

**TOWN OF GRAND ISLE
LOUISIANA**

**FINANCIAL REPORT
For the Fiscal Year Ended June 30, 2018**

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FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

The Honorable David Camardelle, Mayor
and the Board of Aldermen
Town of Grand Isle, Louisiana

I have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Town of Grand Isle, Louisiana (the Town), as of and for the fiscal year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Town'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

My responsibility is to express opinions on these financial statements based on my audit. I conducted my 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 I 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, I 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.

I believe that the audit evidence that I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

Opinions

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town as of June 30, 2018, and the respective changes in financial position and cash flows, where applicable thereof, and the respective budgetary comparison for the General Fund, the Community Center and Playground District No. 16 Special Revenue Fund, and the FEMA - Repetitive Flood Claims Grant Special Revenue Fund for the fiscal year then ended, in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

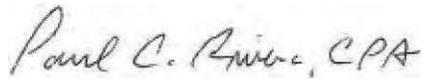
Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 3 through 17 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Government 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. I 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 my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide assurance.

Other Information

My audit was conducted for the purposes of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The combining and individual fund statements and schedules and other information, as listed in the table of contents, are not a required part of the basic financial statements. This information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. 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 my opinion, the combining and individual fund statements and schedules and other information is 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*, I have also issued a report dated December 1, 2018 on my consideration of the Town's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and important for assessing the results of my audit.

Paul C. Rine, CPA

December 1, 2018

TOWN OF GRAND ISLE
PO BOX 200 LUDWIG LANE
GRAND ISLE, LA 70358

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Town of Grand Isle, Louisiana, we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town of Grand Isle, Louisiana for the fiscal year ended June 30, 2018.

We encourage readers to consider the information presented here in conjunction with the financial statements, which begin on page 20. All amounts in this discussion, unless otherwise noted, are expressed in thousands (\$1,000s) of dollars.

FINANCIAL HIGHLIGHTS

- The auditor's opinion was "unmodified" (i.e., a clean opinion) for the year ended June 30, 2018.
- The assets of the Town exceeded its liabilities at the close of the most recent fiscal year by \$27,887 (*net position*). Of this amount, \$21,689, or 77.8 percent, is invested in capital assets, such as building, equipment, vehicles, and infrastructure, net of related debt. \$703 or 2.5 percent is restricted for debt service and the remaining balance of \$5,495 (*unrestricted net position*) or 19.7 percent may be used to meet the government's ongoing obligations to citizens and creditors.
- The Town's total net position increased by \$1,329 or 5.0 percent during the current year because total revenues (\$7,606) were more than expenses (\$6,277) by that amount. See the table below for explanations on why the change occurred. The Town's governmental activities resulted in a current year net increase of \$1,607, while the business-type activities saw a decrease of \$(278).
- As of the close of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$5,617, an increase of \$113 or 2.1 percent from the prior year. Of this amount, \$9 or 0.2 percent is categorized as *non-spendable*, \$46 or 0.8 percent is categorized as *restricted fund balance*, \$1,459 or 26.0 percent is categorized as *assigned fund balance* and \$4,103 or 73.0 percent is categorized as *unassigned fund balance*. Restricted and assigned fund balance is generally for a specific purpose, while unassigned fund balance is available for spending at the government's discretion (see Note D.6 for further discussion).
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$4,103 or 73.0 percent of the total governmental fund balances and 70.2 percent of current year general fund expenditures.
- The Town's Business-type Enterprise Funds ended the year with a positive \$3,333 in net position; however, the Gas Utility Fund showed a deficit in unrestricted net position of \$(147).
- The Town and the surrounding areas have been struck by hurricanes and tropical storms in 2005, 2008, 2012, and again in 2017. The Town continues to recover and rebuild. See Note E.2 in the financial statements for more details on the public assistance claims with FEMA related to these storms.
- The Town's hurricane protection levee suffered severe erosion in 2016 and 2017 and the Town had to make emergency restoration repairs. During 2018, the work was funded with money from the CPRA (\$1,200) and the Parish of Jefferson (\$894). The work on the levee was completed in 2018.

- The Town halted work on the FEMA Repetitive Flood Claims housing elevation project late in 2016. The activity was being accounted for in a major special revenue fund. Expenditures of \$-0- were incurred during 2018. The project was estimated to cost up to \$3,398; however, it was put on hold as the Parish took over the administration of the remaining costs. During 2018, the balances on hand were settled up with the Parish and the fund was closed. See Note F.3 for more information.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to Town's basic financial statements. The Town's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The "government-wide financial statements" are designed to provide readers with a broad overview of the Town's finances, in a manner similar to a private-sector business.

The "*Statement of Net Position*" presents information on all of the Town's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

The "*Statement of Activities*" presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes).

Both of the government-wide financial statements are designed to distinguish functions of the Town 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*). The Town's governmental activities include executive, general government, public safety, public works, health and welfare and culture, recreation and tourism functions. The business-type activities of the Town include Waterworks and Gas utilities.

The government-wide financial statements include only the financial activities of the Town. The Town has reports on one "component unit" – the Community Center and Playground District No. 16 Special Revenue fund, which has been "blended" into the Town's operations.

The government-wide financial statements can be found on pages 20 and 21 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 Town, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Town's funds are classified into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds. "Governmental funds" are used to account for essentially the same functions reported as "governmental activities" in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-*term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for “governmental funds” with similar information presented for “governmental activities” in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government’s near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between “governmental fund” and “governmental activities”.

The Town maintains nine governmental funds that are grouped for management purposes into various fund types. Information is presented separately in the governmental fund balance sheet and in the governmental statement of revenues, expenditures, and changes in fund balances for the General fund, the Community Center and Playground District No. 16 Special Revenue Fund, and the FEMA Repetitive Flood Claims Grant Special Revenue Fund, all of which are considered to be “major” funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of “combining statements” elsewhere in this report.

The Town adopts an annual appropriated budget for its General fund and for its two major funds - the Community Center and Playground District No. 16 Special Revenue Fund and the FEMA Repetitive Flood Claims Grant Special Revenue Fund. A budgetary comparison statement has been provided for each fund to demonstrate compliance with these budgets.

The basic governmental fund financial statements can be found on pages 22 to 28 of this report.

Proprietary funds. The Town maintains one type of proprietary fund – *Enterprise*. Enterprise funds are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The Town uses enterprise funds to account for its Waterworks and Gas Utilities.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Waterworks Utilities fund and the Gas Utilities fund, both of which are considered to be major funds of the Town.

