amount is recorded as a liability in the financial statements of the Utility Fund. Under terms of the agreement, the City is subject to compliance with certain provisions and covenants. As of June 30, 2019, the City is in compliance with all significant provisions and covenants.

At June 30, 2020, the following amounts are considered available for the retirement of general long-term debt:

Debt Service Fund	\$ <u>2,430,197</u>
	\$ <u>2,430,197</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, 2020, the City was in compliance with these statutes.

Pursuant to the Utility Revenue Bonds, Series 2012, certain assets of the Special Revenue and Enterprise Funds are restricted (see Note 1). As of June 30, 2020, 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, 2020, \$4,585,000 in general obligation bonds outstanding are considered defeased.

General Fund, Sales Tax Fund, Public Safety Fund, DISA Fund, Utility Fund and Airport Fund have been used to liquidate the liability for net pension liability and net OPEB liability.

Interest costs incurred and charged to expense during the year ended June 30, 2020 for all business-type activities was \$29,002.

CITY OF SLIDELL, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2020

(6) INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Due to/from other funds at June 30, 2020 are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Sales Tax Fund	General Fund	\$ 18,490,238
Public Safety Fund	General Fund	2,123,462
Other Governmental Funds	General Fund	5,529,877
Utility Fund	General Fund	18,786,825
Airport Fund	General Fund	729,165
Agency Funds	General Fund	269,200
General Fund	Grants and Donations Fund	373,698
General Fund	Other Governmental Funds	231,330
General Fund	Katrina	<u>3,613,215</u>
Total		<u>\$ 50,147,010</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, 2020 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	\$ -	\$ 1,494,020	\$ -	\$ 31,225	\$ -	\$ 1,525,245
Sales Tax Fund	-	-	-	-	112,905	112,905
Other Governmental	-	-	25,402	-	-	25,402
Utility Fund	<u>766,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>766,000</u>
Totals	<u>\$ 766,000</u>	<u>\$ 1,494,020</u>	<u>\$ 25,402</u>	<u>\$ 31,225</u>	<u>\$ 112,905</u>	<u>\$ 2,429,552</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).

CITY OF SLIDELL, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2020

(7) ALLOWANCE FOR DOUBTFUL ACCOUNTS

The water, sewerage and garbage receivable balance of \$1,027,621 in the Utility Fund is net of an allowance for doubtful accounts of \$1,977,517.

(8) CAPITAL ASSETS

A summary of changes in governmental fund type fixed assets for the year ended June 30, 2020 is as follows:

	<u>6/30/2019</u>	<u>Additions</u>	<u>Reductions</u>	<u>Completed Construction</u>	<u>6/30/2020</u>
Governmental Activities:					
Capital assets not being depreciated:					
Land	\$ 22,009,563	\$ -	\$ (32,000)	\$ -	\$ 21,977,563
Construction-in-progress	<u>48,346,017</u>	<u>18,668,881</u>	<u>(5,822,761)</u>	<u>(12,578,519)</u>	<u>48,613,618</u>
Total capital assets not being depreciated	<u>70,355,580</u>	<u>18,668,881</u>	<u>(5,854,761)</u>	<u>(12,578,519)</u>	<u>70,591,181</u>
Capital assets being depreciated:					
Buildings and building improvements	50,084,688	202,827	(15,806)	42,157	50,313,866
Land improvements	13,444,412	415,382	-	6,080	13,865,874
Street system	83,590,689	1,946,042	(33,790)	5,732,464	91,235,405
Drainage system	60,134,322	1,613,216	-	6,612,966	68,360,504
Office equipment	6,867,402	211,579	(93,659)	54,087	7,039,409
Machinery and equipment	7,516,023	378,262	(99,827)	-	7,794,458
Vehicles	8,230,255	574,325	(420,764)	-	8,383,816
Bridges	<u>1,476,209</u>	<u>14,529</u>	<u>-</u>	<u>130,765</u>	<u>1,621,503</u>
Total capital assets being depreciated	<u>231,344,000</u>	<u>5,356,162</u>	<u>(663,846)</u>	<u>12,578,519</u>	<u>248,614,835</u>
Less accumulated depreciation for:					
Buildings and building improvements	17,855,845	1,131,463	(12,804)	-	18,974,504
Land improvements	8,730,479	657,388	-	-	9,387,867
Street system	58,164,617	2,804,686	(3,379)	-	60,965,924
Drainage system	37,632,674	2,190,967	-	-	39,823,641
Office equipment	6,227,890	270,320	(93,354)	-	6,404,856
Machinery and equipment	5,071,749	374,059	(97,883)	-	5,347,925
Vehicles	6,706,796	687,159	(420,764)	-	6,973,191
Bridges	<u>543,438</u>	<u>49,308</u>	<u>-</u>	<u>-</u>	<u>592,746</u>
Total accumulated depreciation	<u>140,933,488</u>	<u>8,165,350</u>	<u>(628,184)</u>	<u>-</u>	<u>148,470,654</u>
Total capital assets being depreciated, net	<u>90,410,512</u>	<u>(2,809,188)</u>	<u>(35,662)</u>	<u>12,578,519</u>	<u>100,144,181</u>
Governmental activities capital assets, net	<u>\$160,766,092</u>	<u>\$ 15,859,693</u>	<u>\$ (5,890,423)</u>	<u>\$ -</u>	<u>\$170,735,362</u>

CITY OF SLIDELL, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2020

(8) CAPITAL ASSETS (CONTINUED)

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

A summary of changes in proprietary fund type fixed assets as of June 30, 2020 follows:

	<u>6/30/2019</u>	<u>Additions</u>	<u>Reductions</u>	<u>Completed Construction</u>	<u>6/30/2020</u>
Business-Type Activities:					
Capital assets not being depreciated:					
Land	\$ 75,658	\$ -	\$ -	\$ -	\$ 75,658
Construction-in-progress	<u>9,320,430</u>	<u>7,060,295</u>	<u>-</u>	<u>(7,816,699)</u>	<u>8,564,026</u>
Total capital assets not being depreciated	<u>9,396,088</u>	<u>7,060,295</u>	<u>-</u>	<u>(7,816,699)</u>	<u>8,639,684</u>
Capital assets being depreciated:					
Buildings and building improvements	1,611,128	7,900	-	-	1,619,028
Land improvements	10,265,358	-	-	-	10,265,358
Water system	26,216,046	146,827	-	-	26,362,873
Sewerage system	56,277,841	188,484	-	7,816,699	64,283,024
Office equipment	476,309	-	(77,714)	-	398,595
Vehicles	1,957,089	74,560	(22,325)	-	2,009,324
Machinery and equipment	<u>5,800,938</u>	<u>108,854</u>	<u>(33,102)</u>	<u>-</u>	<u>5,876,690</u>
Total capital assets being depreciated	<u>102,604,709</u>	<u>526,625</u>	<u>(133,141)</u>	<u>7,816,699</u>	<u>110,814,892</u>
Less accumulated depreciation for:					
Buildings and building improvements	891,134	64,108	-	-	955,242
Land improvements	7,449,221	359,067	-	-	7,808,288
Water system	17,554,046	438,583	-	-	17,992,629
Sewerage system	28,393,446	1,630,292	-	-	30,023,738
Office equipment	403,424	19,216	(77,714)	-	344,926
Vehicles	1,454,274	218,968	(22,325)	-	1,650,917
Machinery and equipment	<u>3,626,303</u>	<u>299,873</u>	<u>(33,102)</u>	<u>-</u>	<u>3,893,074</u>
Total accumulated depreciation	<u>59,771,848</u>	<u>3,030,107</u>	<u>(133,141)</u>	<u>-</u>	<u>62,668,814</u>
Total capital assets being depreciated, net	<u>42,832,861</u>	<u>(2,503,482)</u>	<u>-</u>	<u>7,816,699</u>	<u>48,146,078</u>
Business-Type Activities capital assets, net	<u>\$ 52,228,949</u>	<u>\$ 4,487,761</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 56,785,762</u>

Construction-in-progress primarily consists of sewer improvements.

CITY OF SLIDELL, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2020

(8) CAPITAL ASSETS (CONTINUED)

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

<u>Governmental activities:</u>	
General government	\$ 470,117
Public works	5,918,249
Public safety	847,002
Recreation and culture	901,536
Judicial system	<u>28,446</u>
Total depreciation expense – governmental activities	<u>\$ 8,165,350</u>
<u>Business-type activities:</u>	
Utilities	\$ 2,588,491
Airport	<u>441,616</u>
Total depreciation expense – business-type activities	<u>\$ 3,030,107</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 \$595,000 for the year ended June 30, 2020.

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 \$17.71 per household for garbage collection and \$1.90 per household for recycling service. The City in turn bills a monthly fee of approximately \$10.04 per household for garbage collection and \$1.90 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 \$2,196,000 for garbage collection and for recycling under this contract during the year ended June 30, 2020. Due to COVID-19, recycling services were suspended on March 30, 2020. Recycling resumed for the City on July 1, 2020.

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, 2020:

CITY OF SLIDELL, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2020

(9) COMMITMENTS AND ENCUMBRANCES (CONTINUED)

<u>Fund</u>	<u>Amount</u>
Sales Tax Fund	\$ 1,819,000
Grants and Donations Fund	232,000
Public Safety Fund	-
Katrina Fund	8,614,000
General Obligation Bond 2016 Fund	3,487,000
Other non-major governmental funds	353,000
Utility Fund	952,000
Airport Fund	<u>114,000</u>
	<u>\$ 15,571,000</u>

(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 “probable” loss contingencies at June 30, 2020 were approximately \$24,000.

In December 2019, an outbreak of a novel strain of coronavirus (COVID-19) originated in Wuhan, China and has since spread to other countries, including the U.S. On March 11, 2020, the World Health Organization characterized COVID-19 as a pandemic. In addition, multiple jurisdictions in the U.S. have declared a state of emergency. It is anticipated that these impacts will continue for some time. The future effects of these issues are unknown.

(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, 2020, 2019 and 2018.

CITY OF SLIDELL, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2020

(11) RISK MANAGEMENT (CONTINUED)

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 \$10,000,000 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 \$600,000 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 \$4,916,549.

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, 2018	\$ 682,430	\$ 859,583	\$ 1,492,575	\$ 3,034,588
Claims incurred	180,057	139,907	5,480,220	5,800,184
Changes in estimates	(43,456)	410,244	(349,090)	17,698
Claim payments	<u>(107,484)</u>	<u>(517,893)</u>	<u>(5,253,650)</u>	<u>(5,879,027)</u>
Balance, June 30, 2019	711,547	891,841	1,370,055	2,973,443
Claims incurred	232,441	247,315	4,993,726	5,473,482
Changes in estimates	53,380	591,895	(381,547)	263,728
Claim payments	<u>(345,389)</u>	<u>(1,038,530)</u>	<u>(4,733,802)</u>	<u>(6,117,721)</u>
Balance, June 30, 2020	<u>\$ 651,979</u>	<u>\$ 692,521</u>	<u>\$ 1,248,432</u>	<u>\$ 2,592,932</u>

(12) OTHER POST-EMPLOYMENT BENEFITS

Plan Description

The City provides certain continuing health care and life insurance benefits for its retired employees. The City's OPEB Plan (the OPEB Plan) is a single-employer defined benefit OPEB plan administered by the City. The authority to establish and/or amend the obligation of the employer, employees and retirees rests with the City. No assets are accumulated in a trust that meets the criteria in Governmental Accounting Standards Board (GASB) Codification Section P52 *Postemployment Benefits Other Than Pensions—Reporting For Benefits Not Provided Through Trusts That Meet Specified Criteria—Defined Benefit*. The plan does not issue a stand-alone report.

CITY OF SLIDELL, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2020

(12) OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Benefits Provided

Medical/dental and life insurance benefits are provided to employees upon actual retirement. 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%. The employer also pays for life insurance coverage after retirement. 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 are as follows: 25 years of service at any age; age 50 and 20 years of service; or, age 55 and 12 years of service.

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.

Employees Covered by Benefit Terms

At June 30, 2020, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	213
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	<u>237</u>
	<u><u>450</u></u>

Total OPEB Liability

The City's total OPEB liability of \$49,249,994 was measured as of June 30, 2019 and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and other inputs

The total OPEB liability in the June 30, 2020 actuarial measurement was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Valuation date	7/1/2019
Inflation	2.5%
Salary increases	4.0%, including inflation

CITY OF SLIDELL, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2020

(12) OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Discount rate	3.5%, annually (beginning of year)
	2.21% annually (as of measurement date)
Healthcare cost trend rates	Flat 5.5% annually
Remaining service lives	6 years

The discount rate was based on the Bond Buyers' 20 Year General Obligation municipal bond index as of June 30, 2020, the end of the applicable measurement period.

Mortality rates were based on the RP-2000 Combined Table was used.

Employees who receive active benefits are assumed to also receive retiree benefits. It is also assumed that the same percentage of employees with spouse coverage would also have spouse coverage as retirees.

The actuarial assumptions used in the December 31, 2019 valuation were based on the results of ongoing evaluations of the assumptions from January 1, 2009 to December 31, 2019.

