

**GRAND ISLE PORT COMMISSION
STATE OF LOUISIANA**

**FINANCIAL REPORTS
Years Ended June 30, 2021 and 2020**

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INDEPENDENT AUDITOR'S REPORT

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INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Grand Isle Port Commission
Grand Isle, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities of the Grand Isle Port Commission as of and for the fiscal year ended June 30, 2021, 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.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of Grand Isle Port Commission as of June 30, 2021, and the respective changes in financial position and where applicable, cash flows thereof, for the fiscal year then ended, in accordance with accounting principles generally accepted in the United States of America.

Prior Period Financial Statements

The financial statements of the business-type activities of the Grand Isle Port Commission as of and for the fiscal year ended June 30, 2020 were audited by other auditors who reported dated December 11, 2020 expressed an unmodified opinion on those statements.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 – 9 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Government 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 assurance.

Other Information

Our audit was conducted for the purposes 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 and Schedule of Compensation, Benefits, and Other Payments to Agency Head or Chief Executive Officer are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Schedule of Per Diem Paid to Board Members and Schedule of Compensation, Benefits, and Other Payments to Agency Head or Chief Executive Officer are 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Per Diem Paid to Board Members and Schedule of Compensation, Benefits, and Other Payments to Agency Head or Chief Executive Officer are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 5, 2022 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
August 5, 2022

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

As management of the Grand Isle Port Commission (the "Port"), we offer readers of the Port's financial statements this narrative overview and analysis of the financial activities of the Grand Isle Port Commission for the fiscal year ended June 30, 2021. We encourage readers to consider the information presented here in conjunction with the financial statements, which begin on page 10.

FINANCIAL HIGHLIGHTS

- The assets of the Port exceeded its liabilities at the close of the most recent fiscal year by \$4,711,504 (*net position*). Of this amount, \$4,150,939 or 88% is invested in capital assets, such as land, equipment, vehicles, and infrastructure. The remaining balance of \$560,565 (*unrestricted*) or 12 % may be used to meet the government's ongoing obligations to citizens and creditors.
- The Port's total Net Position decreased by \$9,536 or 0.2% during the current year because total revenues \$295,952 were less than total expenses \$307,488.
 - The two major sources of revenues this year was \$259,161 from ad valorem taxes and \$37,610 in rentals.
 - More than 80% of the Port's operating expenses are in four categories. Those expenses are: \$119,258 in salaries & benefits, \$92,764 in depreciation, \$22,621 in legal and professional fees, \$19,944 in repairs and maintenance.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

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

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

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

OVERVIEW OF THE FINANCIAL STATEMENTS (continued)

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

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

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

FINANCIAL ANALYSIS

Net Position. As noted earlier, Net Position may serve over time as a useful indicator of a government's financial position. In the case of the Port, assets exceeded liabilities by \$4,711,504 at June 30, 2021.

**GRAND ISLE PORT COMMISSION
CONDENSED STATEMENT OF NET POSITION
JUNE 30, 2021 AND 2020**

	<u>JUNE 30, 2021</u>	<u>JUNE 30, 2020</u>	<u>\$ Increase (Decrease)</u>	<u>% Increase (Decrease)</u>
ASSETS				
Current Assets	\$ 684,415	\$ 651,455	32,960	5.1%
Property and equipment, net	4,150,939	4,199,689	(48,750)	-1.2%
TOTAL ASSETS	<u>4,835,354</u>	<u>4,851,144</u>	<u>(15,790)</u>	<u>-0.3%</u>
LIABILITIES				
Current Liabilities	123,850	130,104	(6,254)	-4.8%
TOTAL LIABILITIES	<u>123,850</u>	<u>130,104</u>	<u>(6,254)</u>	<u>-4.8%</u>
NET POSITION				
Net investment in capital assets	4,150,939	4,199,689	(48,750)	-1.2%
Unrestricted	560,565	521,351	39,214	7.5%
TOTAL NET POSITION	<u>\$ 4,711,504</u>	<u>\$ 4,721,040</u>	<u>(9,536)</u>	<u>-0.2%</u>

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

FINANCIAL ANALYSIS (continued)

A large portion of the Port's net position \$4,150,939 or 88% reflects its investment in capital assets (e.g., land, buildings, furniture and fixtures, machinery, vehicles and equipment, and infrastructure) less any related debt used to acquire those assets that is still outstanding. The Port used these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the Port's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other resources, since the capital assets themselves cannot be used to liquidate these liabilities.

