

**GRAND ISLE PORT COMMISSION
STATE OF LOUISIANA**

**FINANCIAL REPORT
Years Ended June 30, 2022 and 2021**

TABLE OF CONTENTS

	<u>Page (s)</u>
INDEPENDENT AUDITORS' REPORT	1 - 3
MANAGEMENT'S DISCUSSION AND ANALYSIS	4 - 9
BASIC FINANCIAL STATEMENTS	
Statement of Net Position	10
Statement of Revenues, Expenses, and Changes in Net Position	11 - 12
Statement of Cash Flows	13
Notes to Financial Statements	14 - 21
SUPPLEMENTAL INFORMATION	
Schedule of Per Diem Paid to Board Members	22
Schedule of Compensation, Benefits, and Other Payments to Agency Head	23
COMPLIANCE SECTION	
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	24 - 25
Schedule of Findings and Responses	26 - 27
Schedule of Prior Audit Findings	28
Management's Corrective Action Plan	29

INDEPENDENT AUDITOR'S REPORT

Camnetar & Co., CPAs
a professional accounting corporation
2550 Belle Chasse Highway, Suite 170, Gretna, LA 70053
504.362.2544 (Fax) 504.362.2663

Edward L. Camnetar, Jr., CPA
Orfelinda G. Richard, CPA
Jamie G. Rogers, CPA

Members: American Institute of Certified Public Accountants
Society of Louisiana Certified Public Accountants

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, 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, 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 4-9 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 29, 2023 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 31, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS

**GRAND ISLE PORT COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the years ended June 30, 2022 and 2021**

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, 2022. 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 \$4,645,824 (*net position*). Of this amount, \$4,060,577 or 87% is invested in capital assets, such as land, equipment, vehicles, and infrastructure. The remaining balance of \$585,247 (*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 \$65,680 or 1.4% during the current year because total revenues \$256,714 were less than total expenses of \$322,394.
 - The two major sources of revenues this year was \$171,955 from ad valorem taxes and \$21,412 in rentals.
 - More than 80% of the Port's operating expenses are in three categories. Those expenses are: \$132,262 in salaries & benefits, \$90,362 in depreciation, and \$46,422 in repairs and maintenance legal and professional fees.
- 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.

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, 2022 and 2021**

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 \$4,645,824 at June 30, 2022.

**GRAND ISLE PORT COMMISSION
CONDENSED STATEMENT OF NET POSITION
JUNE 30, 2022 AND 2021**

	<u>JUNE 30, 2022</u>	<u>JUNE 30, 2021</u>	<u>\$ Increase (Decrease)</u>	<u>% Increase (Decrease)</u>
ASSETS				
Current Assets	\$ 705,397	\$ 684,415	20,982	3.1%
Property and equipment, net	4,060,577	4,150,939	(90,362)	-2.2%
TOTAL ASSETS	<u>4,765,974</u>	<u>4,835,354</u>	<u>(69,380)</u>	<u>-1.4%</u>
LIABILITIES				
Current Liabilities	-	-	-	--
Long Term Liabilities	120,150	123,850	(3,700)	-3.0%
TOTAL LIABILITIES	<u>120,150</u>	<u>123,850</u>	<u>(3,700)</u>	<u>-3.0%</u>
NET POSITION				
Net investment in capital assets	4,060,577	4,150,939	(90,362)	-2.2%
Unrestricted	585,247	560,565	24,682	4.4%
TOTAL NET POSITION	<u>\$ 4,645,824</u>	<u>\$ 4,711,504</u>	<u>(65,680)</u>	<u>-1.4%</u>

**GRAND ISLE PORT COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the years ended June 30, 2022 and 2021**

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, 2022, 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 by \$65,680 or 1.4%, 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, 2022 and 2021**

