

**GRAND ISLE PORT COMMISSION
STATE OF LOUISIANA**

**FINANCIAL REPORT
Years Ended June 30, 2023 and 2022**

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INDEPENDENT AUDITOR'S REPORT

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INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Grand Isle Port Commission
Grand Isle, Louisiana

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities of the Grand Isle Port Commission as of and for the year ended June 30, 2023 and 2022, and the related notes to the financial statements, which collectively comprise the Grand Isle Port Commission's basic financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the Grand Isle Port Commission as of June 30, 2023 and 2022, and the respective changes in financial position, and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with the auditing standards generally accepted in the United States of America and standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Grand Isle Port Commission and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Grand Isle Port Commission's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Grand Isle Port Commission's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Grand Isle Port Commission's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4-10 be presented to supplement the basic financial statements. Such information is the responsibility of the management and, 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Grand Isle Port Commission's basic financial statements. The accompanying Schedule of Per Diem Paid to Board Members and Schedule of Compensation, Benefit and Other Payments to Agency Head or Chief Executive Officer are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 accompanying Schedule of Per Diem Paid to Board Members and Schedule of Compensation, Benefit and Other Payments to Agency Head or Chief Executive Officer are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 28, 2024 on our consideration of the Grand Isle Port Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 Grand Isle Port Commission's internal control over financial reporting and compliance.

Camnetar & Co.

Camnetar & Co., CPAs
a professional accounting corporation

Gretna, Louisiana
March 28, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS

**GRAND ISLE PORT COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the years ended June 30, 2023 and 2022**

As management of the Grand Isle Port Commission (the "Port"), we offer readers of the Port's financial statements this narrative overview and analysis of the financial activities of the Grand Isle Port Commission for the fiscal year ended June 30, 2023. We encourage readers to consider the information presented here in conjunction with the financial statements, which begin on page 10.

FINANCIAL HIGHLIGHTS

- The assets of the Port exceeded its liabilities at the close of the most recent fiscal year by \$4,609,796 (*net position*). Of this amount, \$4,026,520 or 87% is invested in capital assets, such as land, equipment, vehicles, and infrastructure. The remaining balance of \$583,276 (*unrestricted*) or 13 % may be used to meet the Port's ongoing obligations to citizens and creditors.
- The Port's total Net Position decreased by \$36,028 or 0.8% during the current year because total revenues \$361,848 were less than total expenses of \$397,876.
 - The two major sources of revenues this year were \$256,0295 from ad valorem taxes and \$66,928 from grants.
 - More than 80% of the Port's operating expenses are in three categories. Those expenses are: \$144,416 in salaries & benefits, \$94,240 in depreciation, and \$97,167 in repairs and maintenance.
- On August 29, 2021 the island where the Port operates was devastated by Hurricane Ida. The hurricane destroyed the utilities and infrastructure on the island, which continues to rebuild. The Port's main office was significantly damaged in the storm. The Port is still working on rebuilding the facilities.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to Port's basic financial statements.

Under GASB Statement No. 34, "government-wide" financial statements are to distinguish between functions of the Port that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). Because the Port only engages in "business-type" activities, government-wide financials are not presented. Only the fund financial statements of the Enterprise Fund are presented as the Port's basic financial statements.

The Port's basic financial statements are comprised of two components: 1) Enterprise Fund financial statements and 2) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

The basic financial statements include only the financial activities of the Grand Isle Port Commission, which is a component unit of the State of Louisiana. The State of Louisiana (the primary government) issues financial statements that include the activity contained in these financial statements. The State's financial statements are issued by the Louisiana Division of Administration – Office of Statewide Reporting and Accounting Policy and are audited by the Louisiana Legislative Auditor.

The basic financial statements can be found on pages 10 to 13 of this report.

Fund financial statements. A "fund" is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Port, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. As noted above, the Port only engages in "business-type" activities and therefore only presents one type of fund – "Proprietary Funds". These fund financial statements are presented as the basic financial statements of the Port.

**GRAND ISLE PORT COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the years ended June 30, 2023 and 2022**

OVERVIEW OF THE FINANCIAL STATEMENTS (continued)

Proprietary funds. The Port maintains one type of proprietary fund. *Enterprise funds* are used to report the same functions presented as *business-type activities*. The Enterprise Fund financial statements present information on the Port's general operations.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the basic financial statements. The notes to the financial statements can be found on pages 14 to 21 of this report.

Other information. The Supplemental information contains several schedules required by the State, such as Per Diems Paid to Board Members and a Schedule of Compensation, Benefits and Other Payments Made to the Agency Head or Chief Executive Officer. This information can be found on pages 22 to 23.

FINANCIAL ANALYSIS

Net Position. As noted earlier, Net Position may serve over time as a useful indicator of a government's financial position. In the case of the Port, assets exceeded liabilities by \$4,609,796 at June 30, 2023.

**GRAND ISLE PORT COMMISSION
CONDENSED STATEMENT OF NET POSITION
JUNE 30, 2023 AND 2022**

	<u>JUNE 30, 2023</u>	<u>JUNE 30, 2022</u>	<u>\$ Increase (Decrease)</u>	<u>% Increase (Decrease)</u>
ASSETS				
Current Assets	\$ 959,157	\$ 705,397	253,760	36.0%
Property and equipment, net	4,026,520	4,060,577	(34,057)	-0.8%
TOTAL ASSETS	<u>4,985,677</u>	<u>4,765,974</u>	<u>219,703</u>	<u>4.6%</u>
LIABILITIES				
Current Liabilities	12,671	-	12,671	--
Long Term Liabilities	363,210	120,150	243,060	202.3%
TOTAL LIABILITIES	<u>375,881</u>	<u>120,150</u>	<u>255,731</u>	<u>212.8%</u>
NET POSITION				
Net investment in capital assets	4,026,520	4,060,577	(34,057)	-0.8%
Restricted, grants	246,760	-	246,760	--
Unrestricted	336,516	585,247	(248,731)	-42.5%
TOTAL NET POSITION	<u>\$ 4,609,796</u>	<u>\$ 4,645,824</u>	<u>(36,028)</u>	<u>-0.8%</u>

**GRAND ISLE PORT COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the years ended June 30, 2023 and 2022**

FINANCIAL ANALYSIS (continued)

A large portion of the Port's net position \$4,060,577 or 87% reflects its investment in capital assets (e.g., land, buildings, furniture and fixtures, machinery, vehicles and equipment, and infrastructure). The Port used these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending.

The balance of *unrestricted net position* \$585,247 or 13% may be used to meet the government's ongoing obligations to citizens and creditors.

At June 30, 2023, the Port is able to report positive fund balances in both categories of Net Position.

Business-type Activities. Business-type activities decreased the Port's Net Position by \$36,028 or 0.8%, during the current fiscal year.

**GRAND ISLE PORT COMMISSION
CONDENSED STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEARS ENDED JUNE 30, 2023 and 2022**

	<u>JUNE 30, 2023</u>	<u>JUNE 30, 2022</u>	<u>\$ Increase (Decrease)</u>	<u>% Increase (Decrease)</u>
OPERATING REVENUES	\$ 29,074	\$ 88,965	(59,891)	-67.3%
OPERATING EXPENSES				
Depreciation	94,240	90,362	3,878	4.3%
Other operating expenses	303,636	232,032	71,604	30.9%
Total Operating Expenses	<u>397,876</u>	<u>322,394</u>	<u>75,482</u>	<u>23.4%</u>
Operating Income (Loss)	<u>(368,802)</u>	<u>(233,429)</u>	<u>(135,373)</u>	<u>58.0%</u>
NON-OPERATING REVENUES				
Ad valorem taxes	256,029	167,233	88,796	53.1%
Federal grants	28,365	-	28,365	--
Other grants	38,563	-	38,563	--
Gain on disposal of assets	8,778	-	8,778	--
Interest earned	1,039	516	523	101.4%
Total Non-Operating Revenues	<u>332,774</u>	<u>167,749</u>	<u>165,025</u>	<u>98.4%</u>
CHANGE IN NET POSITION	(36,028)	(65,680)	29,652	-45.1%
NET POSITION				
Beginning of Year	4,645,824	4,711,504	(65,680)	-1.4%
End of Year	<u>\$ 4,609,796</u>	<u>\$ 4,645,824</u>	<u>(36,028)</u>	<u>-0.8%</u>

**GRAND ISLE PORT COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the years ended June 30, 2023 and 2022**

FINANCIAL ANALYSIS (continued)

Key elements of the net position decrease are as follows:

Revenues. Total revenues increased \$105,134 or 41.0% from the prior year as shown below.