The balance of *unrestricted net position* \$5560,565 or 12%) may be used to meet the government's ongoing obligations to citizens and creditors.

At June 30, 2021, the Port is able to report positive fund balances in all two categories of Net Position.

The Port's net position decreased by \$9,536 or 0.2%, during the current fiscal year.

Business-type Activities. Business-type activities decreased the Port's by \$9,536 or 0.2%, during the current fiscal year.

**GRAND ISLE PORT COMMISSION
CONDENSED STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEARS ENDED JUNE 30, 2021 and 2020**

	<u>JUNE 30, 2021</u>	<u>JUNE 30, 2020</u>	<u>\$ Increase (Decrease)</u>	<u>% Increase (Decrease)</u>
OPERATING REVENUES	\$ 37,811	\$ 30,264	7,547	24.9%
OPERATING EXPENSES				
Depreciation	92,764	89,211	3,553	4.0%
Other operating expenses	214,724	223,669	(8,945)	-4.0%
Total Operating Expenses	<u>307,488</u>	<u>312,880</u>	<u>(5,392)</u>	<u>-1.7%</u>
Operating Income (Loss)	<u>(269,677)</u>	<u>(282,616)</u>	12,939	-4.6%
NON-OPERATING REVENUES (EXPENSES)				
Ad valorem taxes	259,161	296,893	(37,732)	-12.7%
State capital outlay	-	6,500	(6,500)	-100.0%
Interest earned	980	1,191	(211)	-17.7%
Total Non-Operating Revenue (Expense)	<u>260,141</u>	<u>304,584</u>	<u>(44,443)</u>	<u>-14.6%</u>
CHANGE IN NET POSITION	(9,536)	21,968	(31,504)	-143.4%
NET POSITION				
Beginning of Year	4,721,040	4,699,072	21,968	0.5%
End of Year	<u>\$ 4,711,504</u>	<u>\$ 4,721,040</u>	<u>(9,536)</u>	<u>-0.2%</u>

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

FINANCIAL ANALYSIS (continued)

Key elements of the net position decrease are as follows:

Revenues. Total revenues decreased \$36,896 or 11.0% from the prior year as shown below.

**GRAND ISLE PORT COMMISSION
CONDENSED SCHEDULE OF REVENUES
FOR THE YEARS ENDED JUNE 30, 2021 and 2020**

	<u>JUNE 30, 2021</u>	<u>JUNE 30, 2020</u>	<u>\$ Increase (Decrease)</u>	<u>% Increase (Decrease)</u>
Revenues				
Operating Revenues				
Property Rentals	\$ 3,700	\$ 3,700	\$ -	0.0%
Dockage Fees	33,310	25,552	7,758	30.4%
Oyster Leases	600	200	400	200.0%
Miscellaneous income	201	812	(611)	-75.2%
Total Operating Revenues	<u>37,811</u>	<u>30,264</u>	<u>7,547</u>	<u>24.9%</u>
Non Operating Revenues				
Ad valorem taxes	259,161	296,893	(37,732)	-12.7%
State capital outlay	-	6,500	(6,500)	-100.0%
Interest earned	980	1,191	(211)	-17.7%
Total Non Operating Revenues	<u>260,141</u>	<u>304,584</u>	<u>(44,443)</u>	<u>-14.6%</u>
Total Revenues	<u>\$ 297,952</u>	<u>\$ 334,848</u>	<u>\$ (36,896)</u>	<u>-11.0%</u>