	<u>JUNE 30, 2022</u>	<u>JUNE 30, 2021</u>	<u>\$ Increase (Decrease)</u>	<u>% Increase (Decrease)</u>
OPERATING REVENUES	\$ 84,243	\$ 37,811	46,432	122.8%
OPERATING EXPENSES				
Depreciation	90,362	92,764	(2,402)	-2.6%
Other operating expenses	232,032	214,724	17,308	8.1%
Total Operating Expenses	<u>322,394</u>	<u>307,488</u>	<u>14,906</u>	<u>4.8%</u>
Operating Income (Loss)	<u>(238,151)</u>	<u>(269,677)</u>	<u>31,526</u>	<u>-11.7%</u>
NON-OPERATING REVENUES (EXPENSES)				
Ad valorem taxes	171,955	259,161	(87,206)	-33.6%
Interest earned	516	980	(464)	-47.3%
Total Non-Operating Revenue (Expense)	<u>172,471</u>	<u>260,141</u>	<u>(87,670)</u>	<u>-33.7%</u>
CHANGE IN NET POSITION	(65,680)	(9,536)	(56,144)	588.8%
NET POSITION				
Beginning of Year	4,711,504	4,721,040	(9,536)	-0.2%
End of Year	<u>\$ 4,645,824</u>	<u>\$ 4,711,504</u>	<u>(65,680)</u>	<u>-1.4%</u>

**GRAND ISLE PORT COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the years ended June 30, 2022 and 2021**

FINANCIAL ANALYSIS (continued)

Key elements of the net position decrease are as follows:

Revenues. Total revenues decreased \$41,238 or 13.8% from the prior year as shown below.

**GRAND ISLE PORT COMMISSION
CONDENSED SCHEDULE OF REVENUES
FOR THE YEARS ENDED JUNE 30, 2022 and 2021**

	<u>JUNE 30, 2022</u>	<u>JUNE 30, 2021</u>	<u>\$ Increase (Decrease)</u>	<u>% Increase (Decrease)</u>
Revenues				
Operating Revenues				
Property Rentals	\$ 3,700	\$ 3,700	\$ -	0.0%
Dockage Fees	17,512	33,310	(15,798)	-47.4%
Oyster Leases	200	600	(400)	-66.7%
Insurance Proceeds	61,571	-	61,571	--
Miscellaneous income	1,260	201	1,059	526.9%
Total Operating Revenues	<u>84,243</u>	<u>37,811</u>	<u>46,432</u>	<u>122.8%</u>
Non Operating Revenues				
Ad valorem taxes	171,955	259,161	(87,206)	-33.6%
Interest earned	516	980	(464)	-47.3%
Total Non Operating Revenues	<u>172,471</u>	<u>260,141</u>	<u>(87,670)</u>	<u>-33.7%</u>
Total Revenues	<u>\$ 256,714</u>	<u>\$ 297,952</u>	<u>\$ (41,238)</u>	<u>-13.8%</u>

- 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 total rent for 2022 was down \$15,798 from last year.
- The Port owns and leases a few oyster beds on the back side of the island. Oyster lease income was down \$400 from last year.

**GRAND ISLE PORT COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the years ended June 30, 2022 and 2021**

FINANCIAL ANALYSIS (continued)

Revenues (continued)

- Ad valorem (property) taxes of \$171,955 were recognized in the current fiscal year (see graph above). This is a decrease of \$87,206 or 33.6% from the prior year due to lower collections and lower assessed values by the Assessor's Office due to the property on the island destroyed by Hurricane Ida.
- Interest income was \$516, a decrease of \$464 from the prior year. This low amount is being caused by low investable balances and interest rates.

Expenses. Total expenses decreased \$14,906 or 4.8% from the prior year as shown below.

