

**GRAND ISLE PORT COMMISSION
STATE OF LOUISIANA**

**FINANCIAL REPORT
Years Ended June 30, 2024 and 2023**

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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, 2024 and 2023, and the related notes to the financial statements, which collectively comprise the Grand Isle Port Commission's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the the business-type activities of the Grand Isle Port Commission, as of June 30, 2024 and 2023, and the respective changes in financial position, and cash flows thereof for the years 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 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 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 opinions.

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; and for 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 Port's ability to continue as a going concern for the twelve months beyond the financial statement date, including any currently know 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 misstatement of the financial statements, 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 Port'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 Port'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, and on pages 4-10 be presented to supplement the basic financial statements. Such information is the responsibility of 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 Schedule of Per Diem Paid to Board Members, the Schedule of Compensation, Reimbursements, Benefits and Other Payments to Agency Head, and the Schedule of Expenditures of Federal Awards as required by Title 2 *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, 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 were 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 Schedule of Per Diem Paid to Board Members, the Schedule of Compensation, Reimbursements, Benefits and Other Payments to Agency Head, and the Schedule of Expenditures of Federal Awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 31, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Grand Isle Port Commission's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Grand Isle Port Commission's internal control over financial reporting and compliance.

Camnetar & Co.

Camnetar & Co., CPAs
a professional accounting corporation

Gretna, Louisiana
December 31, 2024

REQUIRED SUPPLEMENTAL INFORMATION

MANAGEMENT'S DISCUSSION AND ANALYSIS

**GRAND ISLE PORT COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the years ended June 30, 2024 and 2023**

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, 2024. 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 \$8,455,349 (*net position*). Of this amount, \$6,177,259 or 73% is invested in capital assets, such as land, equipment, vehicles, and infrastructure less related payables; and \$2,166,517 is restricted for grant expenditures. The remaining balance of \$111,573 (*unrestricted*) or 1 % may be used to meet the Port's ongoing obligations to citizens and creditors.
- The Port's total Net Position increased by \$3,3845,553 or 83% during the current year because total revenues \$4,207,911 were greater than total expenses of \$362,358.
 - The two major sources of revenues this year were \$265,332 from ad valorem taxes and \$3,909,029 from grants.
 - More than 79% of the Port's operating expenses are in three categories. Those expenses are: \$159,258 in salaries & benefits, \$105,531 in depreciation, and \$19,675 in 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 its facilities. In the fiscal year ended June 30, 2024, the Port signed a contract with Sea Level Construction for \$4,268,965 to complete the pier and bulkhead repair project. The Port received a federal grant that was insufficient to repair complete the project. The Port was able to obtain a state grant of \$2,225,000 and a Jefferson Parish grant of \$900,000 to complete the repair project.

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 11 to 15 of this report.

**GRAND ISLE PORT COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the years ended June 30, 2024 and 2023**

OVERVIEW OF THE FINANCIAL STATEMENTS (continued)

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.

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 15 to 28 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. Also included in this section is the Schedule of Expenditures of Federal Awards and the notes to this schedule. This information can be found on pages 29 to 32.

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 \$8,455,349 at June 30, 2024.

	JUNE 30, 2024	JUNE 30, 2023	\$ Increase (Decrease)	% Increase (Decrease)
ASSETS				
Current Assets	\$ 2,435,196	\$ 959,157	1,476,039	153.9%
Capital Assets, net	7,983,753	4,026,520	3,957,233	98.3%
TOTAL ASSETS	10,418,949	4,985,677	5,433,272	109.0%
LIABILITIES				
Current Liabilities	1,806,494	12,671	1,793,823	14156.9%
Long Term Liabilities	157,106	363,210	(206,104)	-56.7%
TOTAL LIABILITIES	1,963,600	375,881	1,587,719	422.4%
NET POSITION				
Net investment in capital assets	6,177,259	4,026,520	2,150,739	53.4%
Restricted, grants	2,166,517	246,760	1,919,757	778.0%
Unrestricted	111,573	336,516	(224,943)	-66.8%
TOTAL NET POSITION	\$ 8,455,349	\$ 4,609,796	3,845,553	83.4%

**GRAND ISLE PORT COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the years ended June 30, 2024 and 2023**

FINANCIAL ANALYSIS (continued)

A large portion of the Port's net position \$6,177,259 or 73% reflects its investment in capital assets (e.g., land, buildings, furniture and fixtures, machinery, vehicles and equipment, and infrastructure) less related contract and retainage payables. The Port used these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending.

The Port's restricted net position of \$2,166,517 represents cash and receivables restricted for grant expenses related to hurricane repair projects.

The balance of *unrestricted net position* \$111,573 or 1% may be used to meet the government's ongoing obligations to citizens and creditors.

At June 30, 2024, the Port is able to report positive fund balances in both categories of Net Position.

Business-type Activities.

Business-type activities increased the Port's Net Position by \$3,828,925, during the current fiscal year.