The basic proprietary fund financial statements can be found on pages 29 to 31 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government entity. The Town maintains one agency fund to account for donations received from the public for disaster relief. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the Town’s own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund financial statements can be found on page 32 of this report.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 33 to 61 of this report.

Other information. The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the notes to the financial statements. Combining statements for non-major governmental can be found on pages 65 - 76 of this report. Individual fund statements and schedules, which show additional detailed financial information of some of the funds, are found on pages 77 to 90. Other information, which includes a Schedule of Expenditures of Federal Funds and other state and bond covenant-required schedules, is included on pages 92 to 100.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Position may serve over time as a useful indicator of a government’s financial position. In the case of the Town, assets exceeded liabilities by \$27,887 at June 30, 2018.

A large portion of the Town’s net position (\$21,689 or 77.8 percent) reflects its investment in capital assets (e.g., land, buildings, furniture and fixtures, machinery, vehicles and equipment, and infrastructure); net of any related debt used to acquire those assets that are still outstanding. The Town used these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the Town’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.

**TOWN OF GRAND ISLE, LOUISIANA
NET POSITION**

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Current and other assets	\$ 5,879	\$ 6,795	\$ 18	\$ (84)	\$ 5,897	\$ 6,711
Restricted assets	0	0	654	644	654	644
Capital assets	18,937	17,444	10,147	10,602	29,084	28,046
Total assets	<u>24,816</u>	<u>24,239</u>	<u>10,819</u>	<u>11,162</u>	<u>35,635</u>	<u>35,401</u>
Long-term liabilities outstanding	0	0	7,423	7,499	7,423	7,499
Payable from restricted assets	0	0	49	47	49	47
Other liabilities	262	1,292	14	5	276	1,297
Total liabilities	<u>262</u>	<u>1,292</u>	<u>7,486</u>	<u>7,551</u>	<u>7,748</u>	<u>8,843</u>
Net position:						
Net investment in capital assets	18,937	17,444	2,752	3,132	21,689	20,576
Restricted	0	0	703	643	703	643
Unrestricted	5,617	5,503	(122)	(164)	5,495	5,339
Total net position	<u>\$ 24,554</u>	<u>\$ 22,947</u>	<u>\$ 3,333</u>	<u>\$ 3,611</u>	<u>\$ 27,887</u>	<u>\$ 26,558</u>

The Town’s *restricted net position* totals \$703 (or 2.5 percent). These monies represent funds restricted to servicing the debt on the water revenue bonds, as well as funds held on deposit in the gas utilities fund.

The balance of *unrestricted net position* of \$5,495 (or 19.7 percent) may be used to meet the government’s ongoing obligations to citizens and creditors.

At June 30, 2018, the Town is able to report positive balances in all three categories of total net position, although the business-type activities do report a deficit of \$(122) in unrestricted net position.

The Town’s net position increased by \$1,329 or 5.0 percent, during the current fiscal year. A breakdown of the increases and decreases follows.

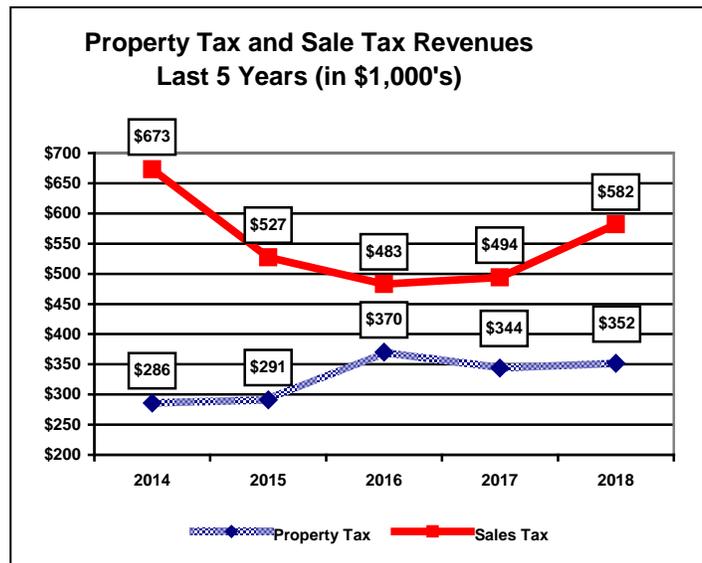
**TOWN OF GRAND ISLE, LOUISIANA
CHANGES IN NET POSITION**

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Revenues:						
Program revenues:						
Charges for services	\$ 1,208	\$ 1,081	\$ 426	\$ 401	\$ 1,634	\$ 1,482
Operating grants and contributions	736	759	541	541	1,277	1,300
Capital grants and contributions	2,716	1,606	-	1	2,716	1,607
General revenues:						
Property taxes	352	344	262	251	614	595
Sales taxes	582	494	-	-	582	494
Franchise taxes	119	94	-	-	119	94
Licenses and permits	176	173	-	-	176	173
Intergovernmental	5	6	-	-	5	6
Gaming fees and commissions	393	404	-	-	393	404
Unrestricted interest	61	31	7	4	68	35
Gain on sale or disposal of assets	-	-	-	-	-	-
Unrestricted gifts and donations	-	-	-	-	-	-
Miscellaneous	21	2,997	1	11	22	3,008
Total revenues	6,369	7,989	1,237	1,209	7,606	9,198
Expenses:						
Public safety						
Executive	91	84	-	-	91	84
General government	1,146	1,113	-	-	1,146	1,113
Public safety	902	743	-	-	902	743
Public works	1,692	1,928	-	-	1,692	1,928
Health and welfare	139	207	-	-	139	207
Culture, recreation and tourism	792	772	-	-	792	772
Interest on long-term debt	-	-	-	-	-	-
Water	-	-	1,101	1,114	1,101	1,114
Gas	-	-	414	464	414	464
Total expenses	4,762	4,847	1,515	1,578	6,277	6,425
Increase (decrease) in net position	1,607	3,142	(278)	(369)	1,329	2,773
Net Position - beginning of year	22,947	19,805	3,611	3,980	26,558	23,785
Net Position - end of year	\$ 24,554	\$ 22,947	\$ 3,333	\$ 3,611	\$ 27,887	\$ 26,558

Governmental Activities. Governmental activities increased the Town’s net position by \$1,607. Key elements of this increase are as follows:

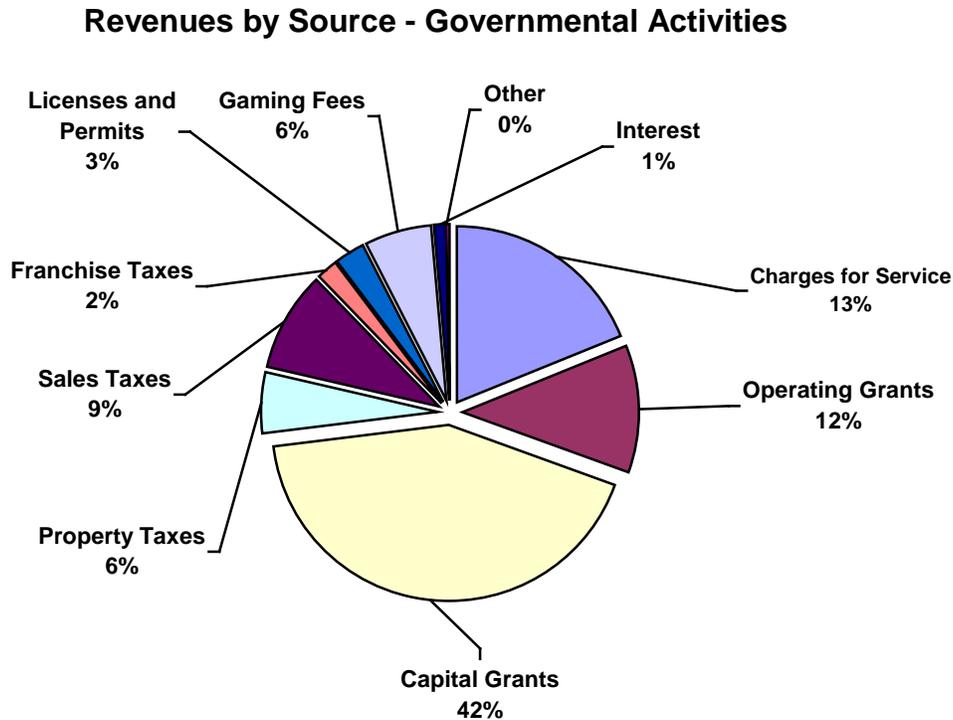
- The **program revenue “charges for services”** represents money received from the public. The total amount received during 2018 was \$1,208, an increase of \$127. Of this amount, \$60 was received by the General Government function (\$26 from property tax collection charges, \$5 from tax research, \$2 from advertising recoveries, and \$27 from interdepartmental admin charges); \$286 from public safety (\$173 in fines, forfeitures, and costs and \$113 for golf car permits); \$610 from Public Works (sanitation fees); \$212 came from Health and Welfare (mosquito fees); and \$41 from Culture, Recreation and Tourism (38 from the community fair and \$2 from community center rentals). The increase of \$127 is net of various increases and decreases, but was mainly caused by the \$80 increase in golf cart permits, plus a \$38 increase in community fair receipts.

- **Operating grants** for governmental activities totaled \$736, a decrease of \$(23). Of this amount, \$178 is recognized in the Public Works function (\$14 from a State DOTD maintenance contract and \$164 from the State “parish road fund” allocation) and \$558 was recognized by the Culture, Recreation and Tourism function (\$523 from parish dedicated ad valorem taxes for the Community Center and Playground District No. 16 fund, \$28 from State tourism funds, \$30 from the Parish in grants for palm trees and youth programs, and \$7 for the State Beach Quality Program). The decrease of \$(23) was mostly from a drop in the State tourism funds of \$(24) due to cutbacks at the state-level.
- **Capital grants** for governmental activities totaled \$2,716, an increase of \$1,110 over last year. Of this amount, \$2,705 was recognized in the General Government function (\$396 related to the DEQ revolving loan program on the 90 West drainage project, \$215 from FEMA for public disaster assistance related to Hurricanes Katrina, Gustav, Ike and Isaac, \$1,200 from the CPRA for emergency levee repairs, and \$894 from the Parish for emergency levee repairs). The Public Works Function recognized \$11 from the State’s Local Government Assistance Program (LGAP) to purchase equipment. The majority of the increase relates to the emergency hurricane levee restoration project, which mostly took place through the latter half of 2017 and continued on into 2018. The project was funded with both CPRA funds and Parish funds. This funding increased \$\$845 over last year. FEMA assistance also rose \$190 as small projects from Hurricane Katrina were closed and recognized. The DEQ program also saw an increase in activity of \$115.
- **Property taxes** for governmental activities totaled \$352 for the year, an increase of \$8. This increase is primarily due to higher collections than last year. The Town’s millage rate was 6.81 mills on the 2017 tax roll (the same as last year).
- **Sales taxes**, including motor vehicle taxes, totaled \$582, an increase of \$88 from last year. These taxes are collected for various reasons – general government, drainage, law enforcement, and tourism. The increase resulted from a slight increase in the local economy due to the general economic rebound seen throughout the Parish and the New Orleans metropolitan area. It also is increased by one-time audits collected by the Ex-officio Tax Collector.
- **Franchise taxes** totaled \$119 for 2018, an increase of \$25 over last year. This revenue comes from two sources - \$70 from the electric utility and \$49 from the cable utility. The cable franchise fees increased \$21 as the new agreement changed the franchise fee from 3% to 5% of revenues.
- **Licenses and permits** for business and insurance activities within the Town totaled \$176 for 2018, up \$3 over last year.
- **Gaming fees and commissions** for governmental activities totaled \$393 for 2018, a decrease of \$(11). This amount comes from two sources - \$348 from riverboat admission fees received from the Parish for the Boomtown casino and \$55 from video poker commissions for machines located in the Town. The riverboat commissions were down \$(7) and video poker decreased \$(4) from last year. Both of these revenue sources are susceptible to economic swings and the amount of disposable income in the community.
- **Unrestricted interest** totaled only \$61, up \$30 from last year. This reflects an increase in the interest rate as well as the cash balance earning interest.



- **Miscellaneous income** was \$21, down \$(2,976) from last year. The primary reason for the decrease had to do with the \$3,000 received on the BP Economic Loss settlement in the prior year.

A breakdown of the revenues received by the Town’s governmental activities is as follows:



For 2018, governmental activity expenses totaled \$4,762, a decrease of \$(86) from 2017.