No assets are accumulated in a trust that meets the criteria in GASB No 75 paragraph 4, to pay related benefits, and information about factors that significantly affect trends in the amount reported, for example, changes in benefit terms, changes in population, or changes in assumptions used.

Actuarial Assumptions and other inputs (Continued)

The discount rate was based on the Bond Buyers' 20 Year General Obligation municipal bond index over the 52 weeks immediately preceding the applicable measurement dates.

Mortality rates were based on the RP-2000 Table without projection with 50% unisex blend. Turnover rates were based on an age specific table with an average of 17% when applied to the active census.

The actuarial assumptions used in the July 1, 2019 valuation were based on the results of ongoing evaluations of the assumptions from July 1, 2010 to June 30, 2020.

CITY OF SLIDELL, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2020

(12) OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Changes in the Total OPEB Liability

Balance at June 30, 2019	\$ 40,503,503
Changes for the year:	
Service cost	333,883
Interest	1,387,749
Difference between expected and actual experience	413,478
Changes in assumptions	6,932,056
Benefit payments and net transfers	<u>(1,707,086)</u>
Net changes	<u>7,360,080</u>
Balance at June 30, 2020	<u>\$ 47,863,583</u>

Changes in Assumptions

For the year ended June 30, 2020, the Assessor changed its assumptions related to trends, mortality and discount rates. These changes had a cumulative effect of \$6,932,056. As of June 30, 2020 the valuation date was 7/1/19, the discount rate was 3.50 % annually (beginning of year to determine ADC) and 2.21% annually (as of end of year measurement date). As of June 30, 2018 the valuation date was 7/1/18 and the discount rate was 3.50 % annually.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.21%) or 1-percentage-point higher (3.21%) than the current discount rate:

	1% Decrease	Current Discount Rate	1% Increase
	<u>1.21%</u>	<u>2.21%</u>	<u>3.21%</u>
Total OPEB Liability	\$ 58,571,526	\$ 49,249,994	\$ 41,975,671

Sensitivity of the Total OPEB Liability to Healthcare Cost Trend Rates

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (3.21%) or 1-percentage-point higher (5.21%) than the current healthcare trend rates:

	1% Decrease	Current Trend Rate	1% Increase
	<u>3.21%</u>	<u>4.21%</u>	<u>5.21%</u>
Total OPEB Liability	\$ 45,374,275	\$ 49,249,994	\$ 54,093,479

CITY OF SLIDELL, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2020

(12) OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2020, the City recognized OPEB expense of \$3,273,849. At June 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in assumptions	\$ 6,932,056	\$ -
Differences between expected and actual experience	<u>1,366,152</u>	<u>(537,125)</u>
Total	<u>\$ 8,298,208</u>	<u>\$ (537,125)</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Years ending June 30:	
2021	\$ 1,552,217
2022	1,552,217
2023	1,552,217
2024	1,552,217
2025	1,552,215
Thereafter	<u>-</u>
	\$ 7,761,083

(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, 2020 of \$3,535,000. Depreciation expense related to the building for the year ended June 30, 2020 was approximately \$137,000, which was recorded in the government-wide financial statements.

One lease was renewed in June 2018, has a term of one year, and calls for lease payments of approximately \$61,744 per month. The second lease was renewed in June 2018, has a term of three years, and calls for lease payments of approximately \$3,284, per month. The total lease revenue, including utility reimbursements, to the City for the current fiscal year was approximately \$910,158.

CITY OF SLIDELL, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2020

(14) NEW ACCOUNTING PRONOUNCEMENTS

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, 2019 as extended by GASB Statement No. 95, “*Postponement of Effective Dates of Certain Authoritative Guidance*.” 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 June 15, 2021, as extended by GASB Statement No. 95, “*Postponement of Effective Dates of Certain Authoritative Guidance*.” The City plans to adopt this Statement as applicable by the effective date.

The GASB has issued Statement No. 88, “*Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*.” The primary objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. The requirements of this Statement are effective for reporting periods beginning after June 15, 2019, as extended by GASB Statement No. 95, “*Postponement of Effective Dates of Certain Authoritative Guidance*.” This Statement did not have a material effect on the City’s financial statements upon implementation.

The GASB has issued Statement No. 89, “*Accounting for Interest Cost Incurred before the End of a Construction Period*.” The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020, as extended by GASB Statement No. 95, “*Postponement of Effective Dates of Certain Authoritative Guidance*.” The City plans to adopt this Statement as applicable by the effective date.

CITY OF SLIDELL, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2020

(14) NEW ACCOUNTING PRONOUNCEMENTS (CONTINUED)

The GASB has issued Statement No. 90, “*Majority Equity Interests an amendment of GASB Statements No. 14 and No. 61.*” The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019, as extended by GASB Statement No. 95, “*Postponement of Effective Dates of Certain Authoritative Guidance.*” The City plans to adopt this Statement as applicable by the effective date.

The GASB has issued Statement No. 91, “*Conduit Debt Obligations.*” The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2021, as extended by GASB Statement No. 95, “*Postponement of Effective Dates of Certain Authoritative Guidance.*” The City plans to adopt this Statement as applicable by the effective date.

The GASB has issued Statement No. 92, “*Omnibus 2020.*” The primary objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. The requirements of this Statement are effective for reporting periods beginning after December 15, 2021. The City plans to adopt this Statement as applicable by the effective date.

The GASB has issued Statement No. 93, “*Replacement of Interbank Offered Rates.*” The objective of this Statement is to address those and other accounting and financial reporting implications that result from the replacement of IBOR. The requirements of this Statement are effective for reporting periods beginning after December 15, 2021. The City plans to adopt this Statement as applicable by the effective date.

The GASB has issued Statement No. 94, “*Public-Private and Public-Public Partnerships and Availability Payment Arrangements.*” The objective of this Statement is to better meet the information needs of financial statement users by improving the comparability of financial statements among governments that enter into public-private and public-public partnerships (PPPs) and availability payment arrangements (APAs) by enhancing the understandability, reliability, relevance, and consistency of information about PPPs and APAs. The requirements of this Statement are effective for reporting periods beginning after June 15, 2022. The City plans to adopt this Statement as applicable by the effective date.

CITY OF SLIDELL, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2020

(14) NEW ACCOUNTING PRONOUNCEMENTS (CONTINUED)

The GASB has issued Statement No. 95, “*Postponement of the Effective Dates of Certain Authoritative Guidance*.” The primary objective of this Statement is to provide temporary relief from certain newer accounting and financial reporting requirements to governments due to the COVID-19 pandemic. The effective date of certain Statements and Implementation Guides—through GASB Statement No. 93, Replacement of Interbank Offered Rates, and Implementation Guide No. 2019-03, Leases—that first became effective or were scheduled to become effective for periods beginning after June 15, 2018, and later are deferred by either one year or eighteen months.

The GASB has issued Statement No. 96, “*Subscription-Based Information Technology Arrangements*.” The objective of this Statement is to better meet the information needs of financial statement users by (a) establishing uniform accounting and financial reporting requirements for SBITAs; (b) improving the comparability of financial statements among governments that have entered into SBITAs; and (c) enhancing the understandability, reliability, relevance, and consistency of information about SBITA. The requirements of this Statement are effective for reporting periods beginning after June 15, 2022. The City plans to adopt this Statement as applicable by the effective date.

The GASB has issued Statement No. 97, “*Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84*.” The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021. The City plans to adopt this Statement as applicable by the effective date.

(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, 2020:

	<u>Total</u>
<u>Governmental funds:</u>	
Restricted demand deposits	\$ 5
Restricted money market mutual funds	<u>1,146,544</u>
Total	<u>\$ 1,146,549</u>

CITY OF SLIDELL, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2020

(15) DISCRETELY PRESENTED COMPONENT UNITS (CONTINUED)

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

Cash and cash equivalents (Continued)

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, 2020, the District’s demand deposit bank balances of \$5 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, 2020:

	<u>Balance</u> <u>6/30/2019</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>6/30/2020</u>	<u>Due Within</u> <u>One Year</u>
<u>Governmental Activities:</u>					
Sales Tax Bonds, Series 2014					
R-1	\$ 2,125,000	\$ -	\$ (150,000)	\$ 1,975,000	\$ -
R-2	3,200,000	-	-	3,200,000	-
Original issuance discounts	(37,125)	-	1,485	(35,640)	-
Sales Tax Bonds, Series 2015					
R-1	4,040,000	-	-	4,040,000	-
Original issuance discounts	(47,156)	-	1,750	(44,406)	-
Total governmental activities	<u>\$ 9,281,719</u>	<u>\$ -</u>	<u>\$ (146,765)</u>	<u>\$ 9,134,954</u>	<u>\$ -</u>

CITY OF SLIDELL, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2020

(15) DISCRETELY PRESENTED COMPONENT UNITS (CONTINUED)

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

Long-term Debt (Continued)

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. \$ 5,175,000

\$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. 4,040,000

\$ 9,215,000

The annual requirements to maturity for Sales Tax Bonds as of June 30, 2020 are as follows:

Year Ending June 30,	Principal	Interest
2021	\$ -	\$ 517,700
2022	-	517,700
2023	-	517,700
2024	-	517,700
2025	-	517,700
2026-2030	-	2,366,300
2031-2035	2,510,000	2,600,650
2036-2040	-	2,899,000
2041-2045	2,665,000	2,362,600
2046	<u>4,040,000</u>	<u>333,300</u>
Total	<u>\$ 9,215,000</u>	<u>\$13,150,350</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.

CITY OF SLIDELL, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2020

(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, 2020:

	<u>Total</u>
<u>Governmental funds:</u>	
Restricted demand deposits	<u>\$ 17,509</u>

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, 2020, the District’s demand deposit bank balances of \$17,509 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, 2020:

	<u>Total</u>
<u>Governmental funds:</u>	
Restricted demand deposits	<u>\$ 16,431</u>

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, 2020, the District’s demand deposit bank balances of \$16,431 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.

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, 2020

	<u>Budgetary Amounts</u>		<u>Actual on</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Budgetary</u>	<u>Final Budget</u>
			<u>Basis</u>	<u>Positive (Negative)</u>
<u>REVENUES:</u>				
Taxes:				
Ad valorem	\$ 1,308,000	\$ 1,308,000	\$ 1,361,601	\$ 53,601
Franchise	1,870,000	1,870,000	3,222,423	1,352,423
Licenses and permits	2,240,000	2,240,000	2,263,147	23,147
Other state and local governmental revenues	66,000	66,000	75,405	9,405
Fines and forfeitures	257,000	257,000	225,719	(31,281)
Service charges	199,000	199,000	351,184	152,184
Other revenues, primarily interest	450,000	450,000	761,788	311,788
Total revenues	<u>6,390,000</u>	<u>6,390,000</u>	<u>8,261,267</u>	<u>1,871,267</u>
<u>EXPENDITURES:</u>				
General government:				
Administrative	789,364	790,964	846,299	(55,335)
Finance	785,168	786,858	751,599	35,259
Legal	584,887	585,527	582,525	3,002
Data processing	640,894	641,674	426,541	215,133
Purchasing	249,342	259,222	254,130	5,092
Civil service	320,030	320,560	289,460	31,100
Legislative	732,173	733,723	693,853	39,870
Risk management	610,935	612,315	569,854	42,461
	<u>4,712,793</u>	<u>4,730,843</u>	<u>4,414,261</u>	<u>316,582</u>
Public works:				
Building safety	612,625	556,834	489,112	67,722
Planning	266,202	333,823	294,084	39,739
	<u>878,827</u>	<u>890,657</u>	<u>783,196</u>	<u>107,461</u>
Cultural affairs	<u>288,003</u>	<u>288,493</u>	<u>282,537</u>	<u>5,956</u>
Judicial system	<u>484,082</u>	<u>485,762</u>	<u>473,556</u>	<u>12,206</u>
Total expenditures	<u>6,363,705</u>	<u>6,395,755</u>	<u>5,953,550</u>	<u>442,205</u>
Excess (deficiency) of revenues over (under) expenditures	<u>26,295</u>	<u>(5,755)</u>	<u>2,307,717</u>	<u>2,313,472</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, 2020

	<u>Budgetary Amounts</u>		<u>Actual on</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Budgetary</u>	<u>Final Budget</u>
			<u>Basis</u>	<u>Positive (Negative)</u>
<u>OTHER FINANCING SOURCES (USES):</u>				
Transfers in	766,000	766,000	766,000	-
Transfers (out)	<u>(792,295)</u>	<u>(1,525,245)</u>	<u>(1,525,245)</u>	<u>-</u>
Total other financing (uses)	<u>(26,295)</u>	<u>(759,245)</u>	<u>(759,245)</u>	<u>-</u>
Net change in fund balance	-	(765,000)	1,548,472	2,313,472
Fund balances, beginning of year	<u>6,657,154</u>	<u>6,657,154</u>	<u>6,657,154</u>	<u>-</u>
Fund balances, end of year	<u>\$ 6,657,154</u>	<u>\$ 5,892,154</u>	<u>\$ 8,205,626</u>	<u>\$ 2,313,472</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, 2020