**GRAND ISLE PORT COMMISSION
CONDENSED SCHEDULE OF REVENUES
FOR THE YEARS ENDED JUNE 30, 2023 and 2022**

	<u>JUNE 30, 2023</u>	<u>JUNE 30, 2022</u>	<u>\$ Increase (Decrease)</u>	<u>% Increase (Decrease)</u>
Revenues				
Operating Revenues				
Property Rentals	\$ 3,700	\$ 3,700	\$ -	0.0%
Dockage Fees	22,574	22,234	340	1.5%
Oyster Leases	2,800	200	2,600	1300.0%
Insurance Proceeds	-	61,571	(61,571)	-100.0%
Miscellaneous income	-	1,260	(1,260)	-100.0%
Total Operating Revenues	<u>29,074</u>	<u>88,965</u>	<u>(59,891)</u>	<u>-67.3%</u>
Non Operating Revenues				
Ad valorem taxes	256,029	167,233	88,796	53.1%
Federal grants	28,365	-	28,365	--
Other grants	38,563	-	38,563	--
Gain on sale of assets	8,778	-	8,778	--
Interest earned	1,039	516	523	101.4%
Total Non Operating Revenues	<u>332,774</u>	<u>167,749</u>	<u>165,025</u>	<u>98.4%</u>
Total Revenues	<u>\$ 361,848</u>	<u>\$ 256,714</u>	<u>\$ 105,134</u>	<u>41.0%</u>

Operating Revenues:

- Property rental income of \$3,700 for the land leases with the State Department of Wildlife and Fisheries and with Louisiana State University (LSU).
 - The Wildlife lease is for 50 years. The upfront rental payment of \$150,000 has been recognized as unearned income and will be amortized (i.e., recognized) over the term of the lease. Thus, current year revenue was \$3,000 and the unearned income equals \$94,250 at year end.
 - The LSU lease is also for 50 years. The upfront rental payment of \$35,000 has been recognized as unearned income and will be amortized (i.e., recognized) over the term of the lease. Thus, current year revenue on this lease is \$700 and unearned income equals \$25,900 at year end.
- The dock rental fees relate to the commercial dock opened on the old Estay property during 2013. Boat slips are rented to commercial enterprises. The dock rental fees for 2023 increased \$340 from the prior year.
- The Port owns and leases a few oyster beds on the back side of the island. Oyster lease income increased \$2,600 from the prior year.

**GRAND ISLE PORT COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the years ended June 30, 2023 and 2022**

FINANCIAL ANALYSIS (continued)

Revenues (continued)

Non-operating revenues:

- Ad valorem (property) taxes of \$256,029 were recognized in the current fiscal year). This is an increase of \$88,796 or 53.1% from the prior year due to increased assessed values by the Assessor's Office. The increase is due to the property on the island being rebuilt that was previously destroyed by Hurricane Ida.
- Interest income was \$1,039 an increase of \$523 from the prior year.

Expenses. Total expenses increased \$75,301 or 23.3% from the prior year as shown below.

**GRAND ISLE PORT COMMISSION
CONDENSED SCHEDULE OF EXPENSES
FOR THE YEARS ENDED JUNE 30, 2023 and 2022**

	<u>JUNE 30, 2023</u>	<u>% of Total</u>	<u>JUNE 30, 2022</u>	<u>% of Total</u>	<u>\$ Increase (Decrease)</u>	<u>% Increase (Decrease)</u>
Operating Expenses						
Salaries & benefits	\$ 144,416	36.3%	\$ 132,262	41.0%	\$ 12,154	9.2%
Repairs & Maintenance	97,167	24.4%	51,510	16.0%	45,657	88.6%
Depreciation	94,240	23.7%	90,362	28.0%	3,878	4.3%
Insurance	14,735	3.7%	11,284	3.5%	3,451	30.6%
Utilities	10,099	2.5%	7,936	2.5%	2,163	27.3%
Travel & meals	8,518	2.1%	9,774	3.0%	(1,256)	-12.9%
Office Supplies	7,145	1.8%	5,549	1.7%	1,596	28.8%
Legal & professional	5,041	1.3%	3,696	1.1%	1,345	36.4%
Other	16,515	4.2%	10,202	3.2%	6,313	61.9%
Total Operating Expenses	<u>\$ 397,876</u>	<u>100.0%</u>	<u>\$ 322,575</u>	<u>100.0%</u>	<u>\$ 75,301</u>	<u>23.3%</u>

- Salaries and benefits of \$144,416 represents 36.3% of total expenses for the year. The increase of \$12,154 in salaries related expense is due to salary rate increases.
- Repairs and maintenance expenses of \$97,167 represents 24.4% of total expenses for the year. The increase of \$45,657 is due to repairs and maintenance spent on the commercial dock and the oyster lease project.
- Depreciation expense of \$94,240 represents 23.7% of total expenses for the year. The increase of \$3,878 in depreciation expense is due to new assets being purchased in the year..

**GRAND ISLE PORT COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the years ended June 30, 2023 and 2022**

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets. The Port's investment in capital assets for its business-type activities as of June 30, 2023 amounts to \$4,026,520 (net of accumulated depreciation). This investment in capital assets includes land, buildings, furniture and fixtures, machinery, vehicles and equipment, and infrastructure. The Port's investment in capital assets decreased by \$34,057 or 2.2% this year due to recognizing depreciation expense greater than purchases for the year..

**GRAND ISLE PORT COMMISSION
CAPITAL ASSETS, NET OF DEPRECIATION**

	<u>Balance July 1, 2022</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2023</u>
Capital assets, not being depreciated				
Land and Improvements	\$ 2,901,691	\$ -	\$ -	\$ 2,901,691
Construction in progress	82,500	-	-	82,500
Total capital assets, not being depreciated	<u>2,984,191</u>	<u>-</u>	<u>-</u>	<u>2,984,191</u>
Capital assets being depreciated, net				
Buildings	4,479	(240)	-	4,239
Furniture and fixtures	7,496	12,961	-	20,457
Vehicles and equipment	27,567	21,639	-	49,206
Infrastructure	1,036,844	(68,417)	-	968,427
Total capital assets being depreciated, net	<u>1,076,386</u>	<u>(34,057)</u>	<u>-</u>	<u>1,042,329</u>
Total capital assets	<u>\$ 4,060,577</u>	<u>\$ (34,057)</u>	<u>\$ -</u>	<u>\$ 4,026,520</u>

Major capital asset events during the current fiscal year included the following:

- \$90,362 was recognized as depreciation expense in the current year.
- \$60,183 in purchases of capital assets that included a camera surveillance system, vehicle and investment in infrastructure with the Oak Lane culvert project.

Additional information on the Port's capital assets can be found in Note 5 on page 18.

Long-term Debt. The Port did not report any long-term debt at June 30, 2023.

**GRAND ISLE PORT COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the years ended June 30, 2023 and 2022**

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

- The ad valorem millage rate levied for the next year's tax roll was 4.97 mills (the same as in 2023).
- The Port will continue to work on rebuilding its office and launches with federal funding from Hurricane Ida.
- The Port is expected to secure funding necessary to complete the Port Improvement Project to rebuild the commercial dock and bulkhead damaged by Hurricane Issac.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Port's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Board President, PO Box 500, Grand Isle, Louisiana 70358.