- Property rental income of \$3,700 for the land leases with the State Department of Wildlife and Fisheries and with Louisiana State University (LSU).
 - The Wildlife lease is for 50 years. The upfront rental payment of \$150,000 has been recognized as unearned income and will be amortized (i.e., recognized) over the term of the lease. Thus, current year revenue was \$3,000 and the unearned income equals \$100,250 at year end.
 - The LSU lease is also for 50 years. The upfront rental payment of \$35,000 has been recognized as unearned income and will be amortized (i.e., recognized) over the term of the lease. Thus, current year revenue on this lease is \$700 and unearned income equals \$27,300 at year end.
- The dock rental fees relate to the commercial dock opened on the old Estay property during 2013. Boat slips are rented to commercial enterprises. The total rent for 2021 was up \$7,758 from last year.
- The Port owns and leases a few oyster beds on the back side of the island. Oyster lease income was up \$400 from last year.

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

FINANCIAL ANALYSIS (continued)

Revenues (continued)

- Ad valorem (property) taxes of \$259,161 were recognized in 2021 (see graph above). This is a decrease of \$37,732 or 12.7% from the prior year due to lower collections and slightly lower assessed values by the Assessor's Office.
- Interest income was \$980, a decrease of \$211 from the prior year. This low amount is being caused by low investable balances and interest rates.

Expenses. Total expenses decreased \$5,392 or 1.7% from the prior year as shown below.

**GRAND ISLE PORT COMMISSION
CONDENSED SCHEDULE OF EXPENSES
FOR THE YEARS ENDED JUNE 30, 2021 and 2020**

	<u>JUNE 30, 2021</u>	<u>% of Total</u>	<u>JUNE 30, 2020</u>	<u>% of Total</u>	<u>\$ Increase (Decrease)</u>	<u>% Increase (Decrease)</u>
Operating Expenses						
Salaries & benefits	\$ 119,258	38.8%	\$ 99,316	31.7%	\$ 19,942	20.1%
Depreciation	92,764	30.2%	89,211	28.5%	3,553	4.0%
Legal & professional	22,621	7.4%	59,864	19.1%	(37,243)	-62.2%
Repairs & Maintenance	19,944	6.5%	18,055	5.8%	1,889	10.5%
Insurance	14,045	4.6%	11,186	3.6%	2,859	25.6%
Utilities	13,488	4.4%	10,625	3.4%	2,863	26.9%
Office Supplies	13,062	4.2%	5,934	1.9%	7,128	120.1%
Other	12,306	4.0%	18,689	6.0%	(6,383)	-34.2%
Total Operating Expenses	<u>\$ 307,488</u>	<u>100.0%</u>	<u>\$ 312,880</u>	<u>100.0%</u>	<u>\$ (5,392)</u>	<u>-1.7%</u>

- Salaries and benefits of \$119,258 represents 38.8% of total expenses for the year. The increase of \$19,942 in salaries related expense is due to salary rate increases.
- Depreciation expense of \$92,764 represents 30.2% of total expenses for the year. The increase of \$3,553 in depreciation expense is due primarily to the purchase of a new vehicle in the current fiscal year.
- Legal and professional fees of \$22,621 represents 7.4% of total expenses for the year. The decrease of \$37,243 legal and professional expense is due to a decrease in channel permit fees and engineering costs as compared to the prior year.

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

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets. The Port's investment in capital assets for its business-type activities as of June 30, 2021 amounts to \$4,150,939 (net of accumulated depreciation). This investment in capital assets includes land, buildings, furniture and fixtures, machinery, vehicles and equipment, and infrastructure. The Port's investment in capital assets decreased by \$48,750 or 1.2% this year, as additions of \$44,014 were offset by depreciation of \$92,764.