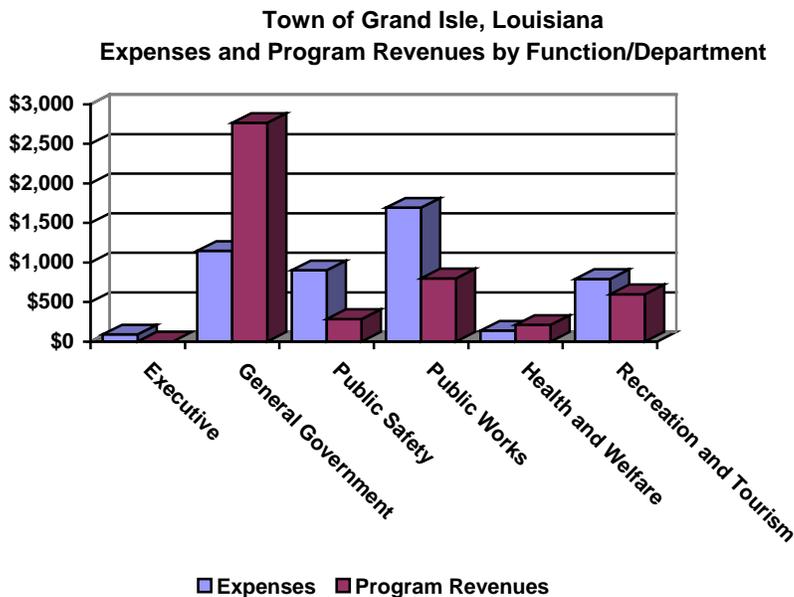
- \$91 was in the Executive function which accounts for the Mayor’s office.
- \$1,146 was in General Government, which accounts for finance, tax and planning, and general government activities (including some general infrastructure and facilities, such as the Multiplex Center).
- \$902 was in Public Safety, which accounts for the Town’s police and civil defense departments.
- \$1,692 was in Public Works, which accounts for the streets and sanitation departments,
- \$139 was in Health and Welfare, which accounts for the mosquito fund, and
- \$792 was in the Culture, Recreation and Tourism function, which accounts for the operations of the Community Center and Playground District No. 16, as well as the Town’s tourism office.

The decrease in expenses was the net of several items. Executive saw an increase of \$7, General Government function saw an increase of \$32, Public Safety saw an increase of \$160, Public Works decreased \$(236), Health and Welfare decreased \$(68), and Culture, Recreation and Tourism increased \$19.

The Executive function saw an increase primarily in depreciation expense. The General government increase mostly had to do with increases in legal and professional fees (up \$25) and workers compensation (up \$12). The increase in Public Safety was primarily in salaries (up \$91), hospitalization (up \$37), workers compensation (up \$14), and depreciation expense (up \$30). These were offset by drops in uniforms (down \$12). Public works decreased primarily due to a drop in depreciation expense (down \$275) and a drop of \$(19) in street light repairs, offset by increases in Streets department salaries (up \$57) and street signs (up \$35). Sanitation hauling and disposal charges went down \$(24).

Health and Welfare decreased due to a decrease of \$(68) in the costs for spraying and larviciding in the mosquito control fund. Culture and recreation increased primarily due to an increase of \$5 in depreciation expense, an increase of \$2 in Tourism Department salaries, an increase of \$4 in advertising, an increase of \$4 in operating the Community Center.

For 2018, program revenues (service charges, operating and capital grants) totaling \$4,660 (see above) were used to offset expenses of the Town. A graph comparing the expense of each Function/Department with the program revenue generated is presented below.



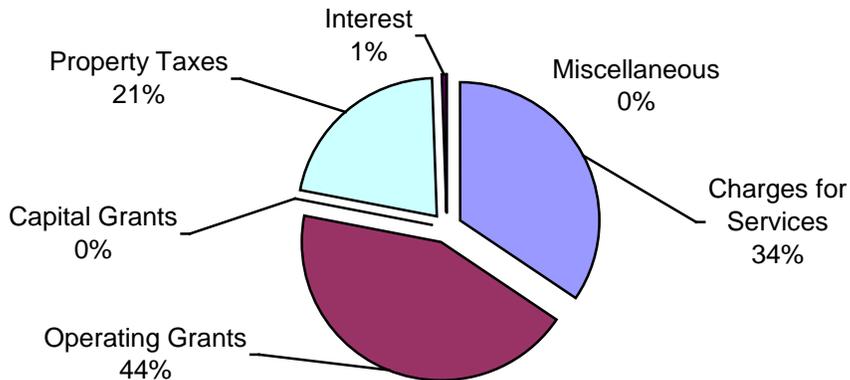
Business-type Activities. Business-type activities decreased the Town’s net position by \$(278). Key elements of this decrease are as follows:

- The total decrease in net position of \$(278) was generated by a decrease in the Waterworks Department - \$(343) and an increase in the Gas Utilities Department – \$65.
- Charges for services for business-type activities totaled \$426, which is an increase of \$25. This increase was in the Gas Utilities Department, as rates, usage and collections were up.
- Operating grants totaled \$541, the same as last year. \$541 of this amount represents the operating subsidy provided by the Parish’s water department as called for by the take-over agreement.
- The net (cost) revenue of the business-type activities was \$(547) – \$(560) Waterworks, and \$13 in Gas.
- The Waterworks Utility accounts for a significant portion of this net cost – \$(560). This was a result of the take-over of the water system by the Parish of Jefferson in mid-August 2005. The Town no longer has any recurring operating costs other than some incidental utilities expense. The Waterworks Utility is left with the Grand Isle to Lafitte waterline as an asset and the related debt on the Water Revenue Bonds. The Parish Water Department provided \$541 in operating subsidies to the Town’s Waterworks Department as part of the take-over agreement. Depreciation totaled \$442 and general and administrative costs totaled \$194 (including a remittance of \$173 to the Parish of surplus funds). Interest on long-term debt totaled \$466.
- The Gas Utilities incurred expenses of \$414, down \$(50) from last year. This change was caused by: 1) an increase of \$17 in salaries and benefits (due to raises given), 2) a drop of \$(22) in contracted services (due to a decrease in contracted services), 3) an increase of \$8 in materials and supplies (due to increases in installation materials and labor), and 4) a decrease of \$(55) in general and administrative costs (due to decreases in storm damage costs, gas distribution repairs, and gas meter repairs and inspection fees), offset by an increase in insurance.

- Property taxes totaled \$262 for the year, an increase of \$11. Of this amount, 80 percent or \$209 was recognized by the Waterworks fund and 20 percent or \$53 was recognized by the Gas Utilities fund as a subsidy to the operating costs. The Town's millage rate was 5.06 on the 2017 tax roll (the same as last year). The increase in revenues resulted from an increase in collections.
- Payments on the Water Revenue Bonds of \$541 were made during the year (\$76 in principal and \$465 in interest) was paid for the year. Total revenue bonds outstanding at year-end were \$7,423.