	<u>Budgetary Amounts</u>		<u>Actual on</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Budgetary</u>	<u>Final Budget</u>
			<u>Basis</u>	<u>Positive (Negative)</u>
<u>REVENUES:</u>				
Taxes:				
Sales	\$ 11,547,966	\$ 12,049,325	\$ 13,473,302	\$ 1,423,977
Ad valorem	523,000	523,000	544,104	21,104
Other state and local governmental revenues	16,040	16,040	16,040	-
Service charges	32,000	32,000	27,761	(4,239)
Other revenue	-	-	100,016	100,016
Total revenues	<u>12,119,006</u>	<u>12,620,365</u>	<u>14,161,223</u>	<u>1,540,858</u>
<u>EXPENDITURES:</u>				3,153,195
General government:				
Administrative	3,760,159	3,571,859	3,153,195	418,664
Animal control	434,041	-	-	-
	<u>4,194,200</u>	<u>3,571,859</u>	<u>3,153,195</u>	<u>418,664</u>
Public works:				
Streets, bridges and drainage	2,512,857	2,702,517	2,589,950	112,567
Engineering	599,314	583,734	562,515	21,219
Electrical	186,636	214,336	203,546	10,790
General maintenance	462,325	501,675	469,207	32,468
Vehicle maintenance	567,781	587,901	561,388	26,513
	<u>4,328,913</u>	<u>4,590,163</u>	<u>4,386,606</u>	<u>203,557</u>
Recreation	<u>1,705,151</u>	<u>1,818,001</u>	<u>1,694,019</u>	<u>123,982</u>
Capital outlay	<u>1,662,739</u>	<u>12,118,873</u>	<u>1,744,609</u>	<u>10,374,264</u>
Total expenditures	<u>11,891,003</u>	<u>22,098,896</u>	<u>10,978,429</u>	<u>11,120,467</u>
Excess (deficiency) of revenues over (under) expenditures	<u>228,003</u>	<u>(9,478,531)</u>	<u>3,182,794</u>	<u>12,661,325</u>

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, 2020

	<u>Budgetary Amounts</u>		<u>Actual on</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Budgetary</u>	<u>Final Budget</u>
			<u>Basis</u>	<u>Positive (Negative)</u>
<u>OTHER FINANCING SOURCES (USES):</u>				
Transfers (out)	<u>(228,003)</u>	<u>(112,905)</u>	<u>(112,905)</u>	<u>-</u>
Total other financing (uses)	<u>(228,003)</u>	<u>(112,905)</u>	<u>(112,905)</u>	<u>-</u>
Net change in fund balance	-	(9,591,436)	3,069,889	12,661,325
Fund balances, beginning of year	<u>16,703,022</u>	<u>16,703,022</u>	<u>16,703,022</u>	<u>-</u>
Fund balances, end of year	<u>\$ 16,703,022</u>	<u>\$ 7,111,586</u>	<u>\$ 19,772,911</u>	<u>\$ 12,661,325</u>

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, 2020

	<u>Budgetary Amounts</u>		<u>Actual on</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Budgetary</u>	<u>Final Budget</u>
			<u>Basis</u>	<u>Positive (Negative)</u>
<u>REVENUES:</u>				
Intergovernmental revenues:				
Federal and state grants	\$ -	\$ 6,130,513	\$ 1,839,826	\$ (4,290,687)
Other state and local governmental revenues	-	-	-	-
Contributions	-	457,029	195,270	(261,759)
Total revenues	-	6,587,542	2,035,096	(4,552,446)
<u>EXPENDITURES:</u>				
General government	-	40,975	144,563	(103,588)
Public works	-	151,447	1,274,503	(1,123,056)
Public safety	-	328,173	143,864	184,309
Recreation and culture	-	213,465	71,389	142,076
Capital outlay	-	5,853,482	1,325,699	4,527,783
Total expenditures	-	6,587,542	2,960,018	3,627,524
Excess (deficiency) of revenues over (under) expenditures	-	-	(924,922)	(924,922)
<u>OTHER FINANCING SOURCES (USES)</u>	-	-	-	-
Net change in fund balance	-	-	(924,922)	(924,922)
Fund balance, beginning of year	12,796	12,796	12,796	-
Fund balance, end of year	\$ 12,796	\$ 12,796	\$ (912,126)	\$ (924,922)

*Note: The Actual on Budgetary Basis amounts above reflect the modified accrual basis of accounting, except that federal asset forfeiture funds (\$-) 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, 2020

	<u>Budgetary Amounts</u>		<u>Actual on</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Budgetary</u>	<u>Final Budget</u>
			<u>Basis</u>	<u>Positive (Negative)</u>
<u>REVENUES:</u>				
Taxes:				
Sales	\$ 8,642,034	\$ 8,070,675	\$ 8,070,675	\$ -
Ad valorem	1,321,000	1,321,000	1,375,002	54,002
Federal and state grants	-	-	954,997	954,997
Other state and local governmental revenues	581,000	1,065,200	1,081,436	16,236
Service charges	185,500	185,500	240,204	54,704
Other revenues, primarily interest	1,000	1,000	-	(1,000)
Total revenues	<u>10,730,534</u>	<u>10,643,375</u>	<u>11,722,314</u>	<u>1,078,939</u>
<u>EXPENDITURES:</u>				
Current:				
Police	9,685,685	10,547,515	10,344,658	202,857
Corrections facility	899,390	1,012,760	977,870	34,890
Regional training facility	285,616	289,666	273,163	16,503
Animal control	-	420,541	394,629	25,912
Capital outlay	620,913	1,506,371	1,066,882	439,489
Total expenditures	<u>11,491,604</u>	<u>13,776,853</u>	<u>13,057,202</u>	<u>719,651</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(761,070)</u>	<u>(3,133,478)</u>	<u>(1,334,888)</u>	<u>1,798,590</u>
<u>OTHER FINANCING SOURCES (USES):</u>				
Transfers in	761,070	1,494,020	1,494,020	-
Total other financing sources	<u>761,070</u>	<u>1,494,020</u>	<u>1,494,020</u>	<u>-</u>
Net change in fund balances	-	(1,639,458)	159,132	1,798,590
Fund balances - beginning of year	<u>2,867,833</u>	<u>2,867,833</u>	<u>2,867,833</u>	<u>-</u>
Fund balances - end of year	<u>\$ 2,867,833</u>	<u>\$ 1,228,375</u>	<u>\$ 3,026,965</u>	<u>\$ 1,798,590</u>

*Note: The Actual on Budgetary Basis amounts above reflect the modified accrual basis of accounting, except that state supplemental pay for police (\$503,723) 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, 2020

	<u>Budgetary Amounts</u>		<u>Actual on</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Budgetary</u>	<u>Final Budget</u>
			<u>Basis</u>	<u>Positive (Negative)</u>
<u>REVENUES:</u>				
Federal and state grants	\$ -	\$ 26,322,934	\$ 16,876,832	\$ (9,446,102)
Total revenues	-	26,322,934	16,876,832	(9,446,102)
<u>EXPENDITURES:</u>				
General government	-	-	71,109	(71,109)
Capital outlay	-	26,322,934	19,834,462	6,488,472
Total expenditures	-	26,322,934	19,905,571	6,417,363
Excess (deficiency) of revenues over (under) expenditures	-	-	(3,028,739)	(3,028,739)
<u>OTHER FINANCING SOURSES (USES):</u>	-	-	-	-
Net change in fund balance	-	-	(3,028,739)	(3,028,739)
Fund balance, beginning of year	(383,488)	(383,488)	(383,488)	-
Fund balance, end of year	<u>\$ (383,488)</u>	<u>\$ (383,488)</u>	<u>\$ (3,412,227)</u>	<u>\$ (3,028,739)</u>

CITY OF SLIDELL, LOUISIANA
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS
FOR THE YEAR ENDED JUNE 30, 2020

	<u>6/30/2020</u>	<u>6/30/2019</u>	<u>6/30/2018</u>
Total OPEB Liability:			
Service cost	\$ 333,883	\$ 347,366	\$ 349,555
Interest cost	1,387,749	1,342,082	1,369,300
Changes of benefit terms	-	-	-
Differences between expected and actual experience	413,478	1,439,223	(859,400)
Changes of assumptions	8,318,467	-	-
Benefit payments	<u>(1,707,086)</u>	<u>(1,940,710)</u>	<u>(1,333,522)</u>
Net change in total OPEB liability	8,746,491	1,187,961	(474,067)
Total OPEB liability - beginning	<u>40,503,503</u>	<u>39,315,542</u>	<u>39,789,609</u>
Total OPEB liability - ending	<u><u>\$ 49,249,994</u></u>	<u><u>\$ 40,503,503</u></u>	<u><u>\$ 39,315,542</u></u>
Covered-employee payroll	\$ 10,048,540	\$ 9,662,057	\$ 9,227,325
Net OPEB liability as a percentage of covered employee payroll	490.12%	419.20%	426.08%

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

CITY OF SLIDELL, LOUISIANA
SCHEDULE OF EMPLOYER CONTRIBUTIONS
FOR THE YEAR ENDED JUNE 30, 2020

	<u>6/30/2020</u>	<u>6/30/2019</u>	<u>6/30/2018</u>
Actuarially determined contribution	\$ 2,536,112	\$ 2,485,004	\$ 2,512,969
Contributions in relation to the actuarially determined contribution:			
Employer contributions to trust	-	-	-
Employer-paid retiree premiums	<u>(1,707,086)</u>	<u>(1,940,710)</u>	<u>(1,333,522)</u>
Contribution deficiency	<u>\$ 829,026</u>	<u>\$ 544,294</u>	<u>\$ 1,179,447</u>
Covered annual payroll	\$ 10,048,540	\$ 9,662,057	\$ 9,227,325
Contributions as a percentage of covered employee payroll	16.99%	20.09%	14.45%

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

CITY OF SLIDELL, LOUISIANA
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
FOR THE YEAR ENDED JUNE 30, 2020*

	<u>6/30/2020</u>	<u>6/30/2019</u>	<u>6/30/2018</u>	<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	3.88141%	3.99688%	3.96208%	3.66849%	3.68263%	3.58843%
City's Proportionate Share of the Net Pension Liability	\$ 16,129,078	\$ 16,549,796	\$ 16,575,064	\$ 15,036,066	\$ 13,154,743	\$ 9,209,507
City's Covered Payroll	\$ 6,957,556	\$ 7,009,489	\$ 6,662,801	\$ 6,415,651	\$ 5,576,000	\$ 5,292,000
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	231.82%	236.11%	248.77%	234.37%	235.92%	174.03%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	64.68%	63.94%	62.50%	62.11%	66.18%	73.99%
<u>Police System</u>						
City's Proportion of the Net Pension Liability	1.516436%	1.648868%	1.586870%	1.613780%	1.592232%	1.518915%
City's Proportionate Share of the Net Pension Liability	\$ 13,771,779	\$ 13,939,631	\$ 13,854,064	\$ 15,125,703	\$ 12,473,473	\$ 9,502,271
City's Covered Payroll	\$ 4,732,287	\$ 5,018,855	\$ 4,750,774	\$ 4,483,688	\$ 4,076,000	\$ 3,820,000
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	291.02%	277.75%	291.62%	337.35%	306.02%	248.75%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	71.00%	71.89%	70.01%	66.04%	70.73%	75.10%
<u>LASERS System</u>						
City's Proportion of the Net Pension Liability	0.00213%	0.00216%	0.00213%	0.00206%	0.00186%	0.00182%
City's Proportionate Share of the Net Pension Liability	\$ 154,172	\$ 147,038	\$ 149,646	\$ 161,527	\$ 126,644	\$ 113,961
City's Covered Payroll	\$ 39,440	\$ 39,440	\$ 37,455	\$ 35,917	\$ 34,000	\$ 34,000
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	390.90%	372.81%	399.54%	449.72%	372.48%	335.18%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	62.90%	64.30%	62.50%	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, 2020

	<u>6/30/2020</u>	<u>6/30/2019</u>	<u>6/30/2018</u>	<u>6/30/2017</u>	<u>6/30/2016</u>	<u>6/30/2015</u>
<u>Municipal System</u>						
Contractually Required Contribution	\$ 1,901,579	\$ 1,808,964	\$ 1,734,849	\$ 1,515,787	\$ 1,267,000	\$ 1,101,000
Contributions in Relation to the Contractually Required Contribution	<u>(1,901,579)</u>	<u>(1,808,964)</u>	<u>(1,734,849)</u>	<u>(1,515,787)</u>	<u>(1,267,091)</u>	<u>(1,303,828)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (91)</u>	<u>\$ (202,828)</u>
City's Covered Payroll	\$ 7,313,765	\$ 6,957,556	\$ 7,009,489	\$ 6,662,801	\$ 5,642,000	\$ 5,576,000
Contributions as a Percentage of Covered Payroll	26.00%	26.00%	24.75%	22.75%	22.46%	23.38%
<u>Police System</u>						
Contractually Required Contribution	\$ 1,561,544	\$ 1,526,162	\$ 1,543,299	\$ 1,510,089	\$ 1,323,000	\$ 1,285,000
Contributions in Relation to the Contractually Required Contribution	<u>(1,561,544)</u>	<u>(1,526,162)</u>	<u>(1,543,299)</u>	<u>(1,510,089)</u>	<u>(1,323,195)</u>	<u>(1,318,452)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (195)</u>	<u>\$ (33,452)</u>
City's Covered Payroll	\$ 4,800,992	\$ 4,732,287	\$ 5,018,855	\$ 4,750,774	\$ 4,298,000	\$ 4,076,000
Contributions as a Percentage of Covered Payroll	32.53%	32.25%	30.75%	31.79%	30.79%	32.35%
<u>LASERS System</u>						
Contractually Required Contribution	\$ 17,143	\$ 15,816	\$ 15,816	\$ 14,233	\$ 13,700	\$ 14,300
Contributions in Relation to the Contractually Required Contribution	<u>(17,143)</u>	<u>(15,816)</u>	<u>(15,816)</u>	<u>(14,233)</u>	<u>(14,320)</u>	<u>(13,786)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (620)</u>	<u>\$ 514</u>
City's Covered Payroll	\$ 40,624	\$ 39,440	\$ 39,440	\$ 37,455	\$ 35,000	\$ 34,000
Contributions as a Percentage of Covered Payroll	42.20%	40.10%	40.10%	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, 2020

(1) PENSION PLAN SCHEDULES

Changes of Benefit Terms

For MERS and MPERS, there were no changes of benefit terms during any of the years presented.