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

	<u>Balance</u> <u>July 1, 2020</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2021</u>
Capital assets, not being depreciated				
Land and Improvements	\$ 2,901,691	\$ -	\$ -	\$ 2,901,691
Construction in progress	82,500	-	-	82,500
Total capital assets, not being depreciated	<u>2,984,191</u>	<u>-</u>	<u>-</u>	<u>2,984,191</u>
Capital assets being depreciated, net				
Buildings	1,123	3,596	-	4,719
Furniture and fixtures	12,627	(949)	-	11,678
Vehicles and equipment	3,362	29,374	-	32,736
Infrastructure	1,198,386	(80,771)	-	1,117,615
Total capital assets being depreciated, net	<u>1,215,498</u>	<u>(48,750)</u>	<u>-</u>	<u>1,166,748</u>
Total capital assets	<u>\$ 4,199,689</u>	<u>\$ (48,750)</u>	<u>\$ -</u>	<u>\$ 4,150,939</u>

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

- \$36,183 was spent to acquire a Ford Expedition in the current year.
- \$7,813 in other purchases were for laptops and a 3 ton air condition unit.
- \$92,764 was recognized as depreciation expense in the current year.

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

Long-term Debt. The Port did not report any long-term debt at June 30, 2021.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

- The ad valorem millage rate levied for the 2021 (next year's) tax roll was 4.97 mills (the same as in 2020).

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.

FINANCIAL STATEMENTS

GRAND ISLE PORT COMMISSION
STATEMENTS OF NET POSITION
June 30, 2021 and 2020

	<u>JUNE 30, 2021</u>	<u>JUNE 30, 2020</u>
ASSETS		
Current Assets		
Cash	\$ 658,036	\$ 624,609
Certificates of deposit and savings	22,964	22,850
Accounts receivable	3,415	1,224
Prepaid items	-	2,772
Total Current Assets	<u>684,415</u>	<u>651,455</u>
Property and equipment, net	4,150,939	4,199,689
TOTAL ASSETS	<u>4,835,354</u>	<u>4,851,144</u>
 LIABILITIES		
Current Liabilities		
Accounts payable	-	2,025
Payroll taxes payable	-	529
Unearned income	123,850	127,550
Total Current Liabilities	<u>123,850</u>	<u>130,104</u>
TOTAL LIABILITIES	<u>123,850</u>	<u>130,104</u>
 NET POSITION		
Net investment in capital assets	4,150,939	4,199,689
Unrestricted	560,565	521,351
TOTAL NET POSITION	<u>\$ 4,711,504</u>	<u>\$ 4,721,040</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, 2021 and 2020

	<u>JUNE 30, 2021</u>	<u>JUNE 30, 2020</u>
OPERATING REVENUES		
Property Rentals	\$ 3,700	\$ 3,700
Dockage Fees	33,310	25,552
Oyster Leases	600	200
Miscellaneous income	201	812
Total Operating Revenue	<u>37,811</u>	<u>30,264</u>
OPERATING EXPENSES		
Advertising	666	293
Auditing	3,500	4,875
Bank charges	-	156
Commercial Dock - operating costs	374	524
Depreciation	92,764	89,211
Dues, subscriptions, membership fees	1,310	1,310
Insurance	14,045	11,186
Legal and professional fees		
General	10,974	5,963
Caminada Marker lawsuit	-	12,040
Other	11,647	41,861
Miscellaneous	619	347
Navigation and safety	31	1,390
Office supplies	13,062	5,934
Oyster lease project	640	-
Physcials	65	-
Repairs & maintenance		
Auto	560	1,703
Boat	-	(35)
Commercial Dock - pilings	5,208	1,093
Highway 1 site	5,711	3,569
Security cameras and supplies	-	1,486
Land/Buildings	8,465	10,239
Signs		
Levees	-	6,500
Site expense - Hwy 1	-	2,232
Salaries & benefits		
Salaries	110,657	92,255
Taxes - Payroll	8,601	7,061
Telephone	2,997	2,271
Travel and meals	2,104	(2,447)
Utilities (electricity, cable, internet, water)	13,488	10,625
Workers compensation insurance	-	1,238
Total Operating Expenses	<u>307,488</u>	<u>312,880</u>
Operating Income (Loss)	\$ (269,677)	\$ (282,616)

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, 2021 and 2020

	JUNE 30, 2021	JUNE 30, 2020
NON-OPERATING REVENUES (EXPENSES)		
Ad valorem taxes	259,161	296,893
State capital outlay	-	6,500
Interest earned on bank accounts and investments	980	1,191
Total Non-Operating Revenue (Expense)	260,141	304,584
 CHANGE IN NET POSITION	 (9,536)	 21,968
 NET POSITION		
Beginning of Year	4,721,040	4,699,072
End of Year	\$ 4,711,504	\$ 4,721,040

The accompanying notes are an integral part of this statement.