	<u>JUNE 30, 2024</u>	<u>JUNE 30, 2023</u>	<u>\$ Increase (Decrease)</u>	<u>% Increase (Decrease)</u>
OPERATING REVENUES	\$ 31,583	\$ 29,074	\$ 2,509	8.6%
OPERATING EXPENSES				
Depreciation	105,531	94,240	11,291	12.0%
Other operating expenses	256,827	303,636	(46,809)	-15.4%
Total Operating Expenses	<u>362,358</u>	<u>397,876</u>	<u>(35,518)</u>	<u>-8.9%</u>
Operating Income (Loss)	<u>(330,775)</u>	<u>(368,802)</u>	<u>38,027</u>	<u>-10.3%</u>
NON-OPERATING REVENUES				
Ad valorem taxes	265,332	256,029	9,303	3.6%
Federal grants	1,476,127	28,365	1,447,762	--
State and local grants	2,432,902	38,563	2,394,339	--
Gain on disposal of assets	-	8,778	(8,778)	--
Interest earned	1,967	1,039	928	89.3%
Total Non-Operating Revenues	<u>4,176,328</u>	<u>332,774</u>	<u>3,843,554</u>	<u>1155.0%</u>
CHANGE IN NET POSITION	3,845,553	(36,028)	3,881,581	-10773.8%
NET POSITION				
Beginning of Year	4,609,796	4,645,824	(36,028)	-0.8%
End of Year	<u>\$ 8,455,349</u>	<u>\$ 4,609,796</u>	<u>\$ 3,845,553</u>	<u>83.4%</u>

**GRAND ISLE PORT COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the years ended June 30, 2024 and 2023**

FINANCIAL ANALYSIS (continued)

Key elements of the net position increase are as follows:

Revenues

Total revenues increased \$3,846,063 or 1,062% from the prior year as shown below.

	<u>JUNE 30, 2024</u>	<u>JUNE 30, 2023</u>	<u>\$ Increase (Decrease)</u>	<u>% Increase (Decrease)</u>
Revenues				
Operating Revenues				
Property Rentals	\$ 5,800	\$ 3,700	\$ 2,100	56.8%
Dockage Fees	24,883	22,574	2,309	10.2%
Oyster Leases	900	2,800	(1,900)	-67.9%
Total Operating Revenues	<u>31,583</u>	<u>29,074</u>	<u>2,509</u>	<u>8.6%</u>
Non Operating Revenues				
Ad valorem taxes	265,332	256,029	9,303	3.6%
Federal grants	1,476,127	28,365	1,447,762	5104.0%
State grants	1,522,302	-	1,522,302	--
Parish grants	900,000	-	900,000	--
Other grants	10,600	38,563	(27,963)	-72.5%
Gain on sale of assets	-	8,778	(8,778)	-100.0%
Interest earned	1,967	1,039	928	89.3%
Total Non Operating Revenues	<u>4,176,328</u>	<u>332,774</u>	<u>3,843,554</u>	<u>1155.0%</u>
Total Revenues	<u>\$ 4,207,911</u>	<u>\$ 361,848</u>	<u>\$ 3,846,063</u>	<u>1062.9%</u>

Operating Revenues:

- Property rental income was \$5,800 which increased by \$2,100 is made up of:
 - \$3,700 for the land leases with the State Department of Wildlife and Fisheries and with Louisiana State University (LSU) and
 - \$2,100 for other property leases to commercial enterprises.
- 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 2024 increased \$2,309 from the prior year.
- The Port owns and leases a few oyster beds on the back side of the island. Oyster lease income decreased \$1,900 from the prior year, as most oyster leases are collected on a two year basis.

Non-operating revenues:

- The Port recognized Federal, State and Local grants of \$ 3,909,029; \$3,898,429 of this amount was for grants related to Hurricane Isaac and Hurricane Ida damages. \$10,600 was for the oyster repair project.
- Ad valorem (property) taxes of \$265,332 were recognized in the current fiscal year. An increase of \$9,303 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 \$1,967 an increase of \$928 from the prior year, due to increased interest rates.

**GRAND ISLE PORT COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the years ended June 30, 2024 and 2023**

FINANCIAL ANALYSIS (continued)
Expenses

Total expenses decreased \$35,518 of 8.9% from the prior year as shown below.

	<u>JUNE 30, 2024</u>	<u>% of Total</u>	<u>JUNE 30, 2023</u>	<u>% of Total</u>	<u>\$ Increase (Decrease)</u>	<u>% Increase (Decrease)</u>
Operating Expenses						
Salaries & benefits	\$ 159,258	44.0%	\$ 144,416	36.3%	\$ 14,842	10.3%
Depreciation	105,531	29.1%	94,240	23.7%	11,291	12.0%
Legal & professional	19,675	5.4%	5,041	1.3%	14,634	290.3%
Insurance	13,237	3.7%	14,735	3.7%	(1,498)	-10.2%
Repairs & Maintenance	12,853	3.5%	58,604	14.7%	(45,751)	-78.1%
Utilities	11,886	3.3%	10,099	2.5%	1,787	17.7%
Oyster lease project	10,600	2.9%	38,563	9.7%	(27,963)	-72.5%
Travel and meals	9,794	2.7%	8,518	2.1%	1,276	15.0%
Office Supplies	3,794	1.0%	7,145	1.8%	(3,351)	-46.9%
Other	15,730	4.3%	16,515	4.2%	(785)	-4.8%
Total Operating Expenses	<u>\$ 362,358</u>	<u>100.0%</u>	<u>\$ 397,876</u>	<u>100.0%</u>	<u>\$ (35,518)</u>	<u>-8.9%</u>