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

Changes of Assumptions

For MERS, for the valuation year ended June 30, 2019, the investment rate of return was decreased from 7.275% to 7.0% and the rate of inflation was decreased from 2.60% to 2.50%. For the valuation year ended June 30, 2018, the investment rate of return was decreased from 7.4% to 7.275% and the rate of inflation was decreased from 2.775% to 2.60%. For the valuation year ended June 30, 2017, the investment rate of return was decreased from 7.5% to 7.4%, the rate for projected salary increases was decreased from 5.0% to 4.5%, and the salary growth rates were changed over various years of service.

For MPERS, for the valuation year ended June 30, 2019, the investment rate of return decreased from 7.20% to 7.125% and the inflation rate decreased from 2.60% to 2.50%. For the valuation year ended June 30, 2018, the investment rate of return decreased from 7.325% to 7.20% and the inflation rate decreased from 2.70% to 2.60%. For the valuation year ended June 30, 2017, the inflation rate decreased from 2.875% to 2.70%.

For LASERS, for the valuation year ended June 30, 2019, the investment rate of return was decreased from 7.65% to 7.60%. For the valuation year ended June 30, 2018, the investment rate of return was decreased from 7.70% to 7.65%.

(2) OPEB SCHEDULES

Changes of Benefit Terms

There were no changes of benefit terms during any of the years presented.

Changes of Assumptions

For the year ended June 30, 2020, the Assessor changed its assumptions related to trends, mortality and discount rates. These changes had a cumulative effect of \$6,932,056. As of June 30, 2020 the valuation date was 7/1/19, the discount rate was 3.50 % annually (beginning of year to determine ADC) and 2.21% annually (as of end of year measurement date). As of June 30, 2018 the valuation date was 7/1/18 and the discount rate was 3.50 % annually.

CITY OF SLIDELL, LOUISIANA
NOTES TO REQUIRED SUPPLEMENTAL INFORMATION (CONTINUED)
JUNE 30, 2020

Assumptions to Arrive at Actuarial Determined Contribution

Valuation date	7/1/19 Actuarially determined contributions are calculated as of the last day of the fiscal year in which contributions are reported.
Actuarial cost method	Individual Entry Age Normal

(2) OPEB SCHEDULES (CONTINUED)

Assumptions to at Actuarial Determined Contribution (Continued)

Amortization method	Level dollar, open
Amortization period	30 years
Asset valuation method	Market value
Inflation	2.5% annually
Healthcare trend rate	Flat 5.5% annually
Salary increases	4.0% annually
Discount rate	3.5% annually (Beginning of year) 2.21% annually (End of year)
Retirement age	3 years after the following: attainment of 25 years of service at any age; or, age 60 and 10 years of service; for employees hired after 12/31/2012: 3 years after age 55 and 30 years of service; age 62 and 10 years of service; or age 67 and 7 years of service; for police, 3 years after 25 years of service; or age 50 and 20 years or service; or 55 and 12 years of service
Mortality	RP-2000 without projection, 50% unisex blend
Turnover	Age specific table with an average of 17% when applied to the active census

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OTHER SUPPLEMENTARY INFORMATION

CITY OF SLIDELL, LOUISIANA
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2020

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
JUNE 30, 2020

ASSETS

	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
<u>CURRENT ASSETS:</u>								
Investments	\$ -	\$ -	\$ -	\$ 2,394,925	\$ -	\$ -	\$ -	\$ 2,394,925
Other receivables	-	13,671	13,671	-	-	-	-	13,671
Due from other governments								
U.S. Government	2,124	-	2,124	-	-	-	-	2,124
Due from other funds	-	1,985,360	1,985,360	35,272	1,575,399	-	1,933,846	5,529,877
Restricted assets:								
Cash	-	-	-	-	-	473,108	-	473,108
Total assets	<u>\$ 2,124</u>	<u>\$ 1,999,031</u>	<u>\$ 2,001,155</u>	<u>\$ 2,430,197</u>	<u>\$ 1,575,399</u>	<u>\$ 473,108</u>	<u>\$ 1,933,846</u>	<u>\$ 8,413,705</u>

LIABILITIES AND FUND BALANCES

<u>LIABILITIES:</u>								
Accounts payable and accrued expenditures	\$ -	\$ 8,721	\$ 8,721	\$ -	\$ 507	\$ 1	\$ 13,618	\$ 22,847
Due to other funds	<u>2,124</u>	<u>-</u>	<u>2,124</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,124</u>
Total liabilities	<u>2,124</u>	<u>8,721</u>	<u>10,845</u>	<u>-</u>	<u>507</u>	<u>1</u>	<u>13,618</u>	<u>24,971</u>
<u>FUND BALANCES:</u>								
Restricted for:								
Debt service	-	-	-	2,430,197	-	-	-	2,430,197
Streets and drainage	-	-	-	-	-	473,107	-	473,107
Committed to:								
Capital outlay	-	217,776	217,776	-	1,574,892	-	1,920,228	3,712,896
Contingencies	-	1,598,834	1,598,834	-	-	-	-	1,598,834
Assigned to:								
Public improvements	-	173,700	173,700	-	-	-	-	173,700
Total fund balances	<u>-</u>	<u>1,990,310</u>	<u>1,990,310</u>	<u>2,430,197</u>	<u>1,574,892</u>	<u>473,107</u>	<u>1,920,228</u>	<u>8,388,734</u>
 Total liabilities and fund balances	<u>\$ 2,124</u>	<u>\$ 1,999,031</u>	<u>\$ 2,001,155</u>	<u>\$ 2,430,197</u>	<u>\$ 1,575,399</u>	<u>\$ 473,108</u>	<u>\$ 1,933,846</u>	<u>\$ 8,413,705</u>

See Independent Auditors' Report

CITY OF SLIDELL, LOUISIANA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	Special Revenue			Debt Service	Capital Projects			Total Nonmajor Governmental Funds
	Community Development Block Grant	DISA	Total	Debt Service	Public Works	General Obligation Bonds 2010 Fund	City Capital Construction	
<u>REVENUES:</u>								
Taxes	\$ -	\$ -	\$ -	\$ 1,562,625	\$ -	\$ -	\$ -	\$ 1,562,625
Intergovernmental revenues								
Federal/state grants	357,154	-	357,154	-	-	-	-	357,154
Service charges	-	980,651	980,651	-	-	-	-	980,651
Other revenues, primarily interest and tuition	-	-	-	36,305	-	6,931	-	43,236
Total revenues	<u>357,154</u>	<u>980,651</u>	<u>1,337,805</u>	<u>1,598,930</u>	<u>-</u>	<u>6,931</u>	<u>-</u>	<u>2,943,666</u>
<u>EXPENDITURES:</u>								
General government	31,162	865,025	896,187	16,009	-	-	-	912,196
Debt service:								
Principal retirement	-	-	-	948,000	-	-	-	948,000
Interest and fiscal charges	-	-	-	552,473	-	-	-	552,473
Capital outlay	<u>325,992</u>	<u>114,535</u>	<u>440,527</u>	<u>-</u>	<u>50,834</u>	<u>64,077</u>	<u>46,798</u>	<u>602,236</u>
Total expenditures	<u>357,154</u>	<u>979,560</u>	<u>1,336,714</u>	<u>1,516,482</u>	<u>50,834</u>	<u>64,077</u>	<u>46,798</u>	<u>3,014,905</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>1,091</u>	<u>1,091</u>	<u>82,448</u>	<u>(50,834)</u>	<u>(57,146)</u>	<u>(46,798)</u>	<u>(71,239)</u>
<u>OTHER FINANCING SOURCES (USES):</u>								
Transfers in	-	-	-	-	25,402	-	-	25,402
Transfers out	<u>-</u>	<u>(25,402)</u>	<u>(25,402)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(25,402)</u>
Total other financing sources	<u>-</u>	<u>(25,402)</u>	<u>(25,402)</u>	<u>-</u>	<u>25,402</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	(24,311)	(24,311)	82,448	(25,432)	(57,146)	(46,798)	(71,239)
Fund balances, beginning of year	<u>-</u>	<u>2,014,621</u>	<u>2,014,621</u>	<u>2,347,749</u>	<u>1,600,324</u>	<u>530,253</u>	<u>1,967,026</u>	<u>8,459,973</u>
Fund balances, end of year	<u>\$ -</u>	<u>\$ 1,990,310</u>	<u>\$ 1,990,310</u>	<u>\$ 2,430,197</u>	<u>\$ 1,574,892</u>	<u>\$ 473,107</u>	<u>\$ 1,920,228</u>	<u>\$ 8,388,734</u>

See Independent Auditors' Report

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, 2020

	<u>Budgetary Amounts</u>		<u>Actual on</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Budgetary</u>	<u>Final Budget</u>
			<u>Basis</u>	<u>Positive (Negative)</u>
<u>REVENUES:</u>				
Intergovernmental revenues	\$ 180,000	\$ 569,610	\$ 357,154	\$ (212,456)
Total revenues	<u>180,000</u>	<u>569,610</u>	<u>357,154</u>	<u>(212,456)</u>
<u>EXPENDITURES:</u>				
General government	-	-	31,162	(31,162)
Capital outlay	<u>180,000</u>	<u>569,610</u>	<u>325,992</u>	<u>243,618</u>
Total expenditures	<u>180,000</u>	<u>569,610</u>	<u>357,154</u>	<u>212,456</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>OTHER FINANCING SOURCES (USES)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</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, 2020

	<u>Budgetary Amounts</u>		<u>Actual on</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Budgetary</u>	<u>Final Budget</u>
			<u>Basis</u>	<u>Positive (Negative)</u>
<u>REVENUES:</u>				
Service charges	\$ 989,000	\$ 989,000	\$ 980,651	\$ (8,349)
Total revenues	<u>989,000</u>	<u>989,000</u>	<u>980,651</u>	<u>(8,349)</u>
<u>EXPENDITURES:</u>				
General government	1,056,618	1,070,598	865,025	205,573
Capital outlay	-	332,311	114,535	217,776
Total expenditures	<u>1,056,618</u>	<u>1,402,909</u>	<u>979,560</u>	<u>423,349</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(67,618)</u>	<u>(413,909)</u>	<u>1,091</u>	<u>415,000</u>
<u>OTHER FINANCING SOURCES (USES):</u>				
Transfers in	67,618	-	-	-
Transfers out	-	(25,402)	(25,402)	-
Total other financing sources	<u>67,618</u>	<u>(25,402)</u>	<u>(25,402)</u>	<u>-</u>
Net change in fund balance	-	(439,311)	(24,311)	415,000
Fund balance, beginning of year	<u>2,014,621</u>	<u>2,014,621</u>	<u>2,014,621</u>	<u>-</u>
Fund balance, end of year	<u>\$ 2,014,621</u>	<u>\$ 1,575,310</u>	<u>\$ 1,990,310</u>	<u>\$ 415,000</u>

CITY OF SLIDELL, LOUISIANA
BALANCE SHEET
CAMELLIA SQUARE ECONOMIC DEVELOPMENT DISTRICT
JUNE 30, 2020

ASSETS

	<u>General Fund</u>
<u>CURRENT ASSETS:</u>	
Receivables, net of allowances for uncollectibles:	
Taxes	\$ 12,173
Restricted assets:	
Cash	<u>17,509</u>
 Total assets	 <u><u>\$ 29,682</u></u>

LIABILITIES AND FUND BALANCES

<u>LIABILITIES:</u>	
Due to other government	\$ <u>-</u>
 Total liabilities	 <u>-</u>
 <u>FUND BALANCES:</u>	
Restricted for economic development	<u>29,682</u>
 Total fund balances	 <u>29,682</u>
 Total liabilities and fund balances	 <u><u>\$ 29,682</u></u>