**GRAND ISLE PORT COMMISSION
STATEMENTS OF CASH FLOWS
For the Years Ended June 30, 2021 and 2020**

	JUNE 30, 2021	JUNE 30, 2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Dock Fees, oyster leases, and rentals	\$ 33,910	\$ 25,752
Miscellaneous receipts	201	812
Payments to vendors	(94,719)	(120,509)
Payments to employees - salaries and benefits	(119,787)	(100,649)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	(180,395)	(194,594)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Ad valorem taxes	256,970	297,224
Receipts from State Capital Outlay - Access Rd	-	6,500
NET CASH PROVIDED (USED) BY NON-CAPITAL FINANCING ACTIVITIES	256,970	303,724
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchase of furniture, vehicles and equipment	(44,014)	(9,876)
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	(44,014)	(9,876)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of certificates of deposit	(114)	(22,850)
Maturity of certificates of deposit	-	22,554
Interest received	980	1,191
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	866	895
NET INCREASE (DECREASE) IN CASH	33,427	100,149
CASH AT BEGINNING OF YEAR	624,609	524,460
CASH AT END OF YEAR	\$ 658,036	\$ 624,609
RECONCILIATION TO BALANCE SHEET		
Unrestricted Cash	\$ 658,036	\$ 624,609
Total Cash Reported on Balance Sheet	\$ 658,036	\$ 624,609
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating income (loss)	\$ (269,677)	\$ (282,616)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities		
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable	-	475
(Increase) decrease in prepaid items	2,772	106
Increase (decrease) in accounts payable	(2,025)	2,025
Increase (decrease) in payroll taxes payable	(529)	(95)
Increase (decrease) in deferred revenue	(3,700)	(3,700)
Depreciation	92,764	89,211
Net Adjustments	89,282	88,022
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ (180,395)	\$ (194,594)

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, 2021 and 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Grand Isle Port Commission (the Port) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Port's accounting policies are described below.

Reporting Entity

GASB Codification Section 2100 establishes criteria for determining the governmental reporting entity and its component units. Component units are defined as legally separate organizations for which the elected officials of a primary government are financially accountable. The criteria used in determining whether financial accountability exists include the appointment of a voting majority of an organization's governing board, the ability of the primary government to impose its will on that organization or whether there is a potential for the organization to provide specific financial benefits or burdens to the primary government. Fiscal dependency may also play a part in determining financial accountability. In addition, a component unit can be another organization for which the nature and significance of its relationship with a primary government is such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The Port was created by Louisiana Revised Statute (LSA-RS 34:251). It includes all land in the within the Town of Grand Isle=s boundaries and all of Ward 11 of Jefferson Parish. The governing board of commissioners administers the operations and responsibilities in accordance with the provisions of Louisiana statutes. The five members of the Board are appointed by the Governor of the State of Louisiana from a list of nominations submitted by the Town of Grand Isle Mayor and Board of Aldermen. 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 Astand-alone@ government. Likewise, the Division of Administration for the State of Louisiana treats the Port as a primary government. The accompanying statements present only transactions of the Port.

Description of Activities

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

**GRAND ISLE PORT COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
For the years ended June 30, 2021 and 2020**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-wide and Fund Financial Statements

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

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

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

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

Cash and Investments

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

**GRAND ISLE PORT COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
For the years ended June 30, 2021 and 2020**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Investments (continued)

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

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

Inventories

The cost of materials and supplies acquired by the Port are recorded as expenses at the time of purchase. It is management's opinion that the inventory of such materials and supplies at June 30, 2021 and 2020 are not material to the financial statements.