- Salaries and benefits of \$159,258 represents 44% of total expenses for the year. The increase of \$14,842 in salaries related expense is due to salary rate increases.
- Depreciation expense of \$105,531 represents 29% of total expenses for the year. The increase of \$11,291 in depreciation expense is due to new assets being purchased in the year.
- Legal and professional fees of \$19,675 represents \$4,800 in legal fees incurred in the normal course of operations and \$14,875 of professional fees primarily related to appraisal costs incurred during the year.
- Repairs and maintenance expenses decreased \$45,731 from the prior year due to a decrease commercial dock repairs .
- Oyster lease projects expenses decreased by \$27,963; the decline is related to the decline in grant revenue received for the project.

**GRAND ISLE PORT COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the years ended June 30, 2024 and 2023**

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The Port's investment in capital assets for its business-type activities as of June 30, 2024 amounts to \$7,983,753 (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 increased by \$3,957,233 or 98% this year due to capital improvements related to the repairs from hurricane damages.

	Balance July 1, 2023	Additions	Deletions	Balance June 30, 2024
Capital assets, not being depreciated				
Land and Improvements	\$ 2,901,691	\$ -	\$ -	\$ 2,901,691
Construction in progress	82,500	3,455,440	-	3,537,940
Total capital assets, not being depreciated	2,984,191	3,455,440	-	6,439,631
Capital assets being depreciated, net				
Buildings	4,240	188,001	-	192,241
Furniture and fixtures	20,457	(5,940)	-	14,517
Vehicles and equipment	49,206	(9,293)	-	39,913
Infrastructure	968,426	329,025	-	1,297,451
Total capital assets being depreciated, net	1,042,329	501,793	-	1,544,122
Total capital assets	\$ 4,026,520	\$ 3,957,233	\$ -	\$ 7,983,753

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

- \$105,531 was recognized as depreciation expense in the current year.
- \$3,445,440 was incurred for the pier and bulkhead project related to Hurricane Isaac damages.
- \$188,629 was related to office building improvements related to Hurricane Ida damages.
- \$418,695 was incurred for infrastructure improvements related to Hurricane Ida for the culvert project, kayak launch, ADA fishing pier and Port facility roads.

Additional information on the Port's capital assets can be found in Note 5 in the notes to the financial statements.

Long-term Debt

The Port did not report any long-term debt at June 30, 2024.

**GRAND ISLE PORT COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the years ended June 30, 2024 and 2023**

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 2024).
- The Port will complete the rebuild the commercial dock and bulkhead damaged by Hurricane Issac. The Port will complete the rebuild of the Port's infrastructure damaged by by Hurricane Ida.
- The Port will purchase cameras with grant funds from the Port Security grant.
- The Port will seek funding for the infrastructure funding for the Shrimp Facility and Oak Lane Dock Facility.
- The Port will seek funding of \$1.5 million to install a drainage pump station on the Commercial Dock.

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

GRAND ISLE PORT COMMISSION
STATEMENTS OF NET POSITION
June 30, 2024 and 2023

	<u>JUNE 30, 2024</u>	<u>JUNE 30, 2023</u>
ASSETS		
Current Assets		
Cash	\$ 240,807	\$ 687,810
Certificates of deposit	23,586	22,964
Accounts receivable	4,286	1,623
Restricted current assets:		
Cash	62,024	246,760
Grant Receivable - FEMA	1,033,138	-
Grant Receivable - State	1,071,355	-
Total Current Assets	<u>2,435,196</u>	<u>959,157</u>
Non Current Assets		
Capital assets, net	<u>7,983,753</u>	<u>4,026,520</u>
TOTAL ASSETS	10,418,949	4,985,677
LIABILITIES		
Current Liabilities		
Accounts payable	-	12,671
Contracts payable	1,648,622	-
Retainage payable	157,872	-
Total current liabilities	<u>1,806,494</u>	<u>12,671</u>
Long-term Liabilities		
Unearned revenue, leases	112,750	116,450
Unearned revenue, grants	44,356	246,760
Total long-term liabilities	<u>157,106</u>	<u>363,210</u>
TOTAL LIABILITIES	1,963,600	375,881
NET POSITION		
Net investment in capital assets	6,177,259	4,026,520
Restricted, grants	2,166,517	246,760
Unrestricted	111,573	336,516
TOTAL NET POSITION	<u>\$ 8,455,349</u>	<u>\$ 4,609,796</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, 2024 and 2023