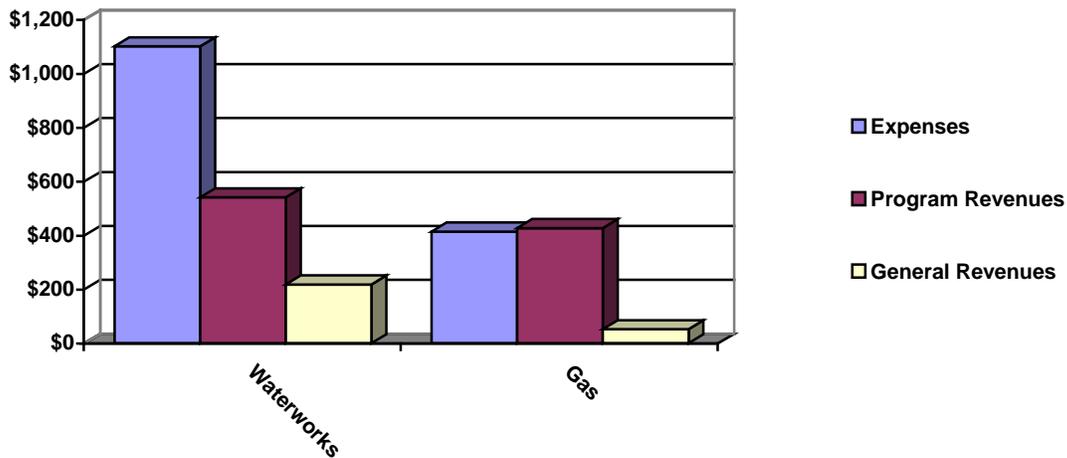
A breakdown of the revenues received by the Town's business-type activities is as follows:

Revenues by Source - Business-type Activities



As noted above, expenses totaled \$1,515, including current year depreciation of \$465. The Water Department expenses totaled \$1,101, while the Gas Utilities had expenses of \$414. A graph comparing the expense of each business-type expense with the program revenue generated is presented below.

Town of Grand Isle, Louisiana Expenses and Program Revenues - Business-type Activities



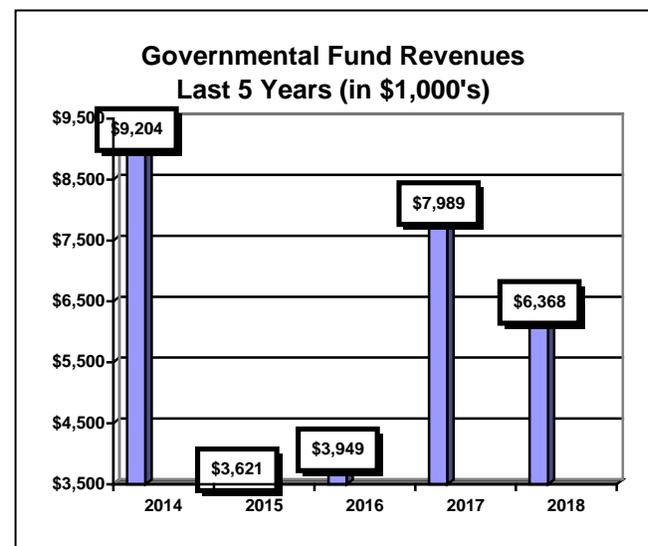
FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

As noted earlier, the Town uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The focus of the Town's "governmental funds" is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the Town's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of June 30, 2018, the Town's governmental funds reported combined ending fund balances of \$5,617, an increase of \$113 or 2.1 percent from the prior year. Of this amount, \$9 or 0.2 percent is categorized as *non-spendable*, \$46 or 0.8 percent is categorized as *restricted*, \$1,459 or 26.0 percent is categorized as *assigned fund balance* and \$4,103 or 73.0 percent of this total constitutes *unassigned fund balance*, which is available for spending at the government's discretion.

As noted above, the governmental funds include the general operating funds of the Town (i.e., the General Fund, the Community Center and Playground District No. 16 Special Revenue Fund, the FEMA Repetitive Flood Claims Grant Fund, and the other non-major Special Revenue funds). Overall, as the graph shows, revenues of the Governmental Funds have increased and decreased significantly over the past 5 years (mostly due to one-time grants – especially FEMA grants and other public works-related grants, as well as the BP Economic Loss settlement). FY 2018 was down significantly over last year (down \$1,620) because of these types of funding swings (primarily related to a drop in the BP Economic Loss Settlement of \$3,000 received last year, offset by an increase of \$1,084 in intergovernmental revenues – mostly from the CPRA related to the emergency hurricane levee restoration project (up \$925) and FEMA (up \$190) related to the closeout of small projects from Hurricane Katrina).



The **General fund** is the chief operating fund of the Town. At June 30, 2018, unassigned fund balance of the General fund was \$4,103 (which is 73.0 percent of the total governmental fund balance). As a measure of the General fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance in the General Fund represent 70.2 percent of total general fund expenditures, down from 86.8 percent in the prior year.

The fund balance of the Town's General fund decreased by \$(112) or 2.6 percent, during the current fiscal year. Key factors in this change are as follows:

- The General Fund's revenues and other sources totaled \$5,948, while expenditures and other uses totaled \$6,060.
- Revenues and other financing sources decreased by \$(1,681) from the prior year, mainly because of:
 - Property taxes totaled \$352 – up \$8 due to slightly lower assessed values but higher collection rates.
 - Sales taxes totaled \$545 – up \$82 as the local economy has improved slightly and one-time tax settlements drove up collections.