**GRAND ISLE PORT COMMISSION
CONDENSED SCHEDULE OF EXPENSES
FOR THE YEARS ENDED JUNE 30, 2022 and 2021**

	<u>JUNE 30, 2022</u>	<u>% of Total</u>	<u>JUNE 30, 2021</u>	<u>% of Total</u>	<u>\$ Increase (Decrease)</u>	<u>% Increase (Decrease)</u>
Operating Expenses						
Salaries & benefits	\$ 132,262	41.0%	\$ 119,258	38.8%	\$ 13,004	10.9%
Depreciation	90,362	28.0%	92,764	30.2%	(2,402)	-2.6%
Repairs & Maintenance	46,422	14.4%	19,944	6.5%	26,478	132.8%
Travel & meals	16,132	5.0%	2,104	0.7%	14,028	666.7%
Insurance	10,900	3.4%	14,045	4.6%	(3,145)	-22.4%
Utilities	7,936	2.5%	13,488	4.4%	(5,552)	-41.2%
Office Supplies	4,663	1.4%	13,062	4.2%	(8,399)	-64.3%
Legal & professional	3,696	1.1%	22,621	7.4%	(18,925)	-83.7%
Other	10,021	3.1%	10,202	3.3%	(181)	-1.8%
Total Operating Expenses	<u>\$ 322,394</u>	<u>100.0%</u>	<u>\$ 307,488</u>	<u>100.0%</u>	<u>\$ 14,906</u>	<u>4.8%</u>

- Salaries and benefits of \$132,262 represents 41.0% of total expenses for the year. The increase of \$13,004 in salaries related expense is due to salary rate increases.
- Depreciation expense of \$90,362 represents 28.0% of total expenses for the year. The decrease of \$2,402 in depreciation expense is due primarily to assets becoming fully depreciated in the current fiscal year.
- Repairs and maintenance expenses of \$46,422 represents 14.4% of total expenses for the year. The increase of \$26,478 is due to Hurricane Ida expense when compared to the prior year.

**GRAND ISLE PORT COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the years ended June 30, 2022 and 2021**

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets. The Port's investment in capital assets for its business-type activities as of June 30, 2022 amounts to \$4,060,577 (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 \$90,362 or 2.2% this year due to recognizing depreciation.

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

	Balance July 1, 2021	Additions	Deletions	Balance June 30, 2022
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	4,719	(240)	-	4,479
Furniture and fixtures	11,678	(4,182)	-	7,496
Vehicles and equipment	32,736	(5,169)	-	27,567
Infrastructure	1,117,615	(80,771)	-	1,036,844
Total capital assets being depreciated, net	<u>1,166,748</u>	<u>(90,362)</u>	<u>-</u>	<u>1,076,386</u>
Total capital assets	<u>\$ 4,150,939</u>	<u>\$ (90,362)</u>	<u>\$ -</u>	<u>\$ 4,060,577</u>

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

- \$90,362 was recognized as depreciation expense in the current year.

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, 2022.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

- The ad valorem millage rate levied for the 2022 (next year's) tax roll was 4.97 mills (the same as in 2021).

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, 2022 and 2021

	<u>JUNE 30, 2022</u>	<u>JUNE 30, 2021</u>
ASSETS		
Current Assets		
Cash	\$ 681,544	\$ 658,036
Certificates of deposit	22,964	22,964
Accounts receivable	889	3,415
Total Current Assets	<u>705,397</u>	<u>684,415</u>
Property and equipment, net	<u>4,060,577</u>	<u>4,150,939</u>
TOTAL ASSETS	<u><u>4,765,974</u></u>	<u><u>4,835,354</u></u>
LIABILITIES		
Current Liabilities		
Accounts payable	-	-
Long-term Liabilities		
Unearned income	<u>120,150</u>	<u>123,850</u>
TOTAL LIABILITIES	<u>120,150</u>	<u>123,850</u>
NET POSITION		
Net investment in capital assets	4,060,577	4,150,939
Unrestricted	585,247	560,565
TOTAL NET POSITION	<u><u>\$ 4,645,824</u></u>	<u><u>\$ 4,711,504</u></u>