BASIC FINANCIAL STATEMENTS
AND
NOTES TO THE FINANCIAL STATEMENTS

**GRAND ISLE PORT COMMISSION
STATEMENTS OF NET POSITION
June 30, 2023 and 2022**

	JUNE 30, 2023	JUNE 30, 2022
ASSETS		
Current Assets		
Cash	\$ 687,810	681,544
Certificates of deposit	22,964	22,964
Accounts receivable	1,623	889
Restricted current assets:		
Cash	246,760	-
Total Current Assets	959,157	705,397
Non Current Assets		
Property and equipment, net	4,026,520	4,060,577
TOTAL ASSETS	4,985,677	4,765,974
 LIABILITIES		
Current Liabilities		
Accounts payable	12,671	-
Total current liabilities	12,671	-
Long-term Liabilities		
Unearned revenue, leases	116,450	120,150
Unearned revenue, grants	246,760	-
Total long-term liabilities	363,210	120,150
TOTAL LIABILITIES	375,881	120,150
 NET POSITION		
Net investment in capital assets	4,026,520	4,060,577
Restricted, grants	246,760	
Unrestricted	336,516	585,247
TOTAL NET POSITION	\$ 4,609,796	4,645,824

The accompanying notes are an integral part of this statement.

GRAND ISLE PORT COMMISSION
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
For the Years Ended June 30, 2023 and 2022

	JUNE 30, 2023	JUNE 30, 2022
OPERATING REVENUES		
Property Rentals	\$ 3,700	\$ 3,700
Dockage Fees	22,574	22,234
Oyster Leases	2,800	200
Insurance Proceeds	-	61,571
Miscellaneous income	-	1,260
Total Operating Revenue	29,074	88,965
OPERATING EXPENSES		
Advertising	5,780	801
Auditing	6,425	3,925
Bank Charges	35	-
Commercial Dock - operating costs	-	-
Depreciation	94,240	90,362
Dues, subscriptions, membership fees	1,685	2,910
Insurance	14,735	11,284
Legal and professional fees		
General	5,041	3,346
Other	-	350
Miscellaneous	491	409
Navigation and safety	-	-
Office supplies	7,145	5,549
Physcials	135	-
Repairs & maintenance		
Auto	6,475	6,866
Commercial Dock	39,384	9,297
Highway 1 site	-	26,122
Land/Buildings	12,745	9,225
Oyster lease project	38,563	-
Salaries & benefits		
Salaries	134,782	122,393
Taxes - Payroll	9,634	9,869
Telephone	1,964	1,976
Travel and meals	8,518	9,774
Utilities	10,099	7,936
Total Operating Expenses	397,876	322,394
Operating Income (Loss)	\$ (368,802)	\$ (233,429)

The accompanying notes are an integral part of this statement.

GRAND ISLE PORT COMMISSION
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
For the Years Ended June 30, 2023 and 2022

	JUNE 30, 2023	JUNE 30, 2022
NON-OPERATING REVENUES		
Ad valorem taxes	256,029	167,233
Federal Grants	28,365	-
Other Grants	38,563	-
Interest earned	1,039	516
Gain on disposal of assets	8,778	-
Total Non-Operating Revenues	332,774	167,749
CHANGE IN NET POSITION	(36,028)	(65,680)
NET POSITION		
Beginning of Year	4,645,824	4,711,504
End of Year	\$ 4,609,796	\$ 4,645,824

The accompanying notes are an integral part of this statement.

**GRAND ISLE PORT COMMISSION
STATEMENTS OF CASH FLOWS
For the Years Ended June 30, 2023 and 2022**

	<u>JUNE 30, 2023</u>	<u>JUNE 30, 2022</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Dock fees, oyster leases, and rentals	\$ 25,374	\$ 22,434
Miscellaneous receipts	-	62,831
Payments to vendors	(146,549)	(99,770)
Payments to employees - salaries and benefits	(144,416)	(132,262)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>(265,591)</u>	<u>(146,767)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Ad valorem taxes	255,295	169,759
Receipts from federal grants	275,125	-
Receipts from other grants	38,563	-
NET CASH PROVIDED (USED) BY NON-CAPITAL FINANCING ACTIVITIES	<u>568,983</u>	<u>169,759</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchase of furniture, vehicles and equipment	(60,183)	-
Proceeds from sale of assets	8,778	-
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(51,405)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	1,039	516
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>1,039</u>	<u>516</u>
NET INCREASE (DECREASE) IN CASH	253,026	23,508
CASH AT BEGINNING OF YEAR	681,544	658,036
CASH AT END OF YEAR	<u>\$ 934,570</u>	<u>\$ 681,544</u>
RECONCILIATION TO STATEMENT OF NET POSITION		
Cash	\$ 687,810	\$ 681,544
Restricted Cash	246,760	-
Total Cash per Statement of Net Position	<u>\$ 934,570</u>	<u>\$ 681,544</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating income (loss)	\$ (368,802)	\$ (233,429)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities		
Depreciation	94,240	90,362
Changes in assets and liabilities:		
Increase (decrease) in accounts payable	12,671	-
Increase (decrease) in deferred revenue, leases	(3,700)	(3,700)
Net Adjustments	<u>103,211</u>	<u>86,662</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ (265,591)</u>	<u>\$ (146,767)</u>

The accompanying notes are an integral part of this statement.

GRAND ISLE PORT COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
For the years ended June 30, 2023 and 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Grand Isle Port Commission (the Port) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. 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 Port's accounting policies are described below.

A. Reporting Entity

GASB Codification Section 2100 establishes criteria for determining the governmental reporting entity and its component units. Component units are defined as legally separate organizations for which the elected officials of a primary government 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. In addition, a component unit can be another organization for which the nature and significance of its relationship with a primary government is such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The Port was created by Louisiana Revised Statute (LSA-RS 34:251). It includes all land in the within the Town of Grand Isle's boundaries and all of Ward 11 of Jefferson Parish. The governing board of commissioners administers the operations and responsibilities in accordance with the provisions of Louisiana statutes. The five members of the Board are appointed by the Governor of the State of Louisiana from a list of nominations submitted by the Town of Grand Isle Mayor and members of the Town Council. The Port has all the powers and privileges granted under the constitution and statutes of the State of Louisiana which include, but are not limited to, the authority to incur debt, to issue bonds, to construct and maintain wharves and landings, and to charge fees for the use of the wharves and other facilities administered by it. Those charges are based on tariffs approved by the U.S. Maritime Commission.

Based on the criteria described above, it has been determined that the Grand Isle Port Commission is not a component unit of the State of Louisiana for financial reporting purposes; rather it is a stand-alone government. Likewise, the Division of Administration for the State of Louisiana treats the Port as a primary government. The accompanying statements present only transactions of the Port.

B. Description of Activities

The Port operates an administrative office within the city limits of the Town of Grand Isle and manages a commercial dock and oyster leases on the north side of the island. Services provided by the Port include general administrative activities, primarily economic development and public works.

GRAND ISLE PORT COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
For the years ended June 30, 2023 and 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Fund Financial Statements

In governmental accounting, separate financial statements are provided for the governmental funds, proprietary funds, and fiduciary funds. Funds are used by the Port to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. Since the Port engages only in *business-type activities*, the Port maintains a proprietary fund to account for its operations.

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services and delivering goods in connection with a proprietary fund's principal ongoing operations. The Port uses *Enterprise Funds* to account for its operations. The principal operating revenues will be charges to customers for dock fees and rentals. Operating expenses of the enterprise funds include the costs of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

D. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

In accordance with GASB Codification Section P80, Proprietary Fund Accounting and Financial Reporting, the proprietary fund type is accounted for on the *economic resources management focus* and the *accrual basis of accounting*. With this measurement focus, all assets and liabilities associated with the operation of this fund type are included on the balance sheet. Proprietary fund type operating statements represent increases (i.e., revenues) and decreases (i.e., expenses) in net total position. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded at the time the liabilities are incurred, regardless of the timing of related cash flows.

The Port may also report deferred revenue on its statement of Net Position. Deferred revenues arise when a potential revenue does not meet both the *Ameasurable* and *available@* criteria for recognition in the current period. Deferred revenues also arise when resources are received by the government before it has a legal claim to them, as when grant monies are received prior to the occurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the government has a legal claim to the resources, the liability of deferred revenue is removed from the Statement of Net Position and revenue is recognized.