- Franchise taxes totaled \$119 – up \$26, mainly due to a change in the cable franchise fee from 3% to 5% of revenues.
- Licenses and permits totaled \$289 – up \$83 over last year (up mainly due to golf cart permits).
- Intergovernmental revenues totaled \$2,934 in 2018 – an increase of \$1,857. The 2018 revenues were made up of \$5 from the State for beer taxes, \$164 from the State Parish Road fund allocation, \$28 from the State for tourism, \$14 from State DOTD for maintenance of highways, \$7 for beach quality programs, \$11 from the State LGAP program, \$396 from a DEQ revolving loan subsidy/forgiveness on the sewer revenue bonds, \$215 from FEMA for hurricane-related projects (mostly small projects from Hurricane Katrina), \$1,200 from the CPRA for the emergency hurricane levee restoration and \$894 from the Parish for the same project. The increase was primarily caused by the emergency hurricane levee project.
- Gaming fees and commissions totaled \$393 – a decrease of \$(11). \$341 came from riverboat admission fees received from the Parish for the Boomtown casino and \$52 from video poker commissions for machines located in the Town. Both were down slightly.
- Fines and forfeitures totaled \$173, down \$(2) from last year (as the police force was fully staffed and ticket writing leveled off).
- Charges for services totaled \$617, up \$4 from last year. Sanitation fees made up \$610 of this balance – up \$3 as the hauling services increased in 2018.
- Interest totaled \$58, up \$29 from last year as available cash balances increased during the year.
- Miscellaneous income totaled \$72, which is \$(2,975) lower than last year (mostly due to a one-time settlement with BP for economic losses from the Deepwater Horizon oil spill of \$3,000 recognized last year).

Expenditures and other financing uses totaled \$5,926, an increase of \$1,009 over the prior year. An analysis of the expenditures is as follows:

- Executive expenditures totaled \$87, up \$3 from last year (travel and capital outlay).
- General Government totaled \$3,555, an increase of \$1,061. This increase is mostly due to 1) an increase of \$12 in payroll taxes, 2) a decrease of \$(11) in hospitalization insurance, 3) an increase of \$12 in workers compensation, 4) an increase of \$25 in legal and professional fees (mostly engineering), 5) an increase in capital outlay – buildings of \$21 (Multiplex renovations), 6) an increase of \$903 in hurricane levee restoration costs and 7) an increase of \$115 in capital outlay - road rehabilitation 90 West Project (related to the drainage and sewerage work financed with the DEQ revolving loan funds).
- Public Safety totaled \$893, a decrease of \$(21) from the prior year. The decrease was the result of 1) an increase of \$91 in salaries (overtime and beach patrol), 2) an increase of \$37 in hospitalization insurance (police department fully staffed), 3) an increase of \$14 in workers compensation, 4) an increase of \$9 in vehicle repairs, 5) an increase of \$9 in gas and oil, 6) a drop of \$(12) in uniforms, 7) a drop of \$(28) in capital outlay – guns and equipment, and 8) a drop of \$(144) in capital outlay – vehicles. With the election of a new police chief and the revamping of the department and bring it to full-staffing, costs increased across the board last year and have leveled off this year.
- Public Works totaled \$918, a decrease of \$(154) from last year. Most of this decrease was in the streets department (down \$129) due to 1) an increase of \$57 in salaries (raises and overtime), 2) an increase of \$25 in street signs, 3) a drop of \$(18) in vehicle repairs, 4) an increase of \$11 in capital outlay – equipment (related to the LGAP grant), and 5) a drop of \$(206) in capital outlay - vehicles (due to the purchase of three new pieces of heavy equipment in the prior year). The Sanitation Department also had a decrease of \$(25) due to a decrease in hauling and disposal fees.
- Culture, Recreation and Tourism totaled \$79, which is up \$5 over the prior year. Most of the increase was in advertising.
- Debt Service totaled \$396 as the DEQ revolving loan principal was forgiven (i.e., paid).
- Transfers out totaled \$134, up \$127 from last year which was made up of a transfer to the Community Center Special Revenue Fund.
- Revolving Loan Proceeds totaled \$396 as funds were drawn down on the DEQ revolving loan program for costs associated with the drainage and sewerage work on the 90 West project.

The Town reported two “major” funds other than the General Fund for the year ended June 30, 2018. The **Community Center and Playground District No. 16 Special Revenue Fund** had revenues of \$529, expenditures of \$510, and an ending fund balance of \$897. The Community Center received \$523 from Jefferson Parish for ad valorem taxes collected by the Parish and dedicated to the Town for the operations of the Community Center and Playground District. It also received \$-0- from the Parish for a Youth Program grant, which is down \$(25) from last year. Rental income totaled \$2, which was down \$(2) from last year. Expenditures were up \$4 due to 1) a decrease of \$(13) in the summer worker program, 2) a drop of \$(24) in building repairs, 3) an increase of \$6 in general insurance, 4) an increase of \$6 in gas and oil, 5) an increase of \$73 in capital outlay – beach cleaning equipment, and 6) a drop of \$(43) in capital outlay – playground equipment. The **FEMA Repetitive Flood Claims Grant Special Revenue Fund** recognized \$-0- in revenues and had \$-0- in expenditures. The project involved the elevation of 20 residential structures that have suffered repetitive flooding. The project was budgeted for up to \$3,398 and was 100 percent funded by a federal grant. In June 2016, this project was put on hold and was taken over by the Parish. A total of \$25 still remained with the Town from the initial advance. This amount was settled up with the Parish in 2018 and the fund was closed.

The **Town’s other governmental funds** recorded revenue of \$288, expenditures of \$215, and other financing sources (uses) of \$(1). A major part of the revenue this year was recognized by the Mosquito Control Special Revenue Fund (which received \$212 from mosquito fees), the Drainage District No. 1 (which received sales taxes of \$37), and the Community Fair fund (which had receipts of \$38). The mosquito fees were up \$8 over last year, the Drainage fund were up \$5 over last year, and the Community Fair revenues were up \$38. \$139 of the expenditures occurred in the Mosquito Control fund, which was spent on spraying and larviciding contracts (this was down \$(68) from last year). In addition, \$40 was spent out of the Drainage Fund on operating and maintaining the Town’s drainage pumps and \$36 was spent on the Community Fair.

Proprietary Funds. The Town’s proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. As noted above, the Town maintains two enterprise funds. For the fiscal year ended June 30, 2018, these funds reported net position of \$3,333, which is a net decrease from the prior year of \$(278). The two funds are the Waterworks Utilities Enterprise fund and the Gas Utilities Enterprise fund. Factors concerning the finances of these two funds have already been addressed in the discussion of the Town’s business-type activities (see above).

Agency Funds. The Town maintains one agency fund in order to account for monies collected on behalf of others. The Grand Isle Relief fund is used to account for donations from the public for disaster relief to Town’s citizens. At year end, \$12 was held in this fund.