Capital Assets

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

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

The useful lives used for computing depreciation are as follows:

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

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

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

**GRAND ISLE PORT COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
For the years ended June 30, 2021 and 2020**

NOTE 3 – CASH AND CASH EQUIVALENTS

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

Total Deposits in Bank Accounts per Statement of Net Position

	June 30, 2021			June 30, 2020		
	Cash	Certificates Of Deposit	Total	Cash	Certificates Of Deposit	Total
Deposits in Bank Accounts per Statement of Net Position	\$ 658,036	\$ 22,964	\$ 681,000	\$ 624,609	\$ 22,850	\$ 647,459

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, 2021 and 2020, the carrying amount of the Port's deposits (demand deposits and certificates of deposit) was \$681,000 and \$647,459. Of the bank balances, \$1,250,000 and \$1,250,000 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 Board's name at June 30, 2021 and 2020, respectively.

**Total Bank Balances of Deposits
Exposed to Custodial Credit Risk**

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

GRAND ISLE PORT COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
For the years ended June 30, 2021 and 2020

NOTE 4 – RECEIVABLES

Accounts receivable at June 30, 2021 totaled \$3,415 and are made up of \$3,415 due from the Jefferson Parish Sheriff for ad valorem taxes. The receivables at June 30, 2020 totaled \$1,224 and were made up of \$1,224 due from the Jefferson Parish Sheriff for ad valorem taxes.

NOTE 5 – CAPITAL ASSETS

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

	Balance July 1, 2020	Additions	Deletions	Balance June 30, 2021
Capital assets, not being depreciated				
Land and Improvements	\$ 2,901,691	\$ -	\$ -	\$ 2,901,691
Construction in progress	82,500	-	-	82,500
Total capital assets, not being depreciated	<u>2,984,191</u>	<u>-</u>	<u>-</u>	<u>2,984,191</u>
Capital assets, being depreciated				
Buildings	54,115	4,800	-	58,915
Furniture and fixtures	35,619	3,031	-	38,650
Vehicles and equipment	191,886	36,183	-	228,069
Infrastructure	1,615,425	-	-	1,615,425
Total capital assets, being depreciated	<u>1,897,045</u>	<u>44,014</u>	<u>-</u>	<u>1,941,059</u>
Less accumulated depreciation for				
Buildings	(52,992)	(1,124)	-	(54,116)
Furniture and fixtures	(22,992)	(3,980)	-	(26,972)
Vehicles and equipment	(188,524)	(6,809)	-	(195,333)
Infrastructure	(417,039)	(80,771)	-	(497,810)
Total accumulated depreciation	<u>(681,547)</u>	<u>(92,684)</u>	<u>-</u>	<u>(774,231)</u>
Capital assets being depreciated, net				
Buildings	1,123	3,676	-	4,799
Furniture and fixtures	12,627	(949)	-	11,678
Vehicles and equipment	3,362	29,374	-	32,736
Infrastructure	1,198,386	(80,771)	-	1,117,615
Total capital assets being depreciated, net	<u>1,215,498</u>	<u>(48,670)</u>	<u>-</u>	<u>1,166,828</u>
Total capital assets	<u>\$ 4,199,689</u>	<u>\$ (48,670)</u>	<u>\$ -</u>	<u>\$ 4,151,019</u>

GRAND ISLE PORT COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
For the years ended June 30, 2021 and 2020

NOTE 5 – CAPITAL ASSETS (continued)

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

The \$82,500 in costs were capitalized into construction in progress at June 30, 2018. The project was bid out in 2020; however, the lowest bid was significantly over the funding allowed by FEMA. The Port has requested a revision to the Project Worksheet to account for the actual bid and is waiting to hear back from FEMA before awarding the contract and moving forward.

NOTE 6 – LEASES

Leases to State

On December 1, 2003, the Port leased a portion of land to the Louisiana Department of Wildlife and Fisheries for a period of 50 years. The Port retains title to the land at lease-end and all leasehold improvements erected by the State will be removed at the term of the lease or will revert to the Port. The Port received an up-front rental fee of \$150,000 for the lease. This revenue will be deferred and recognized over the life of the lease on the straight-line method. Thus, rental revenue of \$3,000 is shown along with an unearned income of \$100,250.