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, 2022 and 2021

	JUNE 30, 2022	JUNE 30, 2021
OPERATING REVENUES		
Property Rentals	\$ 3,700	\$ 3,700
Dockage Fees	22,234	33,310
Oyster Leases	200	600
Insurance Proceeds	61,571	-
Miscellaneous income	1,260	201
Total Operating Revenue	88,965	37,811
OPERATING EXPENSES		
Advertising	801	666
Auditing	3,925	3,500
Commercial Dock - operating costs	-	374
Depreciation	90,362	92,764
Dues, subscriptions, membership fees	2,910	1,310
Insurance	11,284	14,045
Legal and professional fees		
General	3,346	10,974
Other	350	11,647
Miscellaneous	409	619
Navigation and safety	-	31
Office supplies	5,549	13,062
Oyster lease project	-	640
Physcials	-	65
Repairs & maintenance		
Auto	6,866	560
Commercial Dock	9,297	5,208
Highway 1 site	26,122	5,711
Land/Buildings	9,225	8,465
Salaries & benefits		
Salaries	122,393	110,657
Taxes - Payroll	9,869	8,601
Telephone	1,976	2,997
Travel and meals	9,774	2,104
Utilities (electricity, cable, internet, water)	7,936	13,488
Total Operating Expenses	322,394	307,488
Operating Income (Loss)	\$ (233,429)	\$ (269,677)

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, 2022 and 2021

	JUNE 30, 2022	JUNE 30, 2021
NON-OPERATING REVENUES (EXPENSES)		
Ad valorem taxes	167,233	259,161
Interest earned	516	980
Total Non-Operating Revenue (Expense)	167,749	260,141
 CHANGE IN NET POSITION	 (65,680)	 (9,536)
 NET POSITION		
Beginning of Year	4,711,504	4,721,040
End of Year	\$ 4,645,824	\$ 4,711,504

The accompanying notes are an integral part of this statement.

GRAND ISLE PORT COMMISSION
STATEMENTS OF CASH FLOWS
For the Years Ended June 30, 2022 and 2021

	<u>JUNE 30, 2022</u>	<u>JUNE 30, 2021</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Dock Fees, oyster leases, and rentals	\$ 22,434	\$ 37,610
Miscellaneous receipts	62,831	201
Payments to vendors	(99,770)	(95,466)
Payments to employees - salaries and benefits	(132,262)	(119,258)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>(146,767)</u>	<u>(176,913)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Ad valorem taxes	169,759	259,161
NET CASH PROVIDED (USED) BY NON-CAPITAL FINANCING ACTIVITIES	<u>169,759</u>	<u>259,161</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchase of furniture, vehicles and equipment	-	(44,014)
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>-</u>	<u>(44,014)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	516	980
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>516</u>	<u>980</u>
NET INCREASE (DECREASE) IN CASH	23,508	39,214
CASH AT BEGINNING OF YEAR	658,036	618,822
CASH AT END OF YEAR	<u>\$ 681,544</u>	<u>\$ 658,036</u>
RECONCILIATION TO STATEMENT OF NET POSITION		
Cash	\$ 681,544	\$ 658,036
Total Cash per Statement of Net Position	<u>\$ 681,544</u>	<u>\$ 658,036</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating income (loss)	\$ (233,429)	\$ (269,677)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities		
Depreciation	90,362	92,764
Changes in assets and liabilities:		
Increase (decrease) in deferred revenue	(3,700)	-
Net Adjustments	<u>86,662</u>	<u>92,764</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ (146,767)</u>	<u>\$ (176,913)</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, 2022 and 2021

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.

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.

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, 2022 and 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the non-fiduciary activities of the Port. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

Since the Port engages only in *business-type activities*, only the financial statements of the Port's proprietary funds is presented.

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.

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 *measurable* 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.

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.

GRAND ISLE PORT COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
For the years ended June 30, 2022 and 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Investments (continued)

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.