	<u>JUNE 30, 2024</u>	<u>JUNE 30, 2023</u>
OPERATING REVENUES		
Property Lease	\$ 5,800	\$ 3,700
Dock Leases	24,883	22,574
Oyster Leases	900	2,800
Total Operating Revenue	<u>31,583</u>	<u>29,074</u>
OPERATING EXPENSES		
Advertising	5,070	5,780
Auditing	6,000	6,425
Bank Charges	600	35
Depreciation	105,531	94,240
Dues, subscriptions, membership fees	2,100	1,685
Insurance	13,237	14,735
Legal and professional fees		
General	4,800	5,041
Other	14,875	-
Miscellaneous	153	491
Navigation and safety	286	-
Office supplies	3,794	7,145
Physcials	-	135
Repairs & maintenance		
Auto	978	6,475
Commercial Dock	2,545	39,384
Land/Buildings	9,330	12,745
Oyster lease project	10,600	38,563
Salaries & benefits		
Salaries	147,890	134,782
Taxes - Payroll	11,368	9,634
Telephone	1,521	1,964
Travel and meals	9,794	8,518
Utilities	11,886	10,099
Total Operating Expenses	<u>362,358</u>	<u>397,876</u>
Operating Income (Loss)	\$ (330,775)	\$ (368,802)

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, 2024 and 2023

	<u>JUNE 30, 2024</u>	<u>JUNE 30, 2023</u>
NON-OPERATING REVENUES		
Ad valorem taxes	265,332	256,029
Federal Grants	1,476,127	28,365
State Grants	1,522,302	-
Jefferson Parish Grants	900,000	-
Other Grants	10,600	38,563
Interest earned	1,967	1,039
Gain on disposal of assets	-	8,778
Total Non-Operating Revenues	<u>4,176,328</u>	<u>332,774</u>
CHANGE IN NET POSITION	3,845,553	(36,028)
NET POSITION		
Beginning of Year	4,609,796	4,645,824
End of Year	<u>\$ 8,455,349</u>	<u>\$ 4,609,796</u>

The accompanying notes are an integral part of this statement.

GRAND ISLE PORT COMMISSION
STATEMENTS OF CASH FLOWS
For the Years Ended June 30, 2024 and 2023

	<u>JUNE 30, 2024</u>	<u>JUNE 30, 2023</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from Dock fees, oyster leases, and rentals	\$ 27,883	\$ 25,374
Payments to vendors	(110,240)	(146,549)
Payments to employees - salaries and benefits	(159,258)	(144,416)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>(241,615)</u>	<u>(265,591)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Receipts from ad valorem taxes	262,669	255,295
Receipts from federal grants	210,878	275,125
Receipts from state grants	480,654	-
Receipts from parish grants	900,000	-
Receipts from other grants	10,600	38,563
NET CASH PROVIDED (USED) BY NON-CAPITAL FINANCING ACTIVITIES	<u>1,864,801</u>	<u>568,983</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Payments for improvements in buildings and infrastructure	(2,256,270)	(60,183)
Proceeds from sale of assets	-	8,778
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(2,256,270)</u>	<u>(51,405)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Reinvestment into certificates of deposit	(622)	-
Interest received	1,967	1,039
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>1,345</u>	<u>1,039</u>
NET INCREASE (DECREASE) IN CASH	(631,739)	253,026
CASH AT BEGINNING OF YEAR	934,570	681,544
CASH AT END OF YEAR	<u><u>\$ 302,831</u></u>	<u><u>\$ 934,570</u></u>
RECONCILIATION TO STATEMENT OF NET POSITION		
Cash	\$ 240,807	\$ 687,810
Restricted Cash	62,024	246,760
Total Cash per Statement of Net Position	<u><u>\$ 302,831</u></u>	<u><u>\$ 934,570</u></u>

The accompanying notes are an integral part of this statement.

GRAND ISLE PORT COMMISSION
STATEMENTS OF CASH FLOWS
For the Years Ended June 30, 2024 and 2023

	<u>JUNE 30, 2024</u>	<u>JUNE 30, 2023</u>
RECONCILIATION OF OPERATING INCOME (LOSS)		
TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating income (loss)	\$ (330,775)	\$ (368,802)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities		
Depreciation	105,531	94,240
Changes in assets and liabilities:		
Increase (decrease) in accounts payable	(12,671)	12,671
Increase (decrease) in deferred revenue, leases	(3,700)	(3,700)
Net Adjustments	<u>89,160</u>	<u>103,211</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u><u>\$ (241,615)</u></u>	<u><u>\$ (265,591)</u></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, 2024 and 2023

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 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, 2024 and 2023

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 statement of net position. The statement of revenues, expenses, and changes in net position 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.

The Port considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. An exception to this is federal and state grants collected on a reimbursement basis, which are recognized as revenue when reimbursable expenditures are made. Property taxes associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met. All other revenue items are considered to be measurable and available only when cash is received by the government.

GRAND ISLE PORT COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
For the years ended June 30, 2024 and 2023

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. The Port considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

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, 2024 and 2023 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

GRAND ISLE PORT COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
For the years ended June 30, 2024 and 2023

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

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, 2024 and 2023 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, 2024 and 2023

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. Grant Revenue and Receivables

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 applies 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 requirements 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.

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 are 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, 2024 and 2023

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, 2024	June 30, 2023
Cash	\$ 240,807	\$ 687,900
Restricted Cash	62,024	246,670
Certificates of Deposit	23,586	22,964
	<u>\$ 326,417</u>	<u>\$ 957,534</u>

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, 2024 and 2023, the carrying amount of the Port's deposits (demand deposits and certificates of deposit) was \$336,458 and \$960,148. 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, 2024 and 2023, respectively.