On August 21, 2010, the Port leased a portion of land to the Louisiana State University and Agricultural and Mechanical College for a period of 50 years, retroactively effect to July 1, 2010. The Port retains title to the land at lease-end and all leasehold improvements erected by the State will be removed at the term of the lease or will revert to the Port. The Port received an up-front rental fee of \$35,000 on August 21, 2010 for the lease. This revenue will be deferred and recognized over the life of the lease on the straight-line method. Thus, rental revenue of \$700 is shown along with an unearned income of \$27,300.

NOTE 7 – AD VALOREM TAXES

Louisiana Revised Statutes (LRS 34:254(A)) provides the Port with the authority to levy annually, an ad valorem tax not to exceed ten (10) mills. On November 5, 1996, the Port received approval by a vote of the citizens to levy a ten year 5 mill tax for acquiring, constructing, improving, maintaining or operating structures, facilities, and services (including economic development). This millage was renewed in the spring of 2016.

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

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

**GRAND ISLE PORT COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
For the years ended June 30, 2021 and 2020**

NOTE 7 – AD VALOREM TAXES (continued)

The numbers of mills levied for operations on the 2021 and 2020 tax rolls were 4.97 and 4.97, respectively. The amount of revenues generated by the taxes in fiscal years ended June 30, 2021 and 2020 was \$259,161 and \$296,893, respectively.

NOTE 8 - PER DIEM PAID TO BOARD MEMBERS

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

Schedule of Per Diem Paid to Board Members

<u>Board Member</u>	<u>Position</u>	<u>Amount June 30, 2021</u>	<u>Amount June 30, 2021</u>
Bob Sevin	President	\$ -	\$ -
Terrill Pizani	Vice-President	\$ -	\$ -
Juanita Cheramie	Secretary / Treasurer	\$ -	\$ -
Perry Chighizola	Commissioner	\$ -	\$ -
Ambrose Besson	Commissioner	\$ -	\$ -

NOTE 9 - COMMITMENTS AND CONTINGENCIES

Risk Management and Litigation

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

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

The Port settled a claim in November 2020 that did not exceed the commercial coverage provided by the policies noted above. There were no other known claims outstanding according to the Port’s attorneys

GRAND ISLE PORT COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
For the years ended June 30, 2021 and 2020

NOTE 9 – SUBSEQUENT EVENTS

The Port has evaluated subsequent events through August 5, 2022, the date the financial statements were available to be issued. See Note E for a discussion of any subsequent events noted.

SUPPLEMENTAL INFORMATION

GRAND ISLE PORT COMMISSION
SCHEDULE OF PER DIEM PAID TO BOARD MEMBERS
For the Years Ended JUNE 30, 2021 AND 2020

<u>Board Member</u>	<u>Amount</u> <u>June 30, 2021</u>	<u>Amount</u> <u>June 30, 2020</u>
Bob Sevin	\$ -	\$ -
Terrill Pizani	\$ -	\$ -
Juanita Cheramie	\$ -	\$ -
Perry Chighizola	\$ -	\$ -
Ambrose Besson	\$ -	\$ -

**GRAND ISLE PORT COMMISSION
SCHEDULE OF COMPENSATION AND OTHER PAYMENTS
TO AGENCY HEAD OR CHIEF EXECUTIVE OFFICER
For the Year Ended June 30, 2021**

Agency Head - Name/Title	Wayne Keller, Director	
Period	July 2020 - October 2020	
Purpose	Amount	
Salary	\$	15,673
Benefits- Payroll Taxes (social security & medicare)		1,207
Benefits- Health Insurance		-
Benefits- Other		-
Vehicle Provided by Agency		No
Vehicle-Fringe Benefits		-
Data/Wireless- Benefits		-
Conferences		-
Reimbursements		-
Travel (Hotel, Air, Car Rental, Taxi, Meals)		-
Special Meals		-
Total	<u>\$</u>	<u>16,880</u>