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, 2022 and 2021 are not material to the financial statements.

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.

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

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, 2022 and 2021**

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, 2022			June 30, 2021		
	Cash	Certificates Of Deposit	Total	Cash	Certificates Of Deposit	Total
Deposits in Bank Accounts per Statement of Net Position	\$ 681,544	\$ 22,964	\$ 704,508	\$ 658,036	\$ 22,964	\$ 681,000

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, 2022 and 2021, the carrying amount of the Port's deposits (demand deposits and certificates of deposit) was \$704,508 and \$681,000. 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, 2022 and 2021, respectively.

	Total Bank Balances of Deposits Exposed to Custodial Credit Risk		
	June 30, 2022		
	Cash	Certificates Of Deposit	Total
Deposits in Bank Accounts per Bank	\$ 687,692	\$ 22,964	\$ 686,268
A. Bank balances covered by federal depository insurance	\$ 250,000	\$ 22,964	\$ 272,964
B. Uninsured and collateralized with securities	413,304	-	413,304
C. Uninsured and uncollateralized	-	-	-
Total Bank Balances of Deposits Exposed to Custodial Credit Risk	\$ 24,388	\$ -	\$ -

**GRAND ISLE PORT COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
For the years ended June 30, 2022 and 2021**

NOTE 3 – CASH AND CASH EQUIVALENTS (continued)

	Total Bank Balances of Deposits Exposed to Custodial Credit Risk		
	June 30, 2021		
	Cash	Certificates Of Deposit	Total
Deposits in Bank Accounts per Bank	\$ 663,304	\$ 22,964	\$ 686,268
Bank Balances of Deposits Exposed to Custodial Credit Risk			
A. Bank balances insured	\$ 250,000	\$ 22,964	\$ 272,964
B. Uninsured and collateralized with securities	413,304	-	413,304
C. Uninsured and uncollateralized	-	-	-
Total Bank Balances of Deposits Exposed to Custodial Credit Risk	\$ -	\$ -	\$ -

NOTE 4 – RECEIVABLES

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

Accounts receivable at June 30, 2021 totaled \$3,415 and are made up of \$3,415 due from the Jefferson Parish Sheriff for ad valorem taxes.

NOTE 5 – CAPITAL ASSETS

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. The project was bid out in 2020; however, the lowest bid was significantly over the funding allowed by FEMA. The Port has requested a revision to the Project Worksheet to account for the actual bid and is waiting to hear back from FEMA before awarding the contract and moving forward.

GRAND ISLE PORT COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
For the years ended June 30, 2022 and 2021

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, 2021	Additions	Deletions	Balance June 30, 2022
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	-	-	38,650
Vehicles and equipment	228,069	-	-	228,069
Infrastructure	1,615,425	-	-	1,615,425
Total capital assets, being depreciated	<u>1,941,059</u>	<u>-</u>	<u>-</u>	<u>1,941,059</u>
Less accumulated depreciation for				
Buildings	(54,196)	(240)	-	(54,436)
Furniture and fixtures	(26,972)	(4,182)	-	(31,154)
Vehicles and equipment	(195,333)	(5,169)	-	(200,502)
Infrastructure	(497,810)	(80,771)	-	(578,581)
Total accumulated depreciation	<u>(774,311)</u>	<u>(90,362)</u>	<u>-</u>	<u>(864,673)</u>
Capital assets being depreciated, net				
Buildings	4,719	(240)	-	4,479
Furniture and fixtures	11,678	(4,182)	-	7,496
Vehicles and equipment	32,736	(5,169)	-	27,567
Infrastructure	1,117,615	(80,771)	-	1,036,844
Total capital assets being depreciated, net	<u>1,166,748</u>	<u>(90,362)</u>	<u>-</u>	<u>1,076,386</u>
Total capital assets	<u>\$ 4,150,939</u>	<u>\$ (90,362)</u>	<u>\$ -</u>	<u>\$ 4,060,577</u>

GRAND ISLE PORT COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
For the years ended June 30, 2022 and 2021

NOTE 6 – LEASES

Leases to State

On December 1, 2003, the Port leased a portion of land to the Louisiana Department of Wildlife and Fisheries 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 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.