Total Deposits in Bank Accounts per Bank		
	June 30, 2024	June 30, 2023
Cash	\$ 250,848	\$ 606,717
Restricted Cash	62,024	330,467
Certificates of Deposit	23,586	22,964
	<u>\$ 336,458</u>	<u>\$ 960,148</u>
A. Bank balances covered by federal depository insurance	273,586	\$ 272,964
B. Uninsured and collateralized with securities	62,872	687,184
C. Uninsured and uncollateralized	-	-
Total Bank Balances of Deposits Exposed to Custodial Credit Risk	<u>\$ -</u>	<u>\$ -</u>

GRAND ISLE PORT COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
For the years ended June 30, 2024 and 2023

NOTE 3 – CASH AND CASH EQUIVALENTS (CONTINUED)

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, 2024, The Port had \$62,024 in restricted cash, held in a separate bank account for grant expenses.

NOTE 4 – RECEIVABLES

Accounts receivable at June 30, 2024 totaled \$4,287 due from the Jefferson Parish Sheriff for ad valorem taxes.

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

NOTE 5 – CAPITAL ASSETS

Construction in Progress

In the fiscal year ended June 30, 2023, 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. In the fiscal year ended June 30, 2024, the Port signed a contract with Sea Level Construction for \$4,268,965 to complete the pier and bulkhead repair project. The Port incurred expenses of \$3,445,440 for the pier and bulkhead repair project during the fiscal year; which included \$3,157,440 for construction and \$298,000 for engineering costs. The costs are shown as construction in progress until the construction is complete.

Purchases

The Port made the following capital asset expenditures in the year ended June 30, 2024.

<u>CATEGORY AND DESCRIPTION</u>	<u>DISASTER</u>	<u>AMOUNT</u>
Buildings		
Office Building	Hurricane Ida	\$ 188,629
Infrastructure		
Oak Lane culvert project	Hurricane Ida	1,100
Kayak Launch	Hurricane Ida	199,524
ADA fishing pier	Hurricane Ida	23,821
Port facility roads	Hurricane Ida	194,250
		<u>\$ 418,695</u>

GRAND ISLE PORT COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
For the years ended June 30, 2024 and 2023

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, 2023	Additions	Deletions	Balance June 30, 2024
Capital assets, not being depreciated				
Land and Improvements	\$ 2,901,691	\$ -	\$ -	\$ 2,901,691
Construction in progress	82,500	3,455,440	-	3,537,940
Total capital assets, not being depreciated	<u>2,984,191</u>	<u>3,455,440</u>	<u>-</u>	<u>6,439,631</u>
Capital assets, being depreciated				
Buildings	58,915	188,629	-	247,544
Furniture and fixtures	57,292	-	-	57,292
Vehicles and equipment	233,396	-	-	233,396
Infrastructure	1,628,096	418,695	-	2,046,791
Total capital assets, being depreciated	<u>1,977,699</u>	<u>607,324</u>	<u>-</u>	<u>2,585,023</u>
Less accumulated depreciation for				
Buildings	(54,675)	(628)	-	(55,303)
Furniture and fixtures	(36,835)	(5,940)	-	(42,775)
Vehicles and equipment	(184,190)	(9,293)	-	(193,483)
Infrastructure	(659,670)	(89,670)	-	(749,340)
Total accumulated depreciation	<u>(935,370)</u>	<u>(105,531)</u>	<u>-</u>	<u>(1,040,901)</u>
Capital assets being depreciated, net				
Buildings	4,240	188,001	-	192,241
Furniture and fixtures	20,457	(5,940)	-	14,517
Vehicles and equipment	49,206	(9,293)	-	39,913
Infrastructure	968,426	329,025	-	1,297,451
Total capital assets being depreciated, net	<u>1,042,329</u>	<u>501,793</u>	<u>-</u>	<u>1,544,122</u>
Total capital assets	<u>\$ 4,026,520</u>	<u>\$ 3,957,233</u>	<u>\$ -</u>	<u>\$ 7,983,753</u>

The Port recognized depreciation expense in the amount of \$105,531 for the year ended June 30, 2024.

GRAND ISLE PORT COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
For the years ended June 30, 2024 and 2023

NOTE 7 – CURRENT LIABILITIES

For the year ended June 30, 2024, the Port recognized \$1,648,622 in contracts payable and \$157,872 in retainage payable related to the pier and bulkhead repair project.

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

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, 2024 and 2023 were \$24,883 and \$22,574 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, 2024 and 2023 were \$900 and \$2,800

Property leases - 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 \$88,250.

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 \$24,500.

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, 2024 and 2023 were \$3,700 and \$3,700 respectively.

Total unearned revenue - leases recognized for the years ending June 30, 2024 and 2023 were \$112,750 and \$116,450 respectively.