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, 2020

	<u>Budgetary Amounts</u>		<u>Actual on</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Budgetary</u>	<u>Final Budget</u>
			<u>Basis</u>	<u>Positive (Negative)</u>
<u>REVENUES:</u>				
Taxes:				
Sales and use	\$ 75,000	\$ 66,372	\$ 66,372	\$ -
Hotel occupancy	30,000	23,892	23,892	-
Other revenue	<u>320</u>	<u>262</u>	<u>262</u>	<u>-</u>
Total revenues	<u>105,320</u>	<u>90,526</u>	<u>90,526</u>	<u>-</u>
<u>EXPENDITURES:</u>				
General government	3,100	3,408	3,409	(1)
Economic development	<u>102,220</u>	<u>103,367</u>	<u>103,367</u>	<u>-</u>
Total expenditures	<u>105,320</u>	<u>106,775</u>	<u>106,776</u>	<u>(1)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(16,249)</u>	<u>(16,250)</u>	<u>(1)</u>
<u>OTHER FINANCING SOURCES (USES)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	-	(16,249)	(16,250)	(1)
Fund balance, beginning of year	<u>-</u>	<u>45,932</u>	<u>45,932</u>	<u>-</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ 29,683</u>	<u>\$ 29,682</u>	<u>\$ (1)</u>

CITY OF SLIDELL, LOUISIANA
BALANCE SHEET
NORTHSHORE SQUARE ECONOMIC DEVELOPMENT DISTRICT
JUNE 30, 2020

ASSETS

	<u>General Fund</u>
<u>CURRENT ASSETS:</u>	
Receivables, net of allowances for uncollectibles:	
Taxes	\$ 16,436
Restricted assets:	
Cash	<u>16,431</u>
 Total assets	 <u><u>\$ 32,867</u></u>

LIABILITIES AND FUND BALANCES

<u>LIABILITIES:</u>	
Accounts payable	\$ -
Due to other government	<u>-</u>
 Total liabilities	 <u>-</u>
 <u>FUND BALANCES:</u>	
Restricted for economic development	<u>32,867</u>
 Total fund balances	 <u>32,867</u>
 Total liabilities and fund balances	 <u><u>\$ 32,867</u></u>

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, 2020

	<u>Budgetary Amounts</u>		<u>Actual on</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Budgetary</u>	<u>Final Budget</u>
			<u>Basis</u>	<u>Positive (Negative)</u>
<u>REVENUES:</u>				
Taxes:				
Sales and use	\$ 71,000	\$ 71,000	\$ 78,766	\$ 7,766
Other revenue	<u>220</u>	<u>220</u>	<u>180</u>	<u>(40)</u>
Total revenues	<u>71,220</u>	<u>71,220</u>	<u>78,946</u>	<u>7,726</u>
<u>EXPENDITURES:</u>				
General government	3,100	3,100	2,609	491
Economic development	<u>68,120</u>	<u>68,120</u>	<u>68,736</u>	<u>(616)</u>
Total expenditures	<u>71,220</u>	<u>71,220</u>	<u>71,345</u>	<u>(125)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>7,601</u>	<u>7,601</u>
<u>OTHER FINANCING SOURCES (USES)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	-	-	7,601	7,601
Fund balance, beginning of year	<u>-</u>	<u>-</u>	<u>25,266</u>	<u>-</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 32,867</u>	<u>\$ 7,601</u>

CITY OF SLIDELL, LOUISIANA
FIDUCIARY FUND
JUNE 30, 2020

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, 2020

	Agency Funds
	Animal Assistance League of Slidell
<u>ASSETS:</u>	
Cash and cash equivalents	\$ 1,050
Restricted cash	96,140
Due from General Fund	<u>269,200</u>
Total assets	<u><u>\$ 366,390</u></u>
<u>LIABILITIES:</u>	
Accounts payable	\$ 884
Due to local entities	<u>365,506</u>
Total liabilities	<u><u>\$ 366,390</u></u>

CITY OF SLIDELL, LOUISIANA
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FIDUCIARY FUND
FOR THE YEAR ENDED JUNE 30, 2020

	ANIMAL ASSISTANCE LEAGUE OF SLIDELL			
	Balance July 1, 2019	Additions	Deductions	Balance June 30, 2020
<u>ASSETS:</u>				
Cash and cash equivalents	\$ 1,050	\$ -	\$ -	\$ 1,050
Restricted cash	94,634	1,640	134	96,140
Due from General Fund	<u>242,241</u>	<u>51,925</u>	<u>24,966</u>	<u>269,200</u>
 Total assets	 <u>\$ 337,925</u>	 <u>\$ 53,565</u>	 <u>\$ 25,100</u>	 <u>\$ 366,390</u>
 <u>LIABILITIES:</u>				
Accounts payable	\$ 2,294	\$ 22,951	\$ 24,361	\$ 884
Due to local entities	<u>335,631</u>	<u>29,875</u>	<u>-</u>	<u>365,506</u>
 Total liabilities	 <u>\$ 337,925</u>	 <u>\$ 52,826</u>	 <u>\$ 24,361</u>	 <u>\$ 366,390</u>

SUPPORTING SCHEDULES

CITY OF SLIDELL, LOUISIANA
SCHEDULE OF FUNCTIONAL EXPENDITURES BY DEPARTMENT (BUDGETARY BASIS)
GENERAL FUND
FOR YEAR ENDED JUNE 30, 2020

	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	\$ 589,327	\$ 251,623	\$ 5,050	\$ 299	\$ -	\$ -	\$ -	\$ -	\$ 846,299
Finance	669,220	47,054	31,708	3,617	-	-	-	-	751,599
Legal	279,122	60,630	2,773	-	-	-	240,000	-	582,525
Data processing	280,344	436	144,669	1,092	-	-	-	-	426,541
Purchasing	241,200	4,082	7,791	1,057	-	-	-	-	254,130
Civil service	203,399	58,324	24,312	3,425	-	-	-	-	289,460
Legislative	580,202	102,980	10,671	-	-	-	-	-	693,853
Risk management	550,968	3,706	5,180	-	-	10,000	-	-	569,854
Permits	462,405	10,699	16,008	-	-	-	-	-	489,112
Planning	243,229	15,954	9,901	-	-	-	-	25,000	294,084
Cultural arts	198,633	39,189	10,120	3,781	30,814	-	-	-	282,537
City Marshall	167,604	15,000	2,242	-	-	-	-	-	184,846
City Prosecutor	156,201	1,987	7,516	-	-	-	-	-	165,704
City Court	119,856	-	3,150	-	-	-	-	-	123,006
Total expenditures	<u>\$ 4,741,710</u>	<u>\$ 611,664</u>	<u>\$ 281,091</u>	<u>\$ 13,271</u>	<u>\$ 30,814</u>	<u>\$ 10,000</u>	<u>\$ 240,000</u>	<u>\$ 25,000</u>	<u>\$ 5,953,550</u>

CITY OF SLIDELL, LOUISIANA
SCHEDULE OF FUNCTIONAL EXPENDITURES BY DEPARTMENT (BUDGETARY BASIS)
SALES TAX FUND
FOR YEAR ENDED JUNE 30, 2020

	Salaries, Wages and Related Benefits	Contract Services	Supplies and Materials	Equipment	Legal Fees and Claims	Heritage Festival	Total
Administrative	\$ 890,830	\$ 2,256,924	\$ 5,441	\$ -	\$ -	\$ -	\$ 3,153,195
Animal control	-	-	-	-	-	-	-
Streets, bridges and drainage	1,864,233	156,644	550,459	18,614	-	-	2,589,950
Engineering	537,928	11,130	13,282	175	-	-	562,515
Electrical	190,427	2,020	10,218	881	-	-	203,546
General maintenance	269,322	72,053	126,288	1,544	-	-	469,207
Vehicle maintenance	450,604	21,937	83,803	5,044	-	-	561,388
Parks and recreation	<u>1,307,091</u>	<u>257,690</u>	<u>117,238</u>	<u>12,000</u>	<u>-</u>	<u>-</u>	<u>1,694,019</u>
 Total expenditures	 <u>\$ 5,510,435</u>	 <u>\$ 2,778,398</u>	 <u>\$ 906,729</u>	 <u>\$ 38,258</u>	 <u>\$ -</u>	 <u>\$ -</u>	 <u>\$ 9,233,820</u>

CITY OF SLIDELL, LOUISIANA
SCHEDULE OF FUNCTIONAL EXPENDITURES BY DEPARTMENT (BUDGETARY BASIS)
PUBLIC SAFETY FUND
FOR YEAR ENDED JUNE 30, 2020

	Salaries, Wages and Related Benefits	Contract Services	Supplies and Materials	Equipment	Total
Police	\$ 9,590,130	\$ 285,128	\$ 469,106	\$ 915	\$ 10,345,279
Corrections facility	909,276	47,085	21,510	-	977,871
Regional training facility	<u>176,428</u>	<u>57,936</u>	<u>38,799</u>	<u>-</u>	<u>273,163</u>
Total expenditures	<u>\$ 10,675,834</u>	<u>\$ 390,149</u>	<u>\$ 529,415</u>	<u>\$ 915</u>	<u>\$ 11,596,313</u>

*Note: The Actual on Budgetary Basis amounts above reflect the modified accrual basis of accounting, except that state supplemental pay for police (\$503,723) is not reflected above in revenues or expenditures.

CITY OF SLIDELL, LOUISIANA
SCHEDULE OF COUNCILPERSONS' COMPENSATION
FOR YEAR ENDED JUNE 30, 2020

<u>COUNCILPERSON</u>	<u>COMPENSATION</u>
William Borchert	\$ 22,487
Glynn Pichon	22,487
Warren Crockett	22,487
Leslie Denham	22,487
David Dunham	22,487
Kim Baronet Harbison	22,487
Cynthia King	22,487
Kenneth Tamborella	22,487
Valsin Vanney, Jr.	22,487

CITY OF SLIDELL, LOUISIANA
SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS TO AGENCY HEAD
FOR THE YEAR ENDED JUNE 30, 2020

	Mayor Greg Cromer
	<hr/>
Salary	\$ 123,091
Benefits - medical and dental insurance	15,930
Benefits - retirement (deferred comp)	34,158
Benefits - life insurance	346
Benefits - disability insurance	238
Car allowance	6,600
Per diem	743
Travel	233
Registration fees	265
Conference travel	3,301
Special meals	121
	<hr/>
Total compensation, benefits, and other payments	\$ <u><u>185,026</u></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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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									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Governmental Activities										
Net investment in capital assets	\$ 88,377,938	\$ 96,377,271	\$ 96,620,849	\$ 105,863,429	\$ 110,077,230	\$ 112,257,231	\$ 115,852,285	\$ 121,778,085	\$ 153,887,052	\$ 164,637,972
Restricted	4,447,007	2,268,579	1,968,120	1,944,959	1,935,784	2,151,136	2,517,595	2,598,393	2,647,749	12,424,765
Unrestricted	<u>11,040,772</u>	<u>11,275,798</u>	<u>12,765,363</u>	<u>16,982,470</u>	<u>(2,236,414)</u>	<u>(258,836)</u>	<u>(254,087)</u>	<u>(22,333,860)</u>	<u>(21,078,132)</u>	<u>(30,193,464)</u>
Total governmental activities net position	<u>\$ 103,865,717</u>	<u>\$ 109,921,648</u>	<u>\$ 111,354,332</u>	<u>\$ 124,790,858</u>	<u>\$ 109,776,600</u>	<u>\$ 114,149,531</u>	<u>\$ 118,115,793</u>	<u>\$ 102,042,618</u>	<u>\$ 135,456,669</u>	<u>\$ 146,869,273</u>
Business-Type Activities										
Net investment in capital assets	\$ 44,074,766	\$ 44,870,637	\$ 44,815,853	\$ 45,992,103	\$ 46,008,954	\$ 46,078,298	\$ 50,248,160	\$ 50,861,923	\$ 50,425,447	\$ 54,651,272
Restricted	1,030,629	1,020,672	365,891	364,825	337,806	218,108	162,816	784,053	789,605	785,319
Unrestricted	<u>6,396,677</u>	<u>5,393,149</u>	<u>6,719,480</u>	<u>6,782,823</u>	<u>4,963,616</u>	<u>6,992,581</u>	<u>8,185,227</u>	<u>3,607,650</u>	<u>5,633,278</u>	<u>8,156,775</u>
Total business-type activities net position	<u>\$ 51,502,072</u>	<u>\$ 51,284,458</u>	<u>\$ 51,901,224</u>	<u>\$ 53,139,751</u>	<u>\$ 51,310,376</u>	<u>\$ 53,288,987</u>	<u>\$ 58,596,203</u>	<u>\$ 55,253,626</u>	<u>\$ 56,848,330</u>	<u>\$ 63,593,366</u>
Primary Government										
Net investment in capital assets	\$ 132,452,704	\$ 141,247,908	\$ 141,436,702	\$ 151,855,532	\$ 156,086,184	\$ 158,335,529	\$ 166,100,445	\$ 172,640,008	\$ 204,312,499	\$ 219,289,244
Restricted	5,477,636	3,289,251	2,334,011	2,309,784	2,273,590	2,369,244	2,680,411	3,382,446	3,437,354	13,210,084
Unrestricted	<u>17,437,449</u>	<u>16,668,947</u>	<u>19,484,843</u>	<u>23,765,293</u>	<u>2,727,202</u>	<u>6,733,745</u>	<u>7,931,140</u>	<u>(18,726,210)</u>	<u>(15,444,854)</u>	<u>(22,036,689)</u>
Total primary government net position	<u>\$ 155,367,789</u>	<u>\$ 161,206,106</u>	<u>\$ 163,255,556</u>	<u>\$ 177,930,609</u>	<u>\$ 161,086,976</u>	<u>\$ 167,438,518</u>	<u>\$ 176,711,996</u>	<u>\$ 157,296,244</u>	<u>\$ 192,304,999</u>	<u>\$ 210,462,639</u>