GENERAL FUND BUDGETARY HIGHLIGHTS

Budgeted revenues of the General Fund were increased by \$910. The majority of the increase was seen in intergovernmental - federal and state grants. Intergovernmental increased \$830 due to 1) a decrease in FEMA Disaster revenue (down \$336), 2) an increase in Revolving Loan Forgiveness on DEQ loan (up \$396), 3) an increase in revenues for the CPRA Hurricane Levee Restoration project (up \$200), 4) a decrease in State Capital Outlay program on the Gymnasium renovation project which was delayed (down \$112), and 5) an increase Parish Grants for money on the Hurricane Levee Restoration project (up \$750). In addition, Taxes were raised \$24 (\$21 in sales taxes and \$3 in Franchise Taxes). Licenses and Permits were raised \$40. Finally, Miscellaneous Revenues were increased \$19 (primarily in the other income line-item).

Budgeted expenditures of the General Fund were increased by \$1,210. Note C.2 provides a breakdown of the changes in expenditures by function. The main changes were:

- The \$967 increase in the General Government’s expenditures was the result of 1) an increase of \$135 in legal and professional fees (primarily for legal and engineering services), 2) a decrease \$(109) in capital outlay – buildings and structures (due to delays in the gymnasium project), and 3) an increase of \$950 in capital outlay – hurricane levee restoration.

- The increase of \$16 in Public Safety was made up of an increase in insurance of \$16 (due to more cars and equipment being placed into service).
- The increase of \$53 in Public Works is made up of 1) an increase of \$8 in salaries (due to small raises given), 2) an increase of \$39 in street signs (as more projects were approved), 3) an increase of \$16 in capital outlay – vehicles for the purchase of a new utility vehicle, and 4) a decrease of \$(9) in street repairs.
- Debt Service went up \$182 to account for the DEQ 90 West project which was being funded with a revolving loan from LA DEQ. The costs of the project were being funded with a loan; however, a federal subsidy was used to simultaneously forgive the debt upon issuance. This increase was to account for activity on the project.

Revenues and other sources came in \$(642) or 10.4 percent under the final budget, expenditures were \$1,499 or 20.2 percent under the final budget, and other financing sources (uses) came in \$(449) or 63.2 percent under budget. The main revenue items over (under) budget were 1) sales taxes coming in \$70 over budget (due to a larger than expected end of year allocation/accrual), and 2) intergovernmental revenues (under budget by \$(717) mostly related to the FEMA assistance revenues on the various hurricanes being \$190 over budget and Jefferson Parish - Hurricane levee being \$(856) under budget).

The largest variances in budgeted General Fund expenditures were seen in:

- The Executive Function came in \$(12) under budget, mainly in legal fees and gas and oil,
- The General Government Function came in \$(1,432) under budget, mainly in capital outlay (related to the hurricane levee restoration project),
- The Public Safety Function was \$36 over budget (mainly in salaries, hospitalization and workers compensation),
- The Public Works Function was \$(67) under budget, due mainly to lower than anticipated costs in street department street light repairs,
- The Culture, Recreation, and Tourism Function was \$(24) under budget, mostly in advertising.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets. The Town’s net investment in capital assets for its governmental and business-type activities as of June 30, 2018 amounts to \$21,689 (net of accumulated depreciation and related debt), an increase of \$1,113 or 5.4 percent. This investment in capital assets includes land, buildings, furniture and fixtures, machinery, vehicles and equipment, and infrastructure (including streets and roadways), and is shown net of any debt related to financing the assets. The governmental activities saw an increase in its investment in capital assets of \$1,493 or 8.6 percent, while the business-type activities saw a decrease of \$(380) or 12.1 percent.

TOWN OF GRAND ISLE, LOUISIANA CAPITAL ASSETS (NET OF DEPRECIATION)

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Land	\$ 383	\$ 383	\$ -	\$ -	\$ 383	\$ 383
Construction in progress	1,074	1,903	-	-	1,074	1,903
Buildings	6,139	6,344	-	-	6,139	6,344
Furniture and fixtures	76	82	1	-	77	82
Heavy equipment	343	333	-	-	343	333
Vehicles	196	213	8	-	204	213
Infrastructure	10,726	8,186	10,138	10,602	20,864	18,788
Capital Assets Net of Depreciation	18,937	17,444	10,147	10,602	29,084	28,046
Add unamortized charges	-	-	28	29	28	29
Less capital-related debt	-	-	(7,423)	(7,499)	(7,423)	(7,499)
Net Investment in Capital Assets	\$ 18,937	\$ 17,444	\$ 2,752	\$ 3,132	\$ 21,689	\$ 20,576

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

- \$2,565 was spent on construction in progress in the governmental activities, primarily on the 90 West Road Rehabilitation project being funded with a DEQ Revolving Loan (\$396), the hurricane protection levee restoration (\$2,145), and the Multiplex renovations (\$20);
- \$13 was spent on furniture and fixtures (\$9 on police guns and equipment and \$3 on general computers and laptops)
- \$87 was spent on heavy equipment (\$76 for a new Kubota tractor and rake and \$11 for a new SCAG and blowers and trimmers);
- \$37 was spent on heavy equipment (\$29 for a new Polaris for the police department and \$8 for a new Kubota 4 wheel ATV for the streets department);
- Depreciation expense totaled \$1,209 in the governmental funds and \$465 in the business-type activities.

During 2016, the Town began work on the 90 West Road Rehabilitation project which is being funding with funds from the DEQ Revolving Loan program. As the funds are spent, the Town is issuing Sewer Revenue Bonds to finance the costs and the State DEQ revolving loan "forgives" the debt simultaneously. The net cost to the Town is zero. During 2018, \$396 was spent and \$396 was received from the loan funds and ultimately forgiven.

Additional information on the Town’s capital assets can be found in Note D.3.

Long-term Debt. At June 30, 2018, the Town had total outstanding debt of \$7,203.

**TOWN OF GRAND ISLE, LOUISIANA
OUTSTANDING DEBT**

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Revenue Bonds	\$ -	\$ -	\$ 7,203	\$ 7,499	\$ 7,203	\$ 7,499
Total	\$ -	\$ -	\$ 7,203	\$ 7,499	\$ 7,203	\$ 7,499

The outstanding Water revenue bonds relate to the construction of the Grand Isle to Lafitte waterline. During 2018, principal payments on this debt totaled \$542 (\$76 principal and \$466 interest). See Note D.5 for more details.

State statutes limit the amount of general obligation debt a governmental unit may issue to 10 percent of its total assessed valuation. The Town has no outstanding debt subject to this limitation.

Additional information on the Town’s long-term debt can be found in Note D.5 of this report.