GRAND ISLE PORT COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
For the years ended June 30, 2023 and 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Assets, Liabilities, and Net Position

1. Cash and Investments

For reporting purposes, cash includes amounts in demand deposits and time deposits. Certificates of deposit are shown separately. Louisiana Revised Statutes allow the Port to invest in time certificates of deposit of state banks organized under the laws of Louisiana, national banks having their principal office in the State of Louisiana, in savings accounts or shares of savings and loan associations and savings banks and in share accounts and share certificate accounts of federally or state chartered credit unions.

Investments, if any, are stated at cost or amortized cost. State statutes authorize the Port to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds and repurchase agreements.

For purposes of the statement of cash flows, the Port considers investments with a maturity date of less than 90 days to be a cash equivalent. Investments with less than 90 days to maturity at the balance sheet date are also considered cash equivalents.

2. Assets Whose Use Is Restricted

Assets whose use is limited or restricted consist of cash. These assets are amounts that can only be spent for specific purposes because of internally imposed or externally imposed conditions by grantors or creditors.

3. Restricted Resources

When the District has both restricted and unrestricted resources available to finance a particular program, it is the Port's policy to use restricted resources before unrestricted resources.

4. Ad valorem Revenue and Receivables

Property taxes are recorded as revenues in the fiscal year in which they are levied, provided they are collected in the current period or within sixty days thereafter. Ad valorem tax revenue receivable presented in the financial statements represents the estimated tax collectable assessed in the current fiscal year.

5. Inventories

The cost of materials and supplies acquired by the Port are recorded as expenses at the time of purchase. It is management's opinion that the inventory of such materials and supplies at June 30, 2023 and 2022 are not material to the financial statements.

6. Capital Assets

Capital assets are capitalized in the funds used to acquire or construct them, Capital assets are defined by the Port as assets with an initial, individual cost of more than \$250 (except for electronic equipment is 100 percent capitalized) and an estimated useful life in excess of two years. All purchased fixed assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated fixed assets are valued at their estimated fair market value on the date received. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

GRAND ISLE PORT COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
For the years ended June 30, 2023 and 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Assets, Liabilities, and Net Position (continued)

6. Capital Assets (continued)

Depreciation of buildings, equipment and vehicles is computed using the straight-line method. Depreciation expense applicable to those fixed assets acquired through capital donations is closed out to the related contributed capital accounts rather than retained earnings. It is considered preferable under the matching concept, as receipts of these fixed assets have been recorded as additions to contributed capital.

The useful lives used for computing depreciation are as follows:

<u>Asset Type</u>	<u>Life in Years</u>
Building & Improvements	20 - 50
Furniture & Equipment	3 - 10
Vehicles & Equipment	5 - 10
Boats & Equipment	5 - 10

7. Compensated Absences

Annual and sick leave are expended when claimed by the employee rather than when earned. In the opinion of management, the liability due at June 30, 2023 and 2022 would not be material to the financial statements.

8. Net Position

In accordance with Governmental Accounting Standards Board (GASB) Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments, as amended, net position is classified into three components - net investment in capital assets, restricted, and unrestricted. These classifications are defined as follows:

Net Investment in Capital Assets - This component of net position consists of the historical cost of capital assets, including any restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowing that are attributable to the acquisition, construction, or improvement of those assets plus deferred outflows of resources less deferred inflows of resources related to those assets.

Restricted - This component of net position consists of assets that have constraints that are externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

Unrestricted - All other net position is reported in this category.

GRAND ISLE PORT COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
For the years ended June 30, 2023 and 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

9. Pension and Other Post-Employment Benefits

The Port does not offer a pension, retirement or any other post employment benefits to its employees.

10. Grants

From time to time, the Port receives grants from the Federal government, State of Louisiana, Jefferson Parish and others. Revenues from grants are recognized when all eligibility requirements, including time requirements, are met. Grants may be restricted for either specific operating purposes or for capital purposes. Amounts that are unrestricted or that are restricted to a specific operating purpose are reported as non-operating revenues.

11. Leases

The Port implemented Governmental Accounting Standards Board (GASB) Statement No. 87, Leases. GASB Statement No. 87 enhances the relevance and consistency of information of the Port's leasing activities. It establishes requirement for lease accounting based on the principle that leases are financings of the right to use an underlying asset. 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. The implementation of GASB Statement No. 87 resulted in no changes to the previously reported net position and fund balance.

12. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. The Port's depreciation expense and accumulated depreciation is a significant estimates reported in these financial statements.

13. Income Taxes

The Port is a governmental entity under Section 517 of the Internal Revenue Code and are therefore exempt from Federal income taxes.

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

While not specifically required by state statutes, the Port does adopt a budget for its Enterprise Fund for managerial purposes. Since the budget is adopted on a "cash" basis of accounting and is used for management purposes only, it is not presented.

**GRAND ISLE PORT COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
For the years ended June 30, 2023 and 2022**

NOTE 3 – CASH AND CASH EQUIVALENTS

Cash and Investments were included in the Statements of Net Position as of June 30 are as follows:

	Total Deposits in Bank Accounts per Statement of Net Position						
	June 30, 2023				June 30, 2022		
	Cash	Restricted Cash	Certificates Of Deposit	Total	Cash	Certificates Of Deposit	Total
Deposits in Bank Accounts per Statement of Net Position	\$ 687,900	\$ 246,670	\$ 22,964	\$ 957,534	\$ 681,544	\$ 22,964	\$ 704,508

Restricted Cash

The Port received advanced grant funding from FEMA related to Hurricane Ida disaster relief. These monies are restricted for the specific programs per the grant award. At June 30, 2023, The Port had \$246,670 in restricted cash.

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. Under state law, all deposits must be secured by federal depository insurance and the pledge of securities held by the pledging banks agent in the Port's name. At June 30, 2023 and 2022, the carrying amount of the Port's deposits (demand deposits and certificates of deposit) was \$960,148 and \$701,508. Of the bank balances, \$250,000 in each bank were covered by federal depository insurance and the remaining balances were covered by collateral held by the pledging banks' trust department or agent in the Port's name at June 30, 2023 and 2022, respectively.

	Total Bank Balances of Deposits Exposed to Custodial Credit Risk		
	June 30, 2023		
	Cash	Certificates Of Deposit	Total
Deposits in Bank Accounts per Bank	\$ 937,184	\$ 22,964	\$ 960,148
A. Bank balances covered by federal depository insurance	\$ 250,000	\$ 22,964	\$ 272,964
B. Uninsured and collateralized with securities	687,184	-	687,184
C. Uninsured and uncollateralized	-	-	-
 Total Bank Balances of Deposits Exposed to Custodial Credit Risk	\$ -	\$ -	\$ -

GRAND ISLE PORT COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
For the years ended June 30, 2023 and 2022

NOTE 3 – CASH AND CASH EQUIVALENTS (CONTINUED)

	Total Bank Balances of Deposits Exposed to Custodial Credit Risk		
	June 30, 2022		
	Certificates		
	Cash	Of Deposit	Total
Deposits in Bank Accounts per Bank	\$ 681,544	\$ 22,964	\$ 704,508
A. Bank balances covered by federal depository insurance	\$ 250,000	\$ 22,964	\$ 272,964
B. Uninsured and collateralized with securities	431,544	-	431,544
C. Uninsured and uncollateralized	-	-	-
 Total Bank Balances of Deposits Exposed to Custodial Credit Risk	\$ -	\$ -	\$ -

NOTE 4 – RECEIVABLES

Accounts receivable at June 30, 2023 totaled \$1,623 and are made up of \$1,623 due from the Jefferson Parish Sheriff for ad valorem taxes.

Accounts receivable at June 30, 2022 totaled \$889 and are made up of \$889 due from the Jefferson Parish Sheriff for ad valorem taxes.