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

TABLE 2

Expenses	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Governmental activities:										
General government	\$ 9,303,729	\$ 9,283,019	\$ 9,646,398	\$ 9,484,652	\$ 9,580,823	\$ 10,300,723	\$ 9,908,542	\$ 9,623,366	\$ 9,964,066	\$ 9,487,377
Public works	11,528,312	11,428,558	13,090,015	14,630,818	14,013,867	15,680,663	17,614,676	14,968,155	13,138,013	13,850,841
Public safety	10,488,683	10,110,483	10,747,248	10,696,681	11,808,793	12,143,610	12,929,437	12,758,109	12,921,682	14,279,130
Recreation and culture	2,191,622	2,644,291	2,063,753	1,979,693	2,091,626	2,335,422	2,229,585	2,431,651	2,577,823	3,100,446
Judicial system	404,146	420,504	437,307	373,389	396,846	474,972	555,810	511,858	502,549	536,729
Interest on long-term debt	838,176	709,649	641,998	509,918	469,907	414,182	615,151	588,415	560,782	533,169
Bond issuance costs	-	-	-	-	-	80,855	248,697	-	6,675	-
Total governmental activities expenses	<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>	<u>40,881,554</u>	<u>39,671,590</u>	<u>41,787,692</u>
Business-type activities:										
Utilities	9,598,912	10,078,812	10,031,018	10,208,370	10,272,796	10,485,691	10,679,617	10,933,101	10,965,054	11,254,535
Airport	695,313	1,120,767	1,194,655	1,039,799	1,007,560	970,750	1,125,221	1,235,074	1,283,910	1,214,300
Total business-type activities expenses	<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>	<u>12,168,175</u>	<u>12,248,964</u>	<u>12,468,835</u>
Total primary government expenses	<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>	<u>\$ 53,049,729</u>	<u>\$ 51,920,554</u>	<u>\$ 54,256,527</u>
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 4,206,584	\$ 4,215,048	\$ 4,191,714	\$ 3,557,467	\$ 3,958,521	\$ 3,819,562	\$ 3,706,168	\$ 3,050,662	\$ 3,062,072	\$ 3,804,579
Public works	231,106	335,367	294,012	492,521	622,261	405,610	308,705	279,114	521,279	-
Public safety	1,283,631	1,035,330	1,022,664	926,715	923,583	957,568	994,037	1,044,678	1,169,795	1,174,404
Recreation and culture	20,800	18,255	87,165	107,631	90,820	131,610	109,123	217,285	195,116	27,761
Judicial system	7,740	35,007	15,894	42,288	39,945	43,821	47,438	52,494	50,788	48,419
Operating grants and contribution:										
General government	381,983	577,479	317,926	699,533	323,423	1,112,432	1,390,085	273,284	455,417	131,965
Public works	873,531	1,081,905	3,881,803	5,241,718	2,028,400	3,330,837	5,280,417	3,755,800	2,066,057	90,913
Public safety	589,341	585,052	596,579	580,346	903,347	982,385	798,656	993,315	945,018	1,604,157
Recreation and culture	51,165	61,817	29,958	205,190	214,844	175,701	191,811	201,355	170,303	133,866
Judicial system	-	-	4,699	-	8,224	8,895	10,962	4,390	4,488	-
Capital grants and contributions:										
General government	3,186,209	500,783	151,424	(78,704)	39,168	240,862	(136,738)	-	-	22,038
Public works	2,057,035	5,741,151	1,207,872	11,242,720	4,832,529	5,651,961	7,692,981	6,817,190	34,938,010	20,212,338
Public safety	95,178	241,128	82,996	96,873	129,385	627,264	104,122	26,247	-	15,220
Recreation and culture	5,128,197	1,385,479	3,633	313,172	317,571	51,189	(8,997)	1,686,169	78,343	345,888
Judicial system	-	-	-	-	-	-	38,652	-	-	-
Total governmental activities program revenues	<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>	<u>18,401,983</u>	<u>43,656,686</u>	<u>27,611,548</u>

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

TABLE 2

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Business-type activities:										
Charges for services:										
Utilities	9,081,628	9,301,875	9,516,836	9,594,013	9,806,762	9,969,089	9,972,551	10,132,651	10,561,806	10,270,272
Airport	83,344	640,733	695,547	503,162	516,640	399,454	493,126	675,565	892,529	737,088
Capital grants and contributions										
Utilities	876,315	113,113	38,250	1,316,986	394,147	1,299,983	4,541,459	1,119,251	551,029	400,661
Airport	62,055	119,595	382,806	2,441	48,870	308,598	238,944	414,853	27,765	68,727
Total business-type activities program revenues	<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>	<u>12,342,320</u>	<u>12,033,129</u>	<u>11,476,748</u>
Total primary government program revenues	<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>	<u>\$ 30,744,303</u>	<u>\$ 55,689,815</u>	<u>\$ 39,088,296</u>
Net (expense)/revenue										
Governmental activities	\$ (16,642,168)	\$ (18,782,703)	\$ (24,738,380)	\$ (14,247,681)	\$ (23,929,841)	\$ (23,890,730)	\$ (23,574,476)	\$ (22,479,571)	\$ 3,985,096	\$ (14,176,144)
Business-type activities	<u>(190,883)</u>	<u>(1,024,263)</u>	<u>(592,234)</u>	<u>168,433</u>	<u>(513,937)</u>	<u>520,683</u>	<u>3,441,242</u>	<u>174,145</u>	<u>(215,835)</u>	<u>(992,087)</u>
Total primary government net expense	<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>	<u>\$ (22,305,426)</u>	<u>\$ 3,769,261</u>	<u>\$ (15,168,231)</u>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes:										
Ad Valorem	\$ 3,991,512	\$ 3,866,282	\$ 4,253,539	\$ 4,230,985	\$ 4,323,125	\$ 3,580,394	\$ 4,786,055	\$ 4,757,382	\$ 4,690,635	\$ 4,843,332
Sales and use	17,980,547	17,919,089	17,992,111	18,361,905	18,849,553	19,354,308	19,604,476	19,628,574	20,691,058	21,543,977
Franchise	1,903,308	1,824,971	2,919,497	2,062,463	2,061,909	2,001,780	2,085,400	1,882,157	1,874,378	3,222,423
Beer	57,622	70,766	66,816	67,095	66,650	65,591	67,632	69,550	74,594	75,405
Restitution	-	-	-	-	350,000	2,247,255	-	-	-	-
Investment earnings	264,362	249,765	263,712	132,630	131,883	165,167	378,309	841,667	1,411,224	929,001
Miscellaneous	41,850	26,616	41,614	38,994	26,724	237,833	38,774	61,697	28,627	175,502
Loan cancellation	-	-	-	2,356,878	-	-	-	-	-	-
Transfers	<u>217,430</u>	<u>881,145</u>	<u>633,775</u>	<u>703,423</u>	<u>594,701</u>	<u>611,333</u>	<u>580,092</u>	<u>605,052</u>	<u>658,439</u>	<u>(5,200,892)</u>
Total governmental activities	<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>	<u>27,846,079</u>	<u>29,428,955</u>	<u>25,588,748</u>
Business-type activities:										
Taxes:										
Ad Valorem	1,804,360	1,669,640	1,833,422	1,892,000	1,937,536	1,975,390	2,325,836	2,368,165	2,354,574	2,412,285
Investment earnings	4,155	3,156	1,985	1,027	946	955	1,228	1,367	2,284	1,909
Miscellaneous	16,682	14,998	7,368	14,950	(67,741)	92,916	119,002	110,560	112,120	122,037
Transfers	<u>(217,430)</u>	<u>(881,145)</u>	<u>(633,775)</u>	<u>(703,423)</u>	<u>(594,701)</u>	<u>(611,333)</u>	<u>(580,092)</u>	<u>(605,052)</u>	<u>(658,439)</u>	<u>5,200,892</u>
Total business-type activities	<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>	<u>1,875,040</u>	<u>1,810,539</u>	<u>7,737,123</u>
Total primary government	<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>	<u>\$ 29,721,119</u>	<u>\$ 31,239,494</u>	<u>\$ 33,325,871</u>
Changes in Net Position										
Governmental activities	\$ 15,981,947	\$ 7,814,463	\$ 6,055,931	\$ 1,432,684	\$ 2,474,704	\$ 4,372,931	\$ 3,966,262	\$ 5,366,508	\$ 33,414,051	\$ 11,412,604
Business-type activities	<u>3,131,249</u>	<u>1,416,884</u>	<u>(217,614)</u>	<u>616,766</u>	<u>762,103</u>	<u>1,978,611</u>	<u>5,307,216</u>	<u>2,049,185</u>	<u>1,594,704</u>	<u>6,745,036</u>
Total primary government	<u>\$ 19,113,196</u>	<u>\$ 9,231,347</u>	<u>\$ 5,838,317</u>	<u>\$ 2,049,450</u>	<u>\$ 3,236,807</u>	<u>\$ 6,351,542</u>	<u>\$ 9,273,478</u>	<u>\$ 7,415,693</u>	<u>\$ 35,008,755</u>	<u>\$ 18,157,640</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>
2011	\$ 18,013,281	\$ 3,991,512	\$ 1,903,308	\$ 57,622	\$ 23,965,723
2012	17,921,402	3,866,282	1,824,971	70,766	23,683,421
2013	17,984,751	4,253,539	2,919,497	66,816	25,224,603
2014	18,361,905	4,230,984	2,062,463	67,095	24,722,447
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	66,591	25,003,073
2017	19,604,476	4,786,055	2,085,400	67,632	26,543,563
2018	19,628,574	4,757,382	1,882,157	69,550	26,337,663
2019	20,691,058	4,690,635	1,874,377	74,594	27,330,664
2020	21,543,977	4,843,332	3,222,423	75,405	29,685,137

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

TABLE 4

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General fund										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-	-	-	-	-	-	-
Nonspendable*	1,432,377	1,601,902	1,655,956	1,564,634	1,590,133	176,269	1,364,171	1,545,009	1,643,402	1,851,974
Restricted*	275,000	275,000	300,000	300,000	300,000	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	1,709,000	1,709,000	2,444,000
Assigned to*	1,079,188	1,448,369	1,491,474	1,069,652	1,295,230	869,256	1,196,449	1,359,416	1,407,353	990,951
Unassigned*	967,497	387,258	1,085,113	1,497,719	951,759	2,625,579	748,571	371,738	1,597,399	2,618,701
Total general fund	<u>\$ 4,573,562</u>	<u>\$ 4,613,529</u>	<u>\$ 5,524,543</u>	<u>\$ 5,806,005</u>	<u>\$ 5,753,122</u>	<u>\$ 5,587,104</u>	<u>\$ 5,225,191</u>	<u>\$ 5,285,163</u>	<u>\$ 6,657,154</u>	<u>\$ 8,205,626</u>
All other governmental funds										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue funds	-	-	-	-	-	-	-	-	-	-
Capital projects funds	-	-	-	-	-	-	-	-	-	-
Nonspendable*	-	-	-	-	-	-	-	-	-	-
Restricted*	14,355,948	12,466,011	8,506,647	8,377,549	7,311,175	5,264,651	16,143,113	14,949,471	13,361,094	12,124,765
Committed to*	9,882,355	9,815,311	10,485,048	15,769,879	15,844,831	19,305,549	20,886,678	22,398,586	22,927,076	22,160,461
Assigned to*	3,836,684	4,625,721	5,693,663	3,392,001	2,522,619	1,896,732	4,602,014	1,587,520	2,225,750	-
Unassigned	-	-	-	-	-	(1,774,650)	(1,469,345)	(3,135,748)	(383,488)	2,712,618
Total all other governmental funds	<u>\$ 28,074,987</u>	<u>\$ 26,907,043</u>	<u>\$ 24,685,358</u>	<u>\$ 27,539,429</u>	<u>\$ 25,678,625</u>	<u>\$ 24,692,282</u>	<u>\$ 40,162,460</u>	<u>\$ 35,799,829</u>	<u>\$ 38,130,432</u>	<u>\$ 36,997,844</u>