NOTE 7 – AD VALOREM TAXES

Louisiana Revised Statutes (LRS 34:254(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.

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 numbers of mills levied for operations on the 2021 and 2020 tax rolls were 4.97 and 4.97, respectively. The amount of revenues generated by the taxes in fiscal years ended June 30, 2022 and 2021 was \$171,953 and \$259,161, respectively.

NOTE 8 - PER DIEM PAID TO BOARD MEMBERS

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

GRAND ISLE PORT COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
For the years ended June 30, 2022 and 2021

NOTE 9 - 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”.

NOTE 10 – SUBSEQUENT EVENTS

The Port has evaluated subsequent events through March 31, 2023, the date the financial statements were available to be issued.

SUPPLEMENTAL INFORMATION

GRAND ISLE PORT COMMISSION
SCHEDULE OF PER DIEM PAID TO BOARD MEMBERS
June 30, 2022 and 2021

<u>Board Member</u>	<u>Amount</u> <u>JUNE 30, 2022</u>	<u>Amount</u> <u>JUNE 30, 2021</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
June 30, 2022 and 2021**

Agency Head - Name/Title Purpose	Weldon Danos, Director Amount
Salary	\$ 73,221
Benefits- Payroll Taxes (social security & medicare)	5,601
Benefits- Health Insurance	-
Benefits- Other	-
Vehicle Provided by Agency	No
Vehicle-Fringe Benefits	-
Data/Wireless- Benefits	517
Conferences	400
Reimbursements	-
Travel (Hotel, Air, Car Rental, Taxi, Meals)	-
Special Meals	-
Total	\$ 79,739

COMPLIANCE SECTION

Camnetar & Co., CPAs

a professional accounting corporation

2550 Belle Chasse Highway, Suite 170, Gretna, LA 70053

504.362.2544

(Fax) 504.362.2663

Edward L. Camnetar, Jr., CPA

Orfelinda G. Richard, CPA

Jamie G. Rogers, CPA

Members: American Institute of Certified Public Accountants

Society of Louisiana Certified Public Accountants

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, 2022, 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 December 31, 2022.

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. 2022-1 and 2022-2 to be significant deficiencies.

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. The results of our tests disclosed no instances of noncompliance or other matters that is required to be reported under *Government Auditing Standards*.

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 31, 2023

**GRAND ISLE PORT COMMISSION
SCHEDULE OF FINDINGS AND RESPONSES
For the Year Ended June 30, 2022**

We have audited the financial statements of the Grand Isle Port Commission as of and for the year ended June 30, 2022, and have issued our report thereon dated March 31, 2023. 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, 2022 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, 2022, and therefore is exempt from the audit requirements under the Uniform Guidance.

SECTION II – FINANCIAL STATEMENT FINDINGS

A. Internal Control Findings – Significant deficiencies

2022-1 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.

Response – Management's response can be found on page 29

**GRAND ISLE PORT COMMISSION
SCHEDULE OF FINDINGS AND RESPONSES
For the Year Ended June 30, 2022**

SECTION II – FINANCIAL STATEMENT FINDINGS (continued)

A. Internal Control Findings – Significant deficiencies (continued)

2022-2 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.

Response – Management's response can be found on page 29

B. Internal Control Findings - Material Weakness

None

C. Compliance Findings

None

D. Management Letter

None

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, 2022**

Section I Financial Statement Findings

A. Internal Control Findings – Significant deficiencies

2021-1 Preparation of Financial Statements by Auditor – Unresolved – See Finding 2022-1

2021-2 Inadequate Segregation of Duties – Unresolved - See Finding 2022-2

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

**GRAND ISLE PORT COMMISSION
MANAGEMENT'S CORRECTIVE ACTION PLAN
For the Year Ended June 30, 2022**

2022-1 Preparation of Financial Statements by Auditor

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.