NOTE 5 – CAPITAL ASSETS

Construction in Progress

The balance of construction in progress is made up of a pier and bulkhead repair project, which is being funded by FEMA (PW 1097-4080-DRLA- Isaac). During 2018, the Port spent \$82,500 on engineering costs, bringing the project to date total to \$82,500. FEMA reimbursed 75 percent of the cost - \$61,875. This amount was recognized as an “other financing source” for 2018. The \$82,500 in costs were capitalized into construction in progress at June 30, 2018.

Purchases

The Port made the following capital asset purchase in the year ended June 30, 2023.

CAMERAS SURVEILLANCE SYSTEM	\$ 18,642
VEHICLE	28,870
OAK LANE CULVERT PROJECT	12,671
	\$ 60,183

GRAND ISLE PORT COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
For the years ended June 30, 2023 and 2022

NOTE 5 – CAPITAL ASSETS (continued)

The following is a summary of changes in capital assets related to business-type activities during the fiscal year:

	Balance July 1, 2022	Additions	Deletions	Balance June 30, 2023
Capital assets, not being depreciated				
Land and Improvements	\$ 2,901,691	\$ -	\$ -	\$ 2,901,691
Construction in progress	82,500	-	-	82,500
Total capital assets, not being depreciated	<u>2,984,191</u>	<u>-</u>	<u>-</u>	<u>2,984,191</u>
Capital assets, being depreciated				
Buildings	58,915	-	-	58,915
Furniture and fixtures	38,650	18,642	-	57,292
Vehicles and equipment	228,069	28,870	(23,543)	233,396
Infrastructure	1,615,425	12,671	-	1,628,096
Total capital assets, being depreciated	<u>1,941,059</u>	<u>60,183</u>	<u>(23,543)</u>	<u>1,977,699</u>
Less accumulated depreciation for				
Buildings	(54,436)	(240)	-	(54,676)
Furniture and fixtures	(31,154)	(5,681)	-	(36,835)
Vehicles and equipment	(200,502)	(7,231)	23,543	(184,190)
Infrastructure	(578,581)	(81,088)	-	(659,669)
Total accumulated depreciation	<u>(864,673)</u>	<u>(94,240)</u>	<u>23,543</u>	<u>(935,370)</u>
Capital assets being depreciated, net				
Buildings	4,479	(240)	-	4,239
Furniture and fixtures	7,496	12,961	-	20,457
Vehicles and equipment	27,567	21,639	-	49,206
Infrastructure	1,036,844	(68,417)	-	968,427
Total capital assets being depreciated, net	<u>1,076,386</u>	<u>(34,057)</u>	<u>-</u>	<u>1,042,329</u>
Total capital assets	<u>\$ 4,060,577</u>	<u>\$ (34,057)</u>	<u>\$ -</u>	<u>\$ 4,026,520</u>

The Port recognized depreciation expense in the amount of \$94,240 for the year ended June 30, 2023.

GRAND ISLE PORT COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
For the years ended June 30, 2023 and 2022

NOTE 7 – ACCOUNTS PAYABLE

For the year ended June 30, 2023, the Port recognized \$12,371 in accounts payable for invoices due on the culvert project.

NOTE 8 – LEASE REVENUE EARNED AND UNEARNED

Property rentals - Leases to State

On December 1, 2003, the Port leased a portion of land to the Louisiana Department of Wildlife and Fisheries (LDWF) for a period of 50 years. The Port retains title to the land at lease-end and all leasehold improvements erected by the State will be removed at the term of the lease or will revert to the Port. The Port received an up-front rental fee of \$150,000 for the lease. This revenue will be deferred and recognized over the life of the lease on the straight-line method. Thus, rental revenue of \$3,000 is shown along with an unearned income of \$94,250.

On August 21, 2010, the Port leased a portion of land to the Louisiana State University (LSU) and Agricultural and Mechanical College for a period of 50 years, retroactively effect to July 1, 2010. The Port retains title to the land at lease-end and all leasehold improvements erected by the State will be removed at the term of the lease or will revert to the Port. The Port received an up-front rental fee of \$35,000 on August 21, 2010 for the lease. This revenue will be deferred and recognized over the life of the lease on the straight-line method. Thus, rental revenue of \$700 is shown along with an unearned income of \$25,900.

The Port does not report any future lease payments to be received as all rents are prepaid as stated above.

Total property rental revenue recognized for the years ending June 30, 2023 and 2022 were \$3,700 and \$3,700 respectively.

Total unearned revenue - leases recognized for the years ending June 30, 2023 and 2022 were \$116,450 and \$120,150 respectively.

The Port will recognize the following property rental revenue and reduce unearned lease revenue over the following future periods as shown below:

Year Ended			
June 30,	LDWF	LSU	Total
2024	\$ 3,000	\$ 700	\$ 3,700
2025	3,000	700	3,700
2026	3,000	700	3,700
2027	3,000	700	3,700
2028	3,000	700	3,700
2029 - 2033	15,000	3,500	18,500
2034 - 2038	15,000	3,500	18,500
2039 - 2043	15,000	3,500	18,500
2044 - 2048	15,000	3,500	18,500
2049 - 2053	15,000	3,500	18,500
2054 - 2058	1,250	3,500	4,750
2059 - 2063	-	700	700
Total	\$ 91,250	\$ 25,200	\$ 116,450

GRAND ISLE PORT COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
For the years ended June 30, 2023 and 2022

NOTE 8 – LEASE REVENUE EARNED AND UNEARNED (CONTINUED)

Dock leases

The Port leases boat slips to commercial vessels on an annual basis for an average of 27 docks at an average annual lease rate of \$567 per dock. Docks are rented on the length of the boat. In addition, the Port leases a building at the dock to a commercial entity on annual basis for an annual rent of \$6,000.

Total dock lease revenue recognized for the years ending June 30, 2023 and 2022 were \$3,700 and \$3,700 respectively.

Oyster leases

The Port leases 16 oyster plots for bi-annual rate of \$200 per plot.

Total oyster lease revenue recognized for the years ending June 30, 2023 and 2022 were \$2,800 and \$200 respectively.

Accounting standards - leases

The Port does not report any future lease payments to be received as all rents are prepaid as stated above.

As the lessor, the Port applies GASB 87 accounting standard to record lease revenue on the above leases. The Port has not recorded a lease receivable at June 30, 2023 as there were no outstanding amounts due at June 30, 2023. Consequently, there is no corresponding deferred inflow of resources and no application of a discount rate. Leases that have terms less than 12 months or on a month-to-month basis revenue is recognized when earned. No lease receivable or deferred inflows are recorded for these leases. The Port has elected not to apply GASB 87 to its oyster lease revenue due to the immaterial annual amount of the lease revenue.

NOTE 9 – GRANT REVENUE – EARNED AND UNEARNED

Federal Grants

Hurricane Issac

In 2012, the Port was hit by Hurricane Issac. Later, FEMA approved PW 1097-4080-DRLA- Isaac for the Port's damages to its commercial dock and bulkhead. Since 2018, the Port has been working with FEMA to increase the amount of the grant as all repair bids are significantly higher than the grant award. FEMA values the improvements at an eligible amount of \$1,460,017, with FEMA's portion 75% or \$1,095,013. In 2018, the Port expended \$82,500 and received reimbursement of \$61,875 as noted in the construction in progress note previously. During 2023, the Port has worked with Jefferson Parish and the State of Louisiana to secure additional funding for this project. For the year ended June 30, 2023 and 2022, the Port did not expend nor receive any monies in regards to this project.

**GRAND ISLE PORT COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
For the years ended June 30, 2023 and 2022**

NOTE 9 – GRANT REVENUE – EARNED AND UNEARNED (CONTINUED)

Federal Grants (continued)

Hurricane Ida

In 2021, the Town of Grand Isle, where the Port is located was devastated by the effects of Hurricane Ida. The Port incurred severe damages to its administrative building, fishing piers, and roads. In the current fiscal year, FEMA approved 7 projects under PW4611-DRLA-Ida for the Port with an eligible repair cost of \$618,106 and FEMA's portion of \$556,295. For the year ended June 30, 2023, the Port recognized Grant Revenue of \$31,515 and unearned grant revenue of \$246,760, the details of which are shown below. The Port recorded \$246,760 in restricted cash and restricted net position related to the unused FEMA disaster relief funds.