*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									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Revenues										
Taxes and assessments	\$ 23,875,367	\$ 23,610,341	\$ 25,165,147	\$ 24,655,353	\$ 25,234,587	\$ 24,936,482	\$ 26,475,931	\$ 26,268,112	\$ 27,256,070	\$ 29,609,732
Licenses and permits	2,028,220	2,106,164	2,114,167	2,383,461	2,525,052	2,431,112	2,316,044	2,204,476	2,489,212	2,263,147
Intergovernmental revenue	10,942,957	11,056,064	7,088,868	16,439,679	8,253,019	7,840,201	19,915,456	9,889,157	42,787,414	21,705,413
Fines and forfeitures	419,421	333,622	273,537	273,489	280,080	272,613	257,079	285,411	241,438	225,719
Restitution	-	-	-	-	350,000	2,247,255	-	-	-	-
Lease revenues	2,885,569	2,751,390	2,705,834	2,008,001	2,327,449	2,132,528	2,029,073	1,542,869	1,547,003	1,599,800
Contributions	290,730	377,895	305,454	353,694	282,331	308,429	245,455	360,885	358,000	195,270
Other revenues, primarily interest	332,993	325,505	337,060	247,941	245,477	419,306	423,147	918,011	1,587,480	1,056,968
Total revenues	\$ 40,775,257	\$ 40,560,981	\$ 37,990,067	\$ 46,361,618	\$ 39,497,995	\$ 40,587,926	\$ 51,662,185	\$ 41,468,921	\$ 76,266,617	\$ 56,656,049
Expenditures										
Current:										
General government	\$ 8,330,163	\$ 8,297,155	\$ 8,723,912	\$ 8,629,951	\$ 8,668,243	\$ 9,140,898	\$ 8,648,659	\$ 8,636,539	\$ 9,197,530	\$ 9,089,953
Public works	6,282,337	6,076,453	8,593,339	9,709,417	6,459,538	6,694,891	6,343,732	5,246,796	6,405,119	6,444,305
Public safety	8,916,071	9,117,522	9,355,011	9,654,798	10,360,372	10,553,716	10,856,036	11,068,551	11,240,916	12,243,278
Parks and recreation	1,644,297	1,594,654	1,544,437	1,356,894	1,457,915	1,420,869	1,501,185	1,588,265	1,633,226	2,047,945
Judicial system	334,936	361,443	387,105	333,954	353,866	396,253	458,887	445,311	453,107	473,556
Debt service:										
Principal	2,140,199	2,502,925	2,564,513	2,173,858	2,099,600	2,191,600	1,883,100	1,192,200	901,000	948,000
Interest	626,458	957,622	588,590	503,293	440,982	379,677	414,793	605,313	577,995	552,473
Other charges	-	-	-	-	-	80,855	248,697	-	6,675	-
Capital outlay	13,486,576	13,662,329	8,177,606	12,518,430	12,165,867	11,530,116	19,634,975	17,955,014	42,806,894	25,062,525
Total expenditures	\$ 41,761,037	\$ 42,570,103	\$ 39,934,513	\$ 44,880,595	\$ 42,006,383	\$ 42,388,875	\$ 49,990,064	\$ 46,737,989	\$ 73,222,462	\$ 56,862,035
Excess of revenues over (under) expenditures	(985,780)	(2,009,122)	(1,944,446)	1,481,023	(2,508,388)	(1,800,949)	1,672,121	(5,269,068)	3,044,155	(205,986)
Other financing sources (uses)										
Transfers in	\$ 7,576,966	\$ 7,425,748	\$ 6,806,531	\$ 6,485,352	\$ 5,333,061	\$ 4,709,802	\$ 4,624,227	\$ 2,927,866	\$ 2,011,169	\$ 2,285,422
Transfers out	(7,359,536)	(6,544,603)	(6,172,756)	(5,781,929)	(4,738,360)	(4,098,469)	(4,044,135)	(2,322,814)	(1,352,730)	(1,663,552)
Premium on bonds sold	-	-	-	-	-	-	836,052	-	-	-
Payments to refunded bond escrow agent	-	-	-	-	-	(5,108,745)	-	-	-	-
Issuance of debt	-	-	-	-	-	5,146,000	12,000,000	-	-	-
Litigation settlement	-	-	-	-	-	-	-	381,357	-	-
Loan cancellation	-	-	-	972,260	-	-	-	-	-	-
Total other financing sources (uses)	217,430	881,145	633,775	1,675,683	594,701	648,588	13,416,144	986,409	658,439	621,870
Net change in fund balances	\$ (768,350)	\$ (1,127,977)	\$ (1,310,671)	\$ 3,156,706	\$ (1,913,687)	\$ (1,152,361)	\$ 15,088,265	\$ (4,282,659)	\$ 3,702,594	\$ 415,884
Capitalized expenditures	\$ 12,515,983	\$ 12,675,590	\$ 7,972,405	\$ 13,847,048	\$ 9,839,988	\$ 8,725,335	\$ 10,581,076	\$ 12,953,502	\$ 41,227,524	\$ 24,025,043
Debt service as a percentage of noncapital expenditures	9.46%	11.58%	9.87%	8.63%	7.90%	7.64%	5.83%	5.32%	4.62%	4.57%

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		
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	2,228,814,693	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%
2018	202,620,238	2,026,202,380	48,756,621	325,044,140	13,777,263	91,848,420	93,740	624,933	265,247,862	2,443,719,873	27.08	11%
2019	204,474,534	2,044,745,340	47,473,107	316,487,380	13,373,131	89,154,207	99,460	663,067	265,420,232	2,451,049,994	26.93	11%
2020	207,563,463	2,075,634,630	50,170,162	334,467,747	13,404,966	89,366,440	105,200	701,333	271,243,791	2,500,170,150	27.07	11%

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

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

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

TABLE 7

Fiscal Year	Direct Rates			Overlapping Rates								Total Direct & Overlapping Rates
	City of Slidell			Parish			School District			Special Districts	Total Direct 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			
2011	20.53	7.29	27.82	37.19	-	37.19	47.55	20.90	68.45	42.66	148.30	176.12
2012	19.52	7.27	26.79	36.94	-	36.94	47.55	20.90	68.45	43.51	148.90	175.69
2013	19.33	7.23	26.56	36.55	-	36.55	47.28	20.90	68.18	43.20	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
2018	21.24	5.84	27.08	36.67	-	36.67	48.51	16.90	65.41	44.19	146.27	173.35
2019	21.24	5.69	26.93	36.69	-	36.69	48.51	15.90	64.41	44.19	145.29	172.22
2020	21.24	5.83	27.07	36.54	-	36.54	50.51	13.90	64.41	43.77	144.72	171.79

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

TABLE 8

Taxpayer	2020			2011		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Central LA Electric Company	\$ 7,727,910	1	2.85%	\$ 7,018,690	1	3.29%
Fremaux Town Center SPE LLC	6,002,190	2	2.21%			
Atmos Energy	2,835,022	3	1.04%	1,468,058	9	0.69%
Walmart Real Estate Business	2,708,405	4	1.00%	1,560,580	6	0.73%
SC3 Fremaux LLC	2,551,161	5	0.94%			
Capital One	2,448,910	6	0.90%			
JP Morgan Chase Bank	2,347,680	7	0.86%	1,515,260	8	0.71%
Bellsouth Communications	2,064,863	8	0.76%			
Pelican Pointe LLC	1,872,788	9	0.69%	1,531,999	7	0.72%
Matt Bowers Chevrolet LLC	1,564,290	10	0.58%			
AT&T Southeast Tax Dept	-	-	-	3,917,083	2	1.84%
Walmart Stores (2)	-	-	-	3,938,700	3	1.85%
Sizeler North Shore Limited	-	-	-	2,862,220	4	1.34%
North Shore Regional Med Center	-	-	-	1,636,800	5	0.77%
Hancock Bank	-	-	-	1,226,890	10	0.58%
TOTALS	<u><u>\$ 32,123,219</u></u>		<u><u>11.83%</u></u>	<u><u>\$ 26,676,280</u></u>		<u><u>12.52%</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 *
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%	14,492	6,125,115	98%
2015	6,321,186	6,236,073	99%	30,778	6,266,851	99%
2016	5,695,000	5,548,130	97%	12,912	5,561,042	98%
2017	7,204,250	7,096,458	99%	882	7,097,340	99%
2018	7,182,908	7,075,742	99%	32,275	7,108,017	99%
2019	7,147,768	7,054,104	99%	-	7,057,754	99%
2020	7,342,569	7,237,985	99%	13,062	7,243,223	99%

* Total collections include redemptions.

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

TABLE 10

Taxpayer	2020			2011		
	Sales Tax Collections	Rank	Percentage of Total Sales Tax Collected	Taxable Sales Tax Collections	Rank	Percentage of Total Sales Tax Collected
Retail Sales 1	\$ 1,724,018	1	8.00%	\$ 1,621,626	1	9.02%
Auto Sales	1,062,763	2	4.93%	760,581	4	4.23%
Retail Sales 2	955,875	3	4.44%	1,006,968	2	5.60%
Retail Sales 3	670,007	4	3.11%	778,522	3	4.33%
Grocery Sales 1	643,187	5	2.99%	428,459	5	2.38%
Grocery Sales 2	511,057	6	2.37%	329,507	6	1.83%
Grocery Sales 3	476,405	7	2.21%			
Medical Center 1	356,592	8	1.66%			
Pharmacy Sales 1	308,353	9	1.43%	267,441	8	1.49%
Hardware Stores 1	306,119	10	1.42%	243,087	10	1.35%
Retail Sales 4				302,867	7	1.68%
Retail Sales 5				261,651	9	1.46%
TOTALS	<u><u>\$ 7,014,376</u></u>		<u><u>32.56%</u></u>	<u><u>\$ 6,000,709</u></u>		<u><u>33.37%</u></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			
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
2018	19,279,144	-	-	-	-	1,430,483	-	20,709,627	2.34%	743
2019	18,329,367	-	-	-	-	1,822,113	-	20,151,480	2.19%	727
2020	17,332,590	-	-	-	-	2,149,379	-	19,481,969	2.06%	705

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

<u>Fiscal Year</u>	<u>General Obligation Bonds (2)</u>	<u>Less: Amounts Available in Debt Service Fund (3)</u>	<u>Total</u>	<u>Percentage of Estimated Actual Taxable (1) Value of Property</u>	<u>Per Capita (4)</u>
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	6,366,359	0.27%	228
2017	20,192,921	2,217,595	17,975,326	0.75%	642
2018	19,279,144	2,298,393	16,980,751	0.69%	609
2019	18,329,367	2,347,749	15,981,618	0.65%	577
2020	17,332,590	2,430,198	14,902,392	0.60%	539

(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) Information is based on U.S Census Bureau

CITY OF SLIDELL, LOUISIANA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2020
(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	\$ 5,270,000	10.19%	\$ 537,013
St. Tammany Parish School Board	\$ 249,330,000	10.19%	<u>25,406,727</u>
Subtotal, overlapping debt			\$ 25,943,740
City of Slidell direct debt		100%	<u>18,329,367</u>
Total direct and overlapping debt			<u><u>\$ 44,273,107</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									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Debt limit	\$73,940,185	\$73,407,791	\$81,177,785	\$84,598,870	\$85,586,624	\$88,588,548	\$91,623,813	\$92,836,752	\$92,897,081	\$94,935,327
Total net debt applicable to limit	<u>(10,714,840)</u>	<u>(9,688,969)</u>	<u>(8,482,732)</u>	<u>(7,352,867)</u>	<u>(6,161,328)</u>	<u>(6,324,516)</u>	<u>(17,975,326)</u>	<u>(16,980,751)</u>	<u>(15,981,618)</u>	<u>(14,902,392)</u>
Legal debt margin	<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>\$82,264,032</u>	<u>\$73,648,487</u>	<u>\$75,856,001</u>	<u>\$76,915,463</u>	<u>\$80,032,935</u>
Total net debt applicable to the limit as a percentage of debt limit	<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>	<u>18.29%</u>	<u>17.20%</u>	<u>15.70%</u>

Legal debt margin calculation for fiscal year 2020

Assessed value	<u>\$ 271,243,791</u>
Debt Limit - 35% of \$271,243,791 (1)	\$ 94,935,327
Debt applicable to the limit:	
General obligation bonds	\$ 17,332,590
Less: Amount set aside for repayment of general obligation debt	<u>(2,430,198)</u>
Total net debt applicable to limit	<u>14,902,392</u>
Legal debt margin	<u>\$ 80,032,935</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	
2011	\$ 10,890,143	\$ 7,134,999	\$ 3,755,144	\$ 640,000	\$ 229,001	4.32	\$ 17,979,844	\$ 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
2018	12,635,963	8,310,447	4,325,516	210,000	36,095	17.58	19,628,574	-	-	-
2019	11,867,440	8,401,263	3,466,177	205,000	31,643	14.65	20,691,058	-	-	-
2020	12,797,034	8,626,396	4,170,638	269,000	34,269	13.75	21,543,977	-	-	-

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)
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
2018	27,883	256,327	8,149,147,984	31,792	6.1%	39,000	38.3
2019	27,711	258,111	8,556,121,539	33,149	5.3%	39,000	37.4
2020	27,633	260,419	8,906,590,219	34,201	9.7%	39,000	37.7