GRAND ISLE PORT COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
For the years ended June 30, 2024 and 2023

NOTE 8 – LEASE REVENUE EARNED AND UNEARNED (CONTINUED)

Property leases - State

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

<u>Year</u>	<u>Year Ended June 30,</u>	<u>LDWF</u>	<u>LSU</u>	<u>Total</u>
1	2025	\$ 3,000	\$ 700	\$ 3,700
2	2026	3,000	700	3,700
3	2027	3,000	700	3,700
4	2028	3,000	700	3,700
5	2029	3,000	700	3,700
6-10	2030 - 2034	15,000	3,500	18,500
11-15	2035 - 2039	15,000	3,500	18,500
16-20	2040 - 2044	15,000	3,500	18,500
21-25	2045 - 2049	15,000	3,500	18,500
26-30	2050 - 2054	13,250	3,500	16,750
31-35	2055 - 2059	-	3,500	3,500
	Total	\$ 88,250	\$ 24,500	\$ 112,750

Property leases - Other

For the year ended June 30, 2024, the Port received \$2,100 in property lease revenue for property it owns.

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, 2024 as there were no outstanding amounts due at June 30, 2024. 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 RECEIVABLES AND GRANT REVENUE – EARNED AND UNEARNED

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 then, 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.

GRAND ISLE PORT COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
For the years ended June 30, 2024 and 2023

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

Hurricane Issac

During the fiscal year ended June 30, 2024, the Port worked with Jefferson Parish and the State of Louisiana to secure additional funding for this project. In this time, the Port signed a cooperative endeavor agreement with Jefferson Parish and received \$900,000 to repair the pier and bulkhead. In addition, the Port signed a cooperative endeavor agreement with the State of Louisiana for \$2,225,000 for this project. In this year, the Port received \$450,946 in funding from the State.

In the fiscal year ended June 30, 2024, the Port signed a contract with Sea Level Construction for \$4,268,965 to complete the pier and bulkhead repair project. The Port incurred expenses of \$3,445,440 for the pier and bulkhead repair project during the fiscal year; which included \$3,157,440 for construction and \$298,000 for engineering costs.

At June 30, 2024, the Port recorded a federal grant receivable of \$1,033,128 and a state grant receivable of \$1,071,355 for the bulkhead and pier project.

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

GRAND ISLE PORT COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
For the years ended June 30, 2024 and 2023

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

Hurricane Ida

For the year ended June 30, 2024, the Port received \$210,878 in FEMA grant money related to Hurricane Ida. The Port incurred expenses of \$605,705 in Hurricane Ida expenses in the fiscal year, the details of which are shown below:

		Year Ended June 30, 2024			
Project No.	Project Description	July 1, 2023 Unearned Grant Revenue	FEMA Grant Money Received	Project Expenses	June 30, 2024 Unearned Grant Revenue
753	Oak Lane Drainage Culvert	\$ -	\$ -	\$ 1,100	\$ -
969	Kayak Launch	104,993	16,628	199,005	-
1078	Office Building	103,297	-	188,629	-
1095	Oak Lane ADA Fishing Pier	25,997	-	23,821	2,176
1255	Office Contents	12,473	-	-	12,473
1520	Facility Roads	-	194,250	194,250	-
		<u>\$ 246,760</u>	<u>\$ 210,878</u>	<u>\$ 605,705</u>	<u>\$ 14,649</u>

Other Grants

State of Louisiana – Port Security Grant

For the year ended June 30, 2024, The Port received a grant of \$29,707 from the State of Louisiana port security grant. Grant expenses were incurred in the subsequent fiscal year and the Port recognized unearned grant revenue of \$29,707 in the statement of net position at the end of the year..

Iberia Development Foundation

For the year ended June 30, 2023, The Port received a grant of \$38,562 from Iberia Development Foundation to make repairs to oyster farms 1 & 2. The work was completed during the fiscal year.

For the year ended June 30, 2024, The Port received a grant of \$10,600 from Iberia Development Foundation to make repairs to oyster farms 1 & 2. The work was completed during the fiscal year.

GRAND ISLE PORT COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
For the years ended June 30, 2024 and 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.

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 2024 and 2023 tax rolls were 4.97 and 4.97, respectively. The amount of revenues generated by the taxes in fiscal years ended June 30, 2024 and 2023 was \$265,332 and \$256,029 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, 2024 and 2023**

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 December 31, 2024, the date the financial statements were available to be issued.

In October 2024, the Port passed a resolution accepting the Pier and Bulkhead Repair project substantially completed. In this month the Port received the \$1,033,138 due from FEMA on this project. In October 2024, the Port moved back into its office space since Hurricane Ida in August of 2021.

OTHER SUPPLEMENTAL INFORMATION

GRAND ISLE PORT COMMISSION
SCHEDULE OF PER DIEM PAID TO BOARD MEMBERS
June 30, 2024 and 2023

<u>Board Member</u>	<u>Amount</u> <u>JUNE 30, 2024</u>	<u>Amount</u> <u>JUNE 30, 2023</u>
Ernie Ballard	\$ -	\$ -
John Cheramie	\$ -	\$ -
Perry Chighizola	\$ -	\$ -
Terrill Pizani	\$ -	\$ -
Bob Sevin	\$ -	\$ -

**GRAND ISLE PORT COMMISSION
SCHEDULE OF COMPENSATION AND OTHER PAYMENTS
TO AGENCY HEAD OR CHIEF EXECUTIVE OFFICER
For the Year Ended June 30, 2024**