Project Number	Project Description	Eligible Cost	FEMA Obligated	FEMA \$		Unearned Grant Revenue
				Received Year End June 30, 2023	Expenditures / Grant Revenue Year End June 30, 2023	
753	Oak Lane Drainage Culvert	\$ 12,671	\$ 11,404	\$ 11,404	\$ 12,671	\$ -
969	Kayak Launch	116,659	104,993	104,993	-	104,993
1078	Office Building	114,774	103,297	103,297	-	103,297
1095	Oak Lane ADA Fishing Pier	28,886	25,998	25,998	-	25,998
1255	Office Contents	13,859	12,473	12,473	-	12,473
1520	Facility Roads	312,412	281,171	-	-	-
1636	Security Camera Project	18,845	16,961	16,961	18,845	-
Total		\$ 618,106	\$ 556,296	# \$ 275,125	\$ 31,516	\$ 246,760

Other Grants

The Port received a grant of \$38,562 from Iberia Development Foundation to make repairs to oyster farms 1 & 2. The work was completed in March 2023.

NOTE 10 – AD VALOREM TAXES

Louisiana Revised Statutes (LRS 34:3254(A)) provides the Port with the authority to levy annually, an ad valorem tax not to exceed ten (10) mills. On November 5, 1996, the Port received approval by a vote of the citizens to levy a ten year 5 mill tax for acquiring, constructing, improving, maintaining or operating structures, facilities, and services (including economic development). This millage was renewed in the spring of 2016.

The Port levies an ad valorem (property) tax on real property within the Port to finance operations. The levy is generally made as of November 15 of each year. The tax is then due, and becomes an enforceable lien on the property, on the first day of the month following the filing of the tax roll by the Parish assessor with the Louisiana Tax Commission (usually December 1). The tax is delinquent 30 days after its due date.

GRAND ISLE PORT COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
For the years ended June 30, 2023 and 2022

NOTE 10 – AD VALOREM TAXES (CONTINUED)

Ad valorem taxes are levied based on property values determined by the Jefferson Parish Assessor's Office (a separate entity). All land and residential improvements are assessed at 10 percent of its fair market value, and other property at 15 percent of its fair market value. Taxes are billed and collected by the Jefferson Parish Sheriff's Office (a separate entity) which receives a certain millage for its services. The taxes remitted by the Sheriff to the Port are net of assessor's commission and pension fund contributions.

The mills levied for operations on the 2023 and 2022 tax rolls were 4.97 and 4.97, respectively. The amount of revenues generated by the taxes in fiscal years ended June 30, 2023 and 2022 was \$256,029 and \$167,233, respectively.

NOTE 11 - PER DIEM PAID TO BOARD MEMBERS

The Commissioners do not receive any per diem for serving on the Port Commission.

NOTE 12 - COMMITMENTS AND CONTINGENCIES

Risk Management and Litigation

The Port is exposed to various risks of loss resulting from personal injury; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. To protect against these risks of loss, the Port purchases various types of insurance from commercial carriers. Under these policies, general liability coverage is provided for up to a maximum of \$500,000 per occurrence, with a \$10,000 deductible.

The Port's management and its attorneys have reviewed any claims and lawsuits in order to evaluate the likelihood of an unfavorable outcome to the Port in excess of insurance coverages and to arrive at an estimate, if any, of the amount or range of potential loss to the Port in accordance with Governmental Accounting Standards Board Codification Section C50 – Claims and Judgments. Under these standards, loss contingencies on the various claims and lawsuits are categorized into "probable", "reasonably possible", and "remote".

GRAND ISLE PORT COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
For the years ended June 30, 2023 and 2022

NOTE 13 – CONCENTRATIONS

Concentration of Credit Risk

The Port grants credit without collateral to its lessees, most of whom are businesses within the Grand Isle, Louisiana geographical area.

Economic Dependency

The Port is located in Jefferson Parish, Louisiana, and relies primarily on ad valorem taxes, and federal and state grants for its operations. Any disruption in these ad valorem tax values would adversely affect the District's primary source of revenue.

NOTE 14 – SUBSEQUENT EVENTS

The Port has evaluated subsequent events through March 5, 2024, the date the financial statements were available to be issued.

In July and August 2023, the Port signed a CEA with Jefferson Parish, whereby the Port will receive \$900,000 for the Port Improvement Project. The Port signed a capital outlay with State of Louisiana for \$XX for the Port Improvement Project. These funds will be matched to the FEMA project dollars for the Hurricane Issac disaster relief.

In August 2023, the Port accepted Sea Level's bid of \$4,268,965 for the Port Improvement Project for the repairs to the commercial dock and bulkhead.

In September 2023, the Port signed a contract with Lo Land Construction for the repair of the roads funded by the FEMA Hurricane Ida disaster relief funds. Also, the Port approved the Bradberry Construction bid of \$155,505 to repair the office building funded by the FEMA Hurricane Ida disaster relief funds.

SUPPLEMENTAL INFORMATION

GRAND ISLE PORT COMMISSION
SCHEDULE OF PER DIEM PAID TO BOARD MEMBERS
June 30, 2023 and 2022

<u>Board Member</u>	<u>Amount</u> <u>JUNE 30, 2023</u>	<u>Amount</u> <u>JUNE 30, 2022</u>
Bob Sevin	\$ -	\$ -
Terrill Pizani	\$ -	\$ -
Ernie Ballard	\$ -	\$ -
Perry Chighizola	\$ -	\$ -
Ambrose Besson	\$ -	\$ -

**GRAND ISLE PORT COMMISSION
SCHEDULE OF COMPENSATION AND OTHER PAYMENTS
TO AGENCY HEAD OR CHIEF EXECUTIVE OFFICER
For the Year Ended June 30, 2023**

Agency Head - Name/Title	Weldon Danos, Director	
Purpose	Amount	
Salary	\$	75,111
Benefits- Payroll Taxes (social security & medicare)		5,746
Benefits- Health Insurance		-
Benefits- Life and disabilit insurance		1,662
Benefits- Other		-
Vehicle Provided by Agency		No
Vehicle-Fringe Benefits		-
Data/Wireless- Benefits		953
Conferences		-
Reimbursements		-
Travel (Hotel, Air, Car Rental, Taxi, Meals)		1,054
Special Meals		-
Total	<u>\$</u>	<u>84,526</u>

COMPLIANCE SECTION

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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*

Board of Commissioners
Grand Isle Port Commission
Grand Isle, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the the business-type activities of the Grand Isle Port Commission as of and for the fiscal year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Grand Isle Port Commission's basic financial statements and have issued our report thereon dated March 28, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Grand Isle Port Commission's internal control over financial reporting (internal control) as a basis for designing 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 Grand Isle Port Commission's internal control. Accordingly, we do not express an opinion on the effectiveness of the Grand Isle Port Commission'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 Grand Isle Port Commission'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 preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, as described in the accompanying schedule of findings and responses, we did identify certain deficiencies in internal control that we consider to be significant deficiencies. We consider the deficiencies described in the accompany schedule of findings and responses as items. 2023-1 and 2023-2 to be significant deficiencies.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Grand Isle Port Commission’s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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. We noted one compliance issue described in the accompany schedule of findings and responses as items. 2023-3. In addition, we noted a certain matter that we reported to the management in a separate letter dated March 28, 2024

Grand Isle Port Commission, Louisiana’s Responses to Findings

The Grand Isle Port Commission’s responses to the findings identified in our audit are described in the accompanying management’s corrective action plan. The Grand Isle Port Commission’s responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

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.

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

Camnetar & Co.

Camnetar & Co., CPAs

a professional accounting corporation

Gretna, Louisiana

March 28, 2024

**GRAND ISLE PORT COMMISSION
SCHEDULE OF FINDINGS AND RESPONSES
For the Year Ended June 30, 2023**

We have audited the financial statements of the Grand Isle Port Commission as of and for the year ended June 30, 2023, and have issued our report thereon dated March 5, 2024. 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. Our audit of the financial statements as of June 30, 2023 resulted in an unmodified opinion.