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

* Information not available / no current information

Sources:

- (1) Based on U.S. Census Bureau.
- (2) 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	2020			2011		
		Employees	Rank	% of Total St. Tammany Parish Employment	Employees	Rank	% of Total St. Tammany Parish Employment
St. Tammany Parish School Board	Parish wide	5,546	1	4.85%	5,552	1	5.49%
St. Tammany Parish Hospital	Covington	2,338	2	2.04%	1,693	2	1.68%
Slidell Memorial Hospital	Slidell	1,523	3	1.33%	820	3	0.81%
Ochsner Medical Center - North Shore	Slidell	970	4	0.85%	731	6	0.72%
Lakeview Regional Medical Center	Covington	900	5	0.79%	759	4	0.75%
St. Tammany Parish Sheriff's Office	Parish wide	706	6	0.62%	736	5	0.73%
St. Tammany Parish Government	Parish wide	689	7	0.60%	-	-	-
Pool Corp	Covington	400	8	0.35%	-	-	-
City of Slidell	Slidell	377	9	0.33%	396	9	0.39%
STARC of Louisiana, Inc.	Slidell	352	10	0.31%	-	-	-
Textron Marine & Land Systems	Slidell	-	-	-	610	7	0.60%
Southeast Louisiana Hospital	Mandeville	-	-	-	539	8	0.53%
Louisiana Medical Center & Heart	Lacombe	-	-	-	337	10	0.33%
TOTAL		<u><u>13,801</u></u>		<u><u>12.07%</u></u>	<u><u>12,173</u></u>		<u><u>12.05%</u></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									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Government										
Administrative	5.1	5	5	5	5	5	5	5	5.5	6.5
Finance (1)	21	20	19	19	19	20	20	20	20	20
Legal	2	2	2	2	2	2	2	2	2	2
Animal Control	8	7	7	7	7	7	7	7	7	7
Civil Service	4	3	3	3	3	3	3	3	3	3
Legislative	12	12	12	12	12	12	12	12	12	12
Public Safety										
Police	113	112	110	104	105	105	106	106	108	108
Public Works										
Public Operations (2)	66.5	63.5	62.5	58.5	58.5	58.5	58.5	57.5	57.5	47.5
Permits	10	6	5.5	6.5	6.5	6.5	6.5	6.5	6.5	8
Planning	5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	4
Engineering	8	7	7	6	6	6	6	6	6	6
Public Utility (3)	61.5	61.5	61.5	61.5	61.5	61.5	61.5	61.5	62.5	64.5
Judicial System (4)	6	6	6	6	6	6	5	5	5	5
Recreation and Culture	16.1	15.5	15	13	13	13	13	14	13	22
Airport	3	2	1	1	1	2	2	3	3	3
DISA (5)	-	-	-	5	5	5	5	5	3	3
Total	<u>341.2</u>	<u>326</u>	<u>320</u>	<u>313</u>	<u>314</u>	<u>316</u>	<u>316</u>	<u>317</u>	<u>317.5</u>	<u>321.5</u>

Source: Adopted FY2019 Budget City of Slidell

Note: Includes Elected, Unclassified, and Classified full time employees per the original adopted budget.
2019 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									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Public Safety										
Total arrests	3,312	3,167	2,847	2,647	2,649	2,505	2,215	2,585	2,488	2,172
Parking tickets	107	53	69	56	42	28	36	37	31	28
Traffic violations	5,391	4,509	3,608	3,349	2,799	2,677	2,541	3,258	3,148	3,000
Public Works										
Potholes repaired	2,318	1,876	1,455	1,635	2,053	2,398	1,914	1,411	1,572	2,092
Public Utility										
Water										
Number of accounts	10,570	10,625	10,730	10,806	10,944	11,060	11,058	11,166	10,793	10,868
New meter connections	309	241	204	255	187	288	197	216	193	232
Old meter change out	170	26	18	14	20	26	23	22	55	32
Daily average consumption (MGD)	3	3	3	3	3	3	3	3	3	3
Wastewater										
Number of accounts	10,316	10,359	10,455	10,514	10,638	10,733	10,711	10,777	11,187	11,266
Average daily treated wastewater (MGD)	4	4	4	4	4	4	4	4	4	4.04
Building Permits										
New residential	14	15	43	26	16	25	33	13	7	8
Residential additions	140	112	257	213	177	185	210	197	217	169
New commercial	24	9	11	27	39	13	11	6	37	6
Commercial additions	90	96	89	121	97	134	111	109	101	109
Recreation and Culture										
Number of teams in softball league	72	90	86	84	60	40	36	18	0	0
Number of children on summer camp	173	175	173	174	175	174	175	175	175	0
Park pavilions rentals	155	172	195	218	209	241	212	217	186	135
Airport										
Number of land leases	16	16	16	16	16	15	15	15	14	14
Number of tie downs	38	28	30	29	28	30	28	31	31	24
Number of hanger leases	2	0	0	0	1	1	1	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									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	
General Government										
Vehicles	19	17	16	18	17	17	13	12	11	12
Machinery & equipment	8	8	9	10	9	9	9	9	10	9
Public Safety										
Vehicles	131	138	150	130	139	161	191	184	188	186
Machinery & equipment	12	12	11	17	16	15	15	15	15	19
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	80	75	74	71	68	67	69	71	68	69
Machinery & equipment	92	95	92	95	100	104	111	114	105	104
Paved streets (miles)	155.21	155.35	153.56	152.8	153.5	153.5	153.5	154.1	154.6	154.7
Unimproved streets (miles)	8	8	12.75	12.7	12.5	12.7	12.7	12.7	12.7	12.8
Concrete streets (miles)	107.21	107.35	88.07	88.1	88	88	88	88	88.4	89.2
Asphalt streets (miles)	48	48	65.49	64.7	65.5	65.5	65.5	66.1	66.2	65.5
Streetlights	2,927	2,949	3,049	3,075	3,077	3,080	3,082	3,083	2,378	2,454
Traffic signals	59	64	64	64	64	63	63	63	63	63
Public Utility										
Water										
Vehicles	16	15	15	15	13	13	13	13	13	13
Machinery & equipment	17	18	18	20	23	23	22	25	28	28
Water mains (miles)	165.88	165.88	171.64	172.2	179.1	181	181.8	156.3	176.6	184.9
Maximum capacity of water storage tanks (gallons)	2,150,000	2,150,000	3,000,000	2,100,000	2,154,000	2,154,000	2,154,000	2,150,000	2,150,000	2,150,000
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)	15.562	15.562	15.9	15.9	15.9	15.1	15.3	15.9	15.9	15.9
Sewer										
Vehicles	32	32	31	33	34	34	35	33	37	39
Machinery & equipment	26	31	29	30	32	34	34	33	32	34
Sanitary sewers (miles)	169.1	169.1	165.68	166.5	167.2	168.2	169.08	167.1	170.6	170.6
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	11	11	13	12	12	12	11	11	12	12
Machinery & equipment	37	38	37	35	33	32	30	34	32	32
Parks acreage	420.24	420.24	430.24	430.24	430.24	430.24	430.24	430.39	430.39	430.39
Number of playgrounds	22	22	22	22	23	23	23	22	22	22
Number of picnic areas	18	18	18	18	18	18	18	19	19	19
Number of gyms	2	2	2	2	2	2	2	2	2	2
Airport										
Vehicles	1	1	2	2	3	4	6	6	6	6
Machinery & equipment	6	5	5	5	7	7	9	10	10	10
Feet of runway	5,002	5,002	5,002	5,001	5,001	5,001	5,001	5,001	5,001	5,001
Feet of parallel taxiway	5,002	5,002	5,002	5,000	5,000	5,000	5,000	5,000	5,001	5,001
Feet of connecting taxiway	1,250	1,250	1,250	1,750	1,750	1,750	1,750	1,750	1,750	1,750
Feet of auburn taxilane	800	800	800	820	820	820	820	820	820	820
Number of t-hangers	32	32	32	32	32	32	32	32	32	32
Feet of t-hangers taxilane	1,386	1,386	1,386	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Sq feet of t-hangers	37,100	37,100	37,100	36,400	36,400	36,400	36,400	36,400	36,829	36,829

Sources: Various city departments.

* Information not available

SINGLE AUDIT SECTION

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**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 *Government 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, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated January 26, 2021.

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 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
January 26, 2021

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from 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.

January 26, 2021
Mandeville, Louisiana

Erickson 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, 2020. 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, 2020.



To the Honorable Mayor
and Members of the City Council
City of Slidell, Louisiana
January 26, 2021

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 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 those specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

January 26, 2021
Mandeville, Louisiana

Erickson Krentel, LLP

Certified Public Accountants

CITY OF SLIDELL, LOUISIANA
SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2020

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	\$ 125,114,205	\$ 19,905,573
COVID-19 Public Assistance Grant	97.036	DR 4484	-	58,635
Total CFDA 97.036				19,964,208
Drainage Improvements	97.039	HMGP-1603n-103-0043	18,208,439	1,305,299
Safe Room Construction	97.039	HMPG 1786-103-0007	108,503	6,900
Total CFDA 97.039				1,312,199
Elevations Phase 13	97.029	FMA-PJ-06-LA-2015-013	2,566,129	1,208,171
Total U.S. Department of Homeland Security				22,484,578
U.S. Department of Housing and Urban Development				
Community Development Block Grant/Entitlement Grants	14.218	B-16-MC-22-0010	166,550	35,350
Community Development Block Grant/Entitlement Grants	14.218	B-17-MC-22-0010	155,360	143,659
Community Development Block Grant/Entitlement Grants	14.218	B-18-MC-22-0010	188,474	176,677
Community Development Block Grant/Entitlement Grants	14.218	B-19-MC-22-0010	180,733	1,468
Total CFDA 14.218				357,154
Total U.S. Department of Housing and Urban Development				357,154
U.S. Department of Health and Human Services				
Food and Drug Administration FY19 Task Force Overtime	93.UNKNOWN	-	25,000	4,147
Total U.S. Department of Health and Human Services				4,147
U.S. Department of Interior				
<i>Pass-Through Louisiana Department of Culture, Recreation and Tourism</i>				
Historic Preservation Grant FY20	15.904	P19AF00215	10,000	1,000
Total U.S. Department of Interior				1,000
U.S. Department of Justice				
Bureau of Justice Assistance: Bulletproof Vest Partnership Grant FY19	16.607	-	28,069	6,159
Organized Crime Drug Enforcement Task Forces FY19	16.UNKNOWN	SELA-0353	8,000	7,126
Organized Crime Drug Enforcement Task Forces FY20	16.UNKNOWN	SELA-0353	10,000	8,500
Total CFDA 16.UNKNOWN				15,626
Total U.S. Department of Justice				21,785
U.S. Environmental Protection Agency				
<i>Pass-Through UNO Research and Technology Foundation:</i>				
Sewer Pump Bypass FY15	66.125	BR-01F04801	37,000	6,010
Anna Lift Station FY17	66.125	BR-01F22601	50,000	33,989
Cardinal Lift Station FY18	66.125	BR-01F57501	30,000	28,400
Total CFDA 66.125				68,399
Total U.S. Environmental Protection Agency				68,399
U.S. Department of Transportation				
<i>Pass - Through Louisiana Department of Transportation and Development:</i>				
<i>Aviation Division</i>				
Airport Master Plan	20.106	AIP-3-22-0060-019-2014	136,800	19,980
Airport Apron Expansion	20.106	AIP 3-22-0060-021-2017	382,033	53,011
Total CFDA 20.106				72,991
<i>Pass- Through Louisiana Department of Public Safety and Corrections, LA Highway Safety Commission:</i>				
<i>Highway Safety Cluster:</i>				
DWI Enforcement Grant	20.600	LHSC 2020-30-49	28,980	11,854
DWI Enforcement Grant	20.608	LHSC 2020-30-49	89,124	42,609
DWI Enforcement Grant	20.616	LHSC 2019-30-63	113,120	44,713
Total Highway Safety Cluster				99,176
Total U.S. Department of Transportation				172,167
U.S. Department of Treasury				
COVID-19 Coronavirus Relief Fund	21.019	-	-	963,762
US Secret Service Joint Operations FY19	21.UNKNOWN	-	3,500	1,211
Total U.S. Department of Treasury				964,973
Total Expenditures of Federal Awards				\$ 24,074,203

CITY OF SLIDELL, LOUISIANA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2020

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)
COVID-19 Coronavirus Relief Fund (CFDA No. 21.019)

NOTE 2 – FISCAL PERIOD AUDIT

Single audit testing procedures were performed for program transactions occurring during the year ended June 30, 2020.

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, 2020.

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, 2020

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, 2020.
8. The programs tested as major programs were:

CFDA Number

Disaster Grants – Public Assistance	97.036
Hazard Mitigation Grant	97.039
COVID-19 Coronavirus Relief Fund	21.019

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, 2020.

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, 2020.

CITY OF SLIDELL, LOUISIANA
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2020

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
FOR THE YEAR ENDED JUNE 30, 2020

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.

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