Agency Head - Name/Title	Weldon Danos, Director	
Period	November 2020 - June 2021	
Purpose	Amount	
Salary	\$	40,620
Benefits- Payroll Taxes (social security & medicare)		3,128
Benefits- Health Insurance		-
Benefits- Other		-
Vehicle Provided by Agency		No
Vehicle-Fringe Benefits		-
Data/Wireless- Benefits		-
Conferences		-
Reimbursements		-
Travel (Hotel, Air, Car Rental, Taxi, Meals)		-
Special Meals		-
Total	<u>\$</u>	<u>43,748</u>

COMPLIANCE SECTION

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

Board of Commissioners
Grand Isle Port Commission
Grand Isle, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the the business-type activities of the Grand Isle Port Commission as of and for the fiscal year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Grand Isle Port Commission's basic financial statements and have issued our report thereon dated August 5, 2022.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Grand Isle Port Commission's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Grand Isle Port Commission's internal control. Accordingly, we do not express an opinion on the effectiveness of the Grand Isle Port Commission's internal control.

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, as described in the accompanying schedule of findings and responses, we did identify certain deficiencies in internal control that we consider to be significant deficiencies. We consider the deficiencies described in the accompany schedule of findings and responses as items. 2021-1 and 2021-2 to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Grand Isle Port Commission's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that is required to be reported under *Government Auditing Standards*.

Grand Isle Port Commission, Louisiana's Responses to Findings

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

Purpose of this Report

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

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

Camnetar & Co.

Camnetar & Co., CPAs

a professional accounting corporation

Gretna, Louisiana

August 5, 2022

**GRAND ISLE PORT COMMISSION
SCHEDULE OF FINDINGS AND RESPONSES
For the Year Ended June 30, 2021**

We have audited the financial statements of the Grand Isle Port Commission as of and for the year ended June 30, 2021, and have issued our report thereon dated August 5, 2022. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our audit of the financial statements as of June 30, 2021 resulted in an unmodified opinion.

SECTION I - SUMMARY OF AUDITOR'S REPORTS

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

Internal Control
Material Weakness Yes No Significant Deficiencies Yes No

Compliance
Compliance Material to Financial Statements Yes No

Was a management letter issued? Yes No

B. Federal Awards

The Grand Isle Port Commission did not expend federal awards exceeding \$750,000 during the year ended June 30, 2021, and therefore is exempt from the audit requirements under the Uniform Guidance.

SECTION II – FINANCIAL STATEMENT FINDINGS

A. Internal Control Findings – Significant deficiencies

2021-1 Preparation of Financial Statements by Auditor

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

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

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

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

**GRAND ISLE PORT COMMISSION
SCHEDULE OF FINDINGS AND RESPONSES
For the Year Ended June 30, 2021**

SECTION II – FINANCIAL STATEMENT FINDINGS (continued)

A. Internal Control Findings – Significant deficiencies (continued)

2021-2 Inadequate Segregation of duties

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

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

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

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

B. Internal Control Findings - Material Weakness

None

C. Compliance Findings

None

D. Management Letter

None

Section III Federal Award Findings and Questions Costs

Not applicable

**GRAND ISLE PORT COMMISSION
SCHEDULE OF PRIOR YEAR FINDINGS
For the Year Ended June 30, 2021**

Section I Financial Statement Findings

A. Internal Control Findings – Significant deficiencies

SD #20-01 Inadequate Segregation of Duties – Unresolved - See Finding 2021-2

SD #20-02 Preparation of Financial Statements by Auditor – Unresolved – See Finding 2021-1

B. Internal Control Findings - Material Weakness

None

C. Compliance Findings

None

D. Management Letter

None

Section II Federal Award Findings and Questions Costs

Not applicable

**GRAND ISLE PORT COMMISSION
MANAGEMENT'S CORRECTIVE ACTION PLAN
For the Year Ended June 30, 2021**

2021-1 Preparation of Financial Statements by Auditor

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

2021-2 Inadequate Segregation of duties

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