SECTION I - SUMMARY OF AUDITOR'S REPORTS

A. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control
Material Weakness Yes No Significant Deficiencies Yes No

Compliance
Compliance Material to Financial Statements Yes No

Was a management letter issued? Yes No

B. Federal Awards

The Grand Isle Port Commission did not expend federal awards exceeding \$750,000 during the year ended June 30, 2023, and therefore is exempt from the audit requirements under the Uniform Guidance.

SECTION II – FINANCIAL STATEMENT FINDINGS

A. Internal Control Findings – Significant deficiencies

2023-1 Preparation of Financial Statements by Auditor

Condition and Criteria - The Port does not have controls in place for proper oversight of its financial reporting and for the preparation of financial statements in accordance with generally accepted accounting principles. As is common in small organizations, the Port has chosen to engage the auditor to prepare its annual financial statements. This condition is intentional by management, along with the cost effectiveness of acquiring the ability to prepare the financial statements in accordance with generally accepted accounting principles.

Cause and Effect - Statement of Auditing Standards (SAS) 115 requires that we report the above condition as a control deficiency. The SAS does not provide exceptions to reporting deficiencies that are mitigated with non-audit services rendered by the auditor or deficiencies for which the remedy would be cost prohibitive or otherwise impractical.

Recommendation - As mentioned, whether or not it would be cost effective to cure a control deficiency is not a factor in applying SAS 115's reporting requirements. Because prudent management requires that the potential benefit from an internal control must exceed its cost, it may not be practical to correct all the deficiencies noted under SAS 115. In this case, we do not believe that curing the significant deficiency described in this finding would be cost effective or practical and accordingly, we do not believe any corrective action is necessary.

**GRAND ISLE PORT COMMISSION
SCHEDULE OF FINDINGS AND RESPONSES
For the Year Ended June 30, 2023**

SECTION II – FINANCIAL STATEMENT FINDINGS (continued)

A. Internal Control Findings – Significant deficiencies (continued)

2023-1 Preparation of Financial Statements by Auditor (continued)

Management's Response - The Port's staff is familiar with the day-to-day accounting requirements; however, due to limited staffing and funding, we do not consider it practical to provide sufficient training to our staff in order to eliminate this condition and can only continue to rely on the auditor to prepare the financial statements at this time.

2023-2 Inadequate Segregation of duties

Condition and Criteria -The size of the Port's operations is too small to provide for an adequate segregation of duties. The Port's bookkeeper/secretary is charged with most of the responsibilities relating to the cash receipts, cash disbursement, and financial reporting cycles. The Port does, however, have various controls in place which tend to mitigate this problem, including (1) having a Commissioner review and initial all bank reconciliations, (2) requiring dual signatures on all checks, and (3) requiring the presentation of actual versus budget reports on a monthly basis, and (4) the use and reconciliation of pre-numbered receipts and checks

Cause and Effect - Statement of Auditing Standards (SAS) 115 requires that we report the above condition as a control deficiency. The SAS does not provide exceptions to reporting deficiencies that may be partially mitigated or deficiencies for which the remedy would be cost prohibitive or otherwise impractical.

Recommendation - Employing additional controls may not be cost beneficial, however, the Board should remain cognizant of the lack of segregation of duties.

Management's Response - We are aware of the condition, however, at this point we are not in the financial position of addressing the problem. The Board is aware of the condition and will continue to monitor the financial activity of the Port in a timely manner.

B. Internal Control Findings - Material Weakness

None

**GRAND ISLE PORT COMMISSION
SCHEDULE OF FINDINGS AND RESPONSES
For the Year Ended June 30, 2023**

SECTION II – FINANCIAL STATEMENT FINDINGS (continued)

C. Compliance Findings

2023-3 Late Filing of Financial Statements

Condition and Criteria – The Port is required by Louisiana Law to complete and file with the Legislative Auditor’s Office the audit report within six months of the close of the fiscal year end. The Port was unable to file with the Legislative Auditor’s Office the audit report within the six months of the close of the fiscal year end. The Port requested a 30 day extension, when a 90 day extension request is allowed. The Port requested the extension due to the necessity of collecting data due to the imposition of Hurricane Ida to this day.

Cause and Effect – As the Port still suffers from the perils of Hurricane Ida, additional time was needed to gather documentation. The Port requested a 30 day extension when a 90 day extension was in its best interest.

Recommendation – We recommend management and the auditors work together to perform certain audit procedures and documentation gathering prior to the fiscal year end to obtain documentation relating to grant spending and reimbursements.

Management’s Response – The Port has been ravaged by hurricanes and still recovering. Management will work with the auditors to put a timeline together that will achieve timely filing in the future.

D. Management Letter

2023-4 Travel and Employee Reimbursement Policy

Condition and Criteria – The Port does not have written a travel and employee reimbursement policy. A travel is vital in an organization to provide guidance as to what costs are allowable relating to travel. A policy outlining documentation required to support the expense ensures controls over appropriate spending.

Cause and Effect – A written policy ensures adequate controls over travel and employee reimbursements.

Recommendation – The Port develop a written travel and employee reimbursement policy adopted by the board of commissioners identifying allowable costs and reimbursement procedures related to travel and employee reimbursements.

Management’s Response – The Port will adopt a written travel and employee reimbursement policy.

Section III Federal Award Findings and Questions Costs

Not applicable

**GRAND ISLE PORT COMMISSION
SCHEDULE OF PRIOR YEAR FINDINGS
For the Year Ended June 30, 2023**

Section I Financial Statement Findings

A. Internal Control Findings – Significant deficiencies

2022-1 Preparation of Financial Statements by Auditor – Unresolved – See Finding 2023-1

2022-2 Inadequate Segregation of Duties – Unresolved - See Finding 2023-2

B. Internal Control Findings - Material Weakness

None

C. Compliance Findings

None

D. Management Letter

None

Section II Federal Award Findings and Questions Costs

Not applicable

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INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES

Board of Commissioners
Grand Isle Port Commission
and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2022 to June 30, 2023 for the Grand Isle Port Commission (the Port). The Port's management is responsible for those C/C areas identified in the SAUPs.

The Port has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period July 1, 2022 through June 30, 2023. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

Written Policies and Procedures

1. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:
 - a) *Budgeting*, including preparing, adopting, monitoring, and amending the budget.
 - b) *Purchasing*, including (1) how purchases are initiated, (2) how vendors are added to the vendor list, (3) the preparation and approval process of purchase requisitions and purchase orders, (4) controls to ensure compliance with the Public Bid Law, and (5) documentation required to be maintained for all bids and price quotes.

- c) *Disbursements*, including processing, reviewing, and approving.
- d) *Receipts/Collections*, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).
- e) *Payroll/Personnel*, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee rates of pay or approval and maintenance of pay rate schedules.
- f) *Contracting*, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- g) *Travel and Expense Reimbursement*, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- h) *Credit Cards* (and debit cards, fuel cards, purchase cards, if applicable), including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
- i) *Ethics*, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.
- j) *Debt Service*, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- k) *Information Technology Disaster Recovery/Business Continuity*, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.
- l) *Prevention of Sexual Harassment*, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

Results: Exceptions Noted - The Port has no formal written policies and procedures when it comes to these various financial/business functions. They have traditionally utilized the already written state statutes as guidance in several areas (e.g., the Louisiana Local Government Budget Act, the Louisiana Public Bid Laws, the State Travel Guidelines, State Ethics Code, etc.) which they have on hand.

Board or Finance Committee

2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and
 - a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
 - b) For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds. *Alternatively, for those entities reporting on the not-for-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*
 - c) For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.
 - d) Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

Results: No exceptions noted, as a result of applying the above procedure.

Bank Reconciliations

3. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:
 - a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);
 - b) Bank reconciliations include written evidence that a member of management or a board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and

- c) Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Results: No exceptions noted, as a result of applying the above procedure.

Collections (excluding electronic funds transfers)

- 4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

Results: Obtained listing of deposit sites.