Agency Head - Name/Title	Weldon Danos, Director
Purpose	Amount
Salary	\$ 85,844
Benefits- Payroll Taxes (social security & medicare)	6,567
Benefits- Health Insurance	-
Benefits- Life and disability insurance	1,765
Benefits- Other	-
Vehicle Provided by Agency	No
Vehicle-Fringe Benefits	-
Data/Wireless- Benefits	626
Conferences	-
Reimbursements	100
Mileage	124
Travel (Hotel, Air, Car Rental, Taxi, Meals)	5,705
Special Meals	-
Total	<u>\$ 100,731</u>

**GRAND ISLE PORT COMMISSION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2024**

Federal Grantor/Program or Cluster Title	Federal CFDA Number	Grant ID No.	Federal Expenditures (\$)
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Department of Homeland Security

Disaster Grants - Presidentially Declared Disaster	97.036	Hurricane Isaac	\$ 1,033,138
Disaster Grants - Presidentially Declared Disaster	97.036	Hurricane Ida	442,989

Total Department of Homeland Security			\$ 1,476,127
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Total Expenditures of Federal Awards \$ 1,476,127

GRAND ISLE PORT COMMISSION
SCHEDULE OF EXPENDITURE OF FEDERAL AWARDS
For the Year Ended June 30, 2024

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (SEFA) includes the federal award activity of the Grand Isle Port Commission under programs of the Federal government for the year ended June 30, 2024. The information in the SEFA is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the SEFA presents only a selected portion of the operations of the Port, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Port.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported in the SEFA has been prepared on the accrual basis of accounting, the same basis of accounting the Port uses to prepare the financial statements. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Grant revenues are recorded for financial reporting purposes when the Port has met the qualifications for the respective grants.

During the fiscal year the Port received FEMA reimbursements for Hurricane Ida. During the fiscal year the Port incurred expenses for Hurricanes Isaac and Ida.

NOTE C – INDIRECT COST RATE

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

OTHER INDEPENDENT AUDITORS' REPORTS,
FINDINGS AND RECOMMENDATIONS

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 *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of Grand Isle Port Commission (Port), as of and for the year ended June 30, 2024 and the related notes to the financial statements, which collectively comprise Port's basic financial statements and have issued our report thereon dated December 31, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered 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 Port's internal control. Accordingly, we do not express an opinion on the effectiveness of the Port's internal control.

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

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

However, as described in the accompanying schedule of findings and questioned costs we identified certain deficiencies in internal control that we consider to be significant deficiencies. 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. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2024-1, and 2024-2 be a significant deficiencies.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Port's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 are required to be reported under Government Auditing Standards.

Grand Isle Port Commission's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Grand Isle Port Commission's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. Grand Isle Port Commission's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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
December 31, 2024

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

Board of Commissioners
Grand Isle Port Commission
Grand Isle, Louisiana

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Grand Isle Port Commission's (the Port) compliance with the types of compliance requirements identified as subject to auditing the OMB *Compliance Supplement* that could have a direct and material effect on each of the Port's major federal programs for the year ended June 30, 2024. The Port's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Port complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Port and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Port's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Port's federal programs

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Port's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Port's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Port's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Port's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Port's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

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

December 31, 2024

**GRAND ISLE PORT COMMISSION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2024**

SECTION I - SUMMARY OF AUDITOR'S REPORTS

A. Financial Statements

Type of auditor's report issued	<u>Unmodified</u>
Internal control over financial reporting:	
Material weakness identified	<u>No</u>
Significant deficiencies identified	<u>Yes</u>
Compliance findings identified	<u>No</u>
Management letter issued	<u>No</u>

B. Federal Awards

Type of auditor's report issued on compliance for major programs	<u>Unmodified</u>
Internal control over major federal programs:	
Material weakness identified	<u>No</u>
Significant deficiencies identified	<u>No</u>
Dollar threshold used to distinguish between Type A and Type B programs	<u>\$750,000</u>
Auditee qualified as low-risk auditee	<u>No</u>
Identification of major federal programs:	
Disaster Grants - Presidentially Declared Disasters	97.036

SECTION II – FINANCIAL STATEMENT FINDINGS

A. Internal Control Findings - Material Weakness

None

**GRAND ISLE PORT COMMISSION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2024**

SECTION II – FINANCIAL STATEMENT FINDINGS (continued)

B. Internal Control Findings – Significant deficiencies

2024-1 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.

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.

2024-2 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.

**GRAND ISLE PORT COMMISSION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2024**

SECTION II – FINANCIAL STATEMENT FINDINGS (continued)

C. Compliance Findings

None

D. Management Letter

None

Section III Federal Award Findings and Questions Costs

None

**GRAND ISLE PORT COMMISSION
SCHEDULE OF PRIOR YEAR FINDINGS
For the Year Ended June 30, 2024**

Section I Financial Statement Findings

A. Internal Control Findings - Material Weakness

None

B. Internal Control Findings – Significant deficiencies

2023-1 Preparation of Financial Statements by Auditor – Unresolved – See Finding 2024-1

2023-2 Inadequate Segregation of Duties – Unresolved - See Finding 2024-2

C. Compliance Findings

2023-3 Late Filing of Financial Statements – Resolved

D. Management Letter

2023-4 Travel and Employee Reimbursement Policy - Resolved

Section II Federal Award Findings and Questions Costs

Not applicable

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

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INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES

To the 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 01, 2023 through June 30, 2024 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 01, 2023 through June 30, 2024. 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:

1) Written Policies and Procedures

- A. 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:
 - i. ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.
 - ii. ***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.
 - iii. ***Disbursements***, including processing, reviewing, and approving.