2022-2 Inadequate 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.

Camnetar & Co., CPAs
a professional accounting corporation
2550 Belle Chasse Highway, Suite 170, Gretna, LA 70053
504.362.2544 (Fax) 504.362.2663

Edward L. Camnetar, Jr., CPA
Orfelinda G. Richard, CPA
Jamie G. Rogers, CPA

Members: American Institute of Certified Public Accountants
Society of Louisiana Certified Public Accountants

INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES

To: Management and Board of Commissioners
Grand Isle Port Commission
Grand Isle, Louisiana
and
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, 2021 to June 30, 2022., Grand Isle Port Commissioners (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, 2021 to June 30, 2022. 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 the entity's written policies and procedures and observe whether they address each of the following categories and subcategories (or report that the entity does not have any written policies and procedures), 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(s) rate 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) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers
- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 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. Note: Ethics requirements are not applicable to nonprofits.
- j) **Debt Service**, including (1) debt issuance approval, (2) continued 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) **Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

Written Policies and Procedure - continued

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.) and which they have on hand.

Management's Response

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. Since we are unable to do so, we have never felt the cost/benefit of incurring the time and cost in documenting all of our policies and procedures warranted such an endeavor. Our administrative staff is well versed in what needs to be done and what our policies and procedures are, even if they are not in writing. Also, in regards to disaster recovery and business continuity, we do make backups of our financial database and keep them offsite. This is another instance of us having policies and procedures in place, just not formally in writing.

Board (or Finance Committee, if applicable)

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. *Alternately, for those entities reporting on the nonprofit 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.

Results: No exceptions were noted as a result of this 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 evidence that a member of management/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: Exception noted: bank account reconciliations obtained did not include evidence that a member of management/board member reviewed each bank reconciliation.

Management's Response

The balances are reported to the Executive Director and included in the monthly financial report provided to the Board of Commissioners. Going forward we will have a Port Commissioner or the Executive Director sign the bank reconciliation at the monthly meeting.

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: No exceptions were noted as a result of this procedure.

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 (i.e., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, 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: **For each cash collection location selected:**

- a) Employees responsible for cash collections do not share cash drawers/registers.
- b) Each employee responsible for collecting cash is not 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 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.
- 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, are not responsible for collecting cash, unless another employee/official verifies the reconciliation.

Results: No exceptions were noted as a result of this procedure.

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

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

Management's Response

The Port receives very few revenues in the form of cash or checks. Most receipts comes from the Sheriff and/or granting agencies via ACH transactions. When we started renting dock slips, we began to receive some checks related to these. The slips are rented annually. We will continue to monitor our financial circumstances to determine if our budget can support it. We believe we have compensating controls in place by communicating well our financial position with our Board.

7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, 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 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 were noted as a result of this procedure.

Non-Payroll Disbursements (excluding card purchases/payments, 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: No exceptions were noted as a result of this procedure.

- 9. For each location selected under #8 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, 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/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.

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

Non-Payroll Disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases - continued

Results: Exceptions Noted - There were no written policies or procedures for processing payments; 1) there is no evidence that at least two people are involved in initiating purchases 2) the Port does not utilize requisitions or purchase orders and there is no evidence on the invoices of who initiated the purchase, 3) the Port's clerk receive invoices and send them to the bookkeeper for processing/payment. The bookkeeper reviews and writes the checks. The checks are then submitted to the President and the Commissioners for review and signing of the checks, 4) the bookkeeping is done on a manual basis; therefore, there is no "vendor master file" to have access to, and 5) signed checks are mailed to vendors by the bookkeeper, who is a part of the payables process.