- 5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (e.g., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if there are no written policies or procedures, then inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that
 - a) Employees responsible for cash collections do not share cash drawers/registers;
 - b) Each employee responsible for collecting cash is not also responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit;
 - c) Each employee responsible for collecting cash is not also responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit; and
 - d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, is (are) not also responsible for collecting cash, unless another employee/official verifies the reconciliation.

Results: No exceptions noted, as a result of applying the above procedure.

- 6. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe that the bond or insurance policy for theft was in force during the fiscal period.

Results: Exception noted – the Port does not carry an insurance policy/surety bond on employees who handle cash/checks.

7. Randomly select two deposit dates for each of the 5 bank accounts selected for Bank Reconciliations procedure #3A (select the next deposit date chronologically if no deposits were made on the dates randomly selected and

Alternatively, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc. Obtain supporting documentation for each of the 10 deposits and:

- a) Observe that receipts are sequentially pre-numbered.
- b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
- c) Trace the deposit slip total to the actual deposit per the bank statement.
- d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
- e) Trace the actual deposit per the bank statement to the general ledger.

Results: No exceptions noted, as a result of applying the above procedure.

Non-Payroll Disbursements (excluding card purchases, travel reimbursements, and petty cash purchases)

8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).

Results: Obtained list of locations that process payments.

9. For each location selected under procedure #5A above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, then inquire of employees about their job duties), and observe that job duties are properly segregated such that
 - a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order or making the purchase;
 - b) At least two employees are involved in processing and approving payments to vendors;
 - c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files;
 - d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments; and

- e) Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.

[Note: Findings related to controls that constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality) should not be reported.]

Results: No exceptions noted, as a result of applying the above procedure.

- 10. For each location selected under procedure #5A above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction, and
 - a) Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation indicates that deliverables included on the invoice were received by the entity, and
 - b) Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under procedure #5B above, as applicable.

Results: No exceptions noted, as a result of applying the above procedure.

- 11. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3A, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy. Note: If no electronic payments were made from the main operating account during the month selected the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.

Results: No exceptions noted, as a result of applying the above procedure.

Credit Cards/Debit Cards/Fuel Cards/Purchase Cards (Cards)

- 12. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and purchase cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

Results: Obtained listing from management.

13. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement). Obtain supporting documentation, and
- Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved) by someone other than the authorized card holder (those instances requiring such approval that may constrain the legal authority of certain public officials, such as the mayor of a Lawrason Act municipality, should not be reported); and
 - Observe that finance charges and late fees were not assessed on the selected statements.

Results: No exceptions noted, as a result of applying the above procedure.

14. Using the monthly statements or combined statements selected under procedure #7B above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (e.g., each card should have 10 transactions subject to inspection). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and observe whether management had a compensating control to address missing receipts, such as a “missing receipt statement” that is subject to increased scrutiny.

Results: No exceptions noted, as a result of applying the above procedure.

Travel and Travel-Related Expense Reimbursements (excluding card transactions)

15. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management’s representation that the listing or general ledger is complete. Randomly select 5 reimbursements and obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected
- If reimbursed using a per diem, observe that the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov);
 - If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased;

- c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by Written Policies and Procedures procedure #1A(vii); and
- d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Results: No exceptions noted, as a result of applying the above procedure.

Contracts

16. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternatively, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and
- a. Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law;
 - b. Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter);
 - c. If the contract was amended (e.g., change order), observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, the documented approval); and
 - d. Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

Results: No exceptions noted, as a result of applying the above procedure.

Payroll and Personnel

17. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

Results: No exceptions noted, as a result of applying the above procedure.

18. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under procedure #9A above, obtain attendance records and leave documentation for the pay period, and
- a) Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory);
 - b) Observe whether supervisors approved the attendance and leave of the selected employees or officials;
 - c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records; and
 - d) Observe the rate paid to the employees or officials agrees to the authorized salary/pay rate found within the personnel file.

Results: No exceptions noted, as a result of applying the above procedure.

19. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials and obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee's or official's cumulative leave records, agree the pay rates to the employee's or official's authorized pay rates in the employee's or official's personnel files, and agree the termination payment to entity policy. \

Results: No exceptions noted, as a result of applying the above procedure.

20. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

Results: No exceptions noted, as a result of applying the above procedure.

Ethics

21. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A obtain ethics documentation from management, and
- a) Observe whether the documentation demonstrates that each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and
 - b) Observe whether the entity maintains documentation which demonstrates that each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

Results: Exceptions were noted. 3 of 5 of the employees/officials selected did not demonstrate the completion of one hour of ethics training during the fiscal period.

22. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

Results: No exceptions noted, as a result of applying the above procedure.

Debt Service

23. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each debt instrument issued as required by Article VII, Section 8 of the Louisiana Constitution.

Results: No exceptions noted, as a result of applying the above procedure.

24. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

Results: No exceptions noted, as a result of applying the above procedure.

Fraud Notice

25. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the Port attorney of the parish in which the entity is domiciled as required by R.S. 24:523.

Results: No exceptions noted, as a result of applying the above procedure.

26. Observe that the entity has posted, on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

Results: No exceptions noted, as a result of applying the above procedure.

Information Technology Disaster Recovery/Business Continuity

27. Perform the following procedures, **verbally discuss the results with management, and report “We performed the procedure and discussed the results with management.”**

- a) Obtain and inspect the entity’s most recent documentation that it has backed up its critical data (if there is no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government’s local server or network, and (c) was encrypted.
- b) Obtain and inspect the entity’s most recent documentation that it has tested/verified that its backups can be restored (if there is no written documentation, then inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.
- c) Obtain a listing of the entity’s computers currently in use and their related locations, and management’s representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

Results: We performed the procedure and discussed the results with management.

28. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #9C. Observe evidence that the selected terminated employees have been removed or disabled from the network.

Results: We performed the procedure and discussed the results with management.

Prevention of Sexual Harassment

29. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.

Results: Exceptions were noted. 3 of 5 of the employees/officials selected did not demonstrate the completion of the prevention of sexual harassment training during the fiscal period.

30. Observe that the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity’s premises if the entity does not have a website).

Results: No exceptions noted, as a result of applying the above procedure.

31. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe that the report includes the applicable requirements of R.S. 42:344:
- a) Number and percentage of public servants in the agency who have completed the training requirements;
 - b) Number of sexual harassment complaints received by the agency;
 - c) Number of complaints which resulted in a finding that sexual harassment occurred;
 - d) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
 - e) Amount of time it took to resolve each complaint.

Results: Documentation did not demonstrate the completion of the annual report.

We were engaged by the Port to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of Government Auditing Standards. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the Port and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

Camnetar & Co.

Camnetar & Co., CPAs
a professional accounting corporation

Gretna, Louisiana
March 28, 2024

Management's Response

The following outlines action to be taken by the Grand Isle Port Commission regarding the exceptions noted in the Statewide Agreed Upon Procedures engagement for the year ended June 30, 2023.

Written Policies and Procedures

As a small public entity, we do the best we can with the limited staff that we have. We are committed to providing the best services to the citizens of our Port District and spending the public money provided to us in the most efficient manner possible.

Due to the small size of the financial staff of the Port District (basically 2 employees), we have never been able to achieve a proper segregation of duties in the various financial functions, such as purchasing, disbursements, receipts, payroll, personnel, contracting, credit cards, etc. Typically, formal policies and procedures are set in writing to document the flow of transactions and the internal controls and segregation of duties that are established.

However, we understand the importance of written policies and procedures and have undertaken a project to complete this in the upcoming fiscal year.

Insurance Policy

The Port is working with our insurance agent to obtain the requisite coverage to carry an insurance policy/surety bond on employees who handle cash/checks.

Ethics Training

The Port will work to ensure all employees/officials complete the annual ethics training.

Prevention of Sexual Harassment Training

The Port will work to ensure all employees/officials complete the annual prevention of sexual harassment training.

Annual Sexual Harassment Reporting

The Port will ensure the completion of the annual sexual harassment report in the future.