- iv. ***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).
- v. ***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.
- vi. ***Contracting***, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- vii. ***Travel and Expense Reimbursement***, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- viii. ***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).
- ix. ***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.
- x. ***Debt Service***, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- xi. ***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.
- xii. ***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: Procedures performed. No exceptions noted

2) Board or Finance Committee

- A. 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
- i. 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.
 - ii. 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 comparisons, at a minimum, on all proprietary funds, and semi-annual budget-to-actual comparisons, 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.*
 - iii. 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.
 - iv. 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: Procedures performed. No exceptions noted.

3) Bank Reconciliations

- A. 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:
- i. 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);
 - ii. 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 within 1 month of the date the reconciliation was prepared (e.g., initialed and dated or electronically logged); and

- iii. 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: Procedures performed. No exceptions noted.

4) Collections (excluding electronic funds transfers)

- A. 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: Procedures performed. No exceptions noted.

- B. 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
 - i. Employees responsible for cash collections do not share cash drawers/registers;
 - ii. 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;
 - iii. 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
 - iv. The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or custodial fund additions, is (are) not also responsible for collecting cash, unless another employee/official verifies the reconciliation.

Results: Procedures performed. No exceptions noted.

- C. 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: Exceptions Noted.

The Port does not carry an insurance policy/surety bond on employees who handle cash/checks.

- D. 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 randomly select a deposit if multiple deposits are made on the same day). *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
- i. Observe that receipts are sequentially pre-numbered.
 - ii. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - iii. Trace the deposit slip total to the actual deposit per the bank statement.
 - iv. 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).
 - v. Trace the actual deposit per the bank statement to the general ledger.

Results: Exceptions Noted

The Port does not have a receipt log in place to determine the receipt date of collections to determine if deposits were not made within one business day.

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

- A. 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: Procedures performed. No exceptions noted.

- B. 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
- i. At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order or making the purchase;
 - ii. At least two employees are involved in processing and approving payments to vendors;

- iii. 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;
- iv. 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
- v. 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.

Results: Procedures performed. No exceptions noted.

- C. 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
 - i. 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
 - ii. 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: Procedures performed. No exceptions noted.

- D. 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: Procedures performed. No exceptions noted.

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

- A. 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: Procedures performed. No exceptions noted.

- B. 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
- i. 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
 - ii. Observe that finance charges and late fees were not assessed on the selected statements.

Results: Procedures performed. No exceptions noted.

- C. 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: Procedures performed. No exceptions noted.

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

- A. 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
- i. 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);
 - ii. If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased;

- iii. 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
- iv. Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Results: Procedures performed. No exceptions noted.

8) Contracts

- A. 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
 - i. 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;
 - ii. Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter);
 - iii. 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
 - iv. 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: Procedures performed. No exceptions noted.

9) Payroll and Personnel

- A. 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: Procedures performed. No exceptions noted.

- B. 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

- i. Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory);
- ii. Observe whether supervisors approved the attendance and leave of the selected employees or officials;
- iii. Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records; and
- iv. Observe the rate paid to the employees or officials agrees to the authorized salary/pay rate found within the personnel file.

Results: Procedures performed. No exceptions noted.

- C. 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: Procedures performed. No exceptions noted.

- D. 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: Procedures performed. No exceptions noted.

10) Ethics

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A obtain ethics documentation from management, and
 - i. 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
 - ii. 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: Procedures performed. No exceptions noted

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

Results: Procedures performed. No exceptions noted.

11) Debt Service

- A. 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: Procedures performed. No exceptions noted

- B. 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: Procedures performed. No exceptions noted

12) Fraud Notice

- A. 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 as required by R.S. 24:523.

Results: Procedures performed. No exceptions noted.

- B. 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: Procedures performed. No exceptions noted.

13) Information Technology Disaster Recovery/Business Continuity

- A. Perform the following procedures, **verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."**
- i. 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.
 - ii. 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.

- iii. 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.

We performed the procedure and discussed the results with management.

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

We performed the procedure and discussed the results with management.

- C. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain cybersecurity training documentation from management, and observe that the documentation demonstrates that the following employees/officials with access to the agency's information technology assets have completed cybersecurity training as required by R.S. 42:1267. The requirements are as follows:

- Hired before June 9, 2020 - completed the training; and
- Hired on or after June 9, 2020 - completed the training within 30 days of initial service or employment.

We performed the procedure and discussed the results with management.

14) Prevention of Sexual Harassment

- A. 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: Procedures performed. No exceptions noted

- B. 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: Procedures performed. No exceptions noted.

- C. 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:
- i. Number and percentage of public servants in the agency who have completed the training requirements;
 - ii. Number of sexual harassment complaints received by the agency;
 - iii. Number of complaints which resulted in a finding that sexual harassment occurred;
 - iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
 - v. Amount of time it took to resolve each complaint.

Results: Procedure performed. No exceptions noted.

Management' Response

The Port concurs with the exceptions and is working to address the deficiencies identified.

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
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