Management's Response

As a small entity, there are almost no transactions that take place that the Executive Director, the Secretary, the Bookkeeper, or the Board of Commissioners are unaware of. With the limited staff we have we believe we have control oversight of the purchasing and disbursement business activities.

We will continually to review our business process and determine if additional procedures can be put in place.

10. For each location selected under #8 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 matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the entity.
 - b) Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

Results: Exception noted. As stated above, the Port does not have segregation of duties due to the size of the organization.

Credit Cards/Debit Cards/Fuel Cards/P-Cards

11. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-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: No exceptions were noted as a result of this procedure.

12. 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:
- a) 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. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]
 - b) Observe that finance charges and late fees were not assessed on the selected statements.

Results: No exceptions were noted as a result of this procedure.

13. Using the monthly statements or combined statements selected under #12 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 (i.e., each card should have 10 transactions subject to testing). For each transaction, observe 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 note 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 were noted as a result of this procedure.

Travel and Expense Reimbursement

14. 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, 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:

- a) If reimbursed using a per diem, observe 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).
- b) If reimbursed using actual costs, observe the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
- c) Observe 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 policy (procedure #1h).

Results: No exceptions were noted as a result of this procedure.

Contracts

15. 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. *Alternately, 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 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, was approval documented).
 - 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 the invoice and related payment agreed to the terms and conditions of the contract.

Results: No exceptions were noted as a result of this procedure.

Payroll and Personnel

16. 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 were noted as a result of this procedure.

17. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:
- a) Observe all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, officials are not eligible to earn leave and do not document their attendance and leave. However, if the official is earning leave according to a policy and/or contract, the official should document his/her daily attendance and leave.)
 - b) Observe whether supervisors approved the attendance and leave of the selected employees or officials.
 - c) Observe any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
 - d) Observe the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.

Results: No exceptions were noted as a result of this procedure.

18. 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 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 or officials' cumulative leave records, agree the pay rates to the employee or officials' authorized pay rates in the employee or officials' personnel files, and agree the termination payment to entity policy.

Results: No exceptions were noted as a result of this procedure.

19. 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 were noted as a result of this procedure.

Ethics (excluding nonprofits)

20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above obtain ethics documentation from management, and:

- a) Observe whether the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
- b) Observe whether the entity maintains documentation which demonstrates 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.

Management's Response

The year under audit was the worst the island has seen since Katrina, The devastating effects of Hurricane Ida are still being felt. As of March 31, 2023, the Port still has not rebuilt their office and are in temporary space. The Port was under a state of emergency for twelve months, August 2021 to September 2022. Going forward will ensure all employees/officials document their annual ethics training.

Debt Service (excluding nonprofits)

21. 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 State Bond Commission approval was obtained for each debt instrument issued.

Results: This section not applicable.

22. 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: This section not applicable.

Fraud

23. 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 district attorney of the parish in which the entity is domiciled.

Results: No exceptions were noted as a result of this procedure.

24. Observe 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: Exception noted. The requisite fraud posting was not found the Port's website

Management's Response

The Port will post the fraud reporting message on its website.

Information Technology Disaster Recovery/Business Continuity

25. 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 no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), observe evidence that backups are encrypted before being transported.
- b) Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, 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.

Sexual Harassment

26. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain sexual harassment training documentation from management, and observe the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year.

Results: Documentation did not demonstrate each employee/official completed at least on hour of sexual harassment training during the calendar year.

Management's Response

The Port will ensure each employee completes one hour of sexual harassment training during the calendar year.

27. Observe 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: We did not observe the Port has posted its sexual harassment policy and complaint procedure on its website or at the Port's premises.

Management's Response

The Port will post the State's sexual harassment policy on the website and at the office.

28. 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 it 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: We did not observe the Port prepared its annual sexual harassment report with the required elements.

Management's Response

The Port will prepare the annual report going forward.

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.

Camnetar & Co., CPAs

a professional accounting corporation

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 31, 2023