ECONOMIC FACTORS AND NEXT YEAR’S BUDGETS AND RATES

- The unemployment rate for the Parish of Jefferson is currently 5.4 percent, which is 0.2 percent higher than it was a year ago. In the coastal community of Grand Isle, which is heavily dependent on offshore oil and commercial fisheries (primarily shrimping), the rate is higher.
- Inflationary trends in the region compare favorably to national indices.
- The ad valorem millage rate levied for the 2018 (next year’s) tax roll was 6.81 for the general fund and 5.06 for the Water and Gas funds. The Water and Gas funds continue to split the tax 80/20.

- Increased sales tax collections in the immediate aftermath of the BP oil spill response have ended; however, sales taxes continue to trend slightly upwards as the economy moves out of the recession. The long-term effects of the BP oil spill have not yet been felt in the tax collection revenue streams; however, the situation is being monitored. As noted below, there is still a great deal of uncertainty in the seafood, offshore drilling industries, and the tourism and recreational fishing industries, the cornerstones of the local economy.
- The BP Settlement Funds of \$3,000 received in 2017 have been deposited to the General Fund and are appropriated into the budget by the Council when needed for approved projects.

All of these factors were considered in preparing the Town’s budget for the 2018/2019 fiscal year.

OTHER POTENTIALLY SIGNIFICANT MATTERS

- **Hurricanes Katrina, Gustav, Ike, Hurricane Isaac, and Tropical Storm Nate** – hurricanes hit the Grand Isle area in August and September 2005, 2008, 2012 and 2017 causing tidal flood damage in the Grand Isle area. The Town has filed claims with the Federal Emergency Management Agency (FEMA) for damages. To date, eligible claims of \$13,870 have been filed. To date, \$12,310 has been approved and \$12,426 has been received on these claims. The difference of \$116 is made up of \$44 in accounts receivable and \$160 in unearned revenues. The Town continues to recover from these hurricanes and to make infrastructure improvements and repairs. The close-out phase of these projects is nearing completion. The Town closed out a number of “small” projects on Hurricane Katrina this year that resulted in the bulk of the \$215 recognized as revenue in the General Fund. For the remaining projects, it is anticipated that the Town will be able to substantiate most, if not all of the costs incurred to date. See Note E.3 for more details.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Town’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 Mayor David Camardelle, Town of Grand Isle, PO Box 200, Ludwig Lane, Grand Isle, LA 70358.

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BASIC FINANCIAL STATEMENTS

TOWN OF GRAND ISLE, LOUISIANA

STATEMENT OF NET POSITION
JUNE 30, 2018

	<u>GOVERNMENTAL ACTIVITIES</u>	<u>BUSINESS-TYPE ACTIVITIES</u>	<u>TOTAL</u>
ASSETS			
Cash and cash equivalents	\$ 1,027,152	\$ 42,027	\$ 1,069,179
Investments	3,535,768	-	3,535,768
Receivables (net of allowance for uncollectibles)	1,083,419	169,253	1,252,672
Internal balances	223,724	(223,724)	-
Inventories	-	2,835	2,835
Unamortized charges	-	28,029	28,029
Prepaid items	9,337	-	9,337
Other assets	-	(372)	(372)
Restricted assets:			
Temporarily restricted:			
Cash and cash equivalents	-	107,361	107,361
Investments	-	546,719	546,719
Intergovernmental receivable	-	-	-
Permanently restricted:			
Cash and cash equivalents	-	-	-
Investments	-	-	-
Capital assets (net of accumulated depreciation)	18,936,877	10,147,554	29,084,431
TOTAL ASSETS	<u>24,816,277</u>	<u>10,819,682</u>	<u>35,635,959</u>
LIABILITIES			
Accounts payable and other current liabilities	89,800	13,900	103,700
Due to taxing bodies and others	12,381	-	12,381
Unearned grant revenues	159,851	-	159,851
Liabilities payable from restricted assets:	-	49,100	49,100
Noncurrent liabilities:			
Due within one year	-	525,825	525,825
Due in more than one year	-	6,897,376	6,897,376
TOTAL LIABILITIES	<u>262,032</u>	<u>7,486,201</u>	<u>7,748,233</u>
NET POSITION			
Net investment in capital assets	18,936,877	2,752,382	21,689,259
Restricted for:			
Debt service	-	703,113	703,113
Construction	-	-	-
Other	-	-	-
Unrestricted	5,617,368	(122,014)	5,495,354
TOTAL NET POSITION	<u>\$ 24,554,245</u>	<u>\$ 3,333,481</u>	<u>\$ 27,887,726</u>

The accompanying notes are an integral part of this statement.

TOWN OF GRAND ISLE, LOUISIANA

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2018

FUNCTION/PROGRAM	EXPENDITURES	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION		
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	PRIMARY GOVERNMENT		TOTAL
					GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	
Primary Government							
Governmental Activities:							
Executive	\$ 90,662	\$ -	\$ -	\$ -	\$ (90,662)	\$ -	\$ (90,662)
General government	1,145,914	59,706	-	2,704,684	1,618,476	-	1,618,476
Public safety	902,473	285,785	-	-	(616,688)	-	(616,688)
Public works	1,692,383	610,290	177,618	11,413	(893,062)	-	(893,062)
Health and welfare	138,562	211,955	148	-	73,541	-	73,541
Culture, recreation, and tourism	791,558	40,742	558,107	-	(192,709)	-	(192,709)
Interest on long-term debt	-	-	-	-	-	-	-
Total governmental activities	<u>4,761,552</u>	<u>1,208,478</u>	<u>735,873</u>	<u>2,716,097</u>	<u>(101,104)</u>	<u>-</u>	<u>(101,104)</u>
Business-type activities:							
Waterworks	1,101,145	-	541,508	-	-	(559,637)	(559,637)
Gas	414,299	426,765	-	-	-	12,466	12,466
Total business-type activities	<u>1,515,444</u>	<u>426,765</u>	<u>541,508</u>	<u>-</u>	<u>-</u>	<u>(547,171)</u>	<u>(547,171)</u>
TOTAL PRIMARY GOVERNMENT	<u>\$ 6,276,996</u>	<u>\$ 1,635,243</u>	<u>\$ 1,277,381</u>	<u>\$ 2,716,097</u>	<u>(101,104)</u>	<u>(547,171)</u>	<u>(648,275)</u>
GENERAL REVENUES:							
Property taxes					351,804	261,590	613,394
Sales taxes							
General					476,580	-	476,580
Drainage					36,655	-	36,655
Law enforcement					23,186	-	23,186
Hotel/motel					45,251	-	45,251
Franchise taxes					119,297	-	119,297
Licenses and permits					176,213	-	176,213
State beer tax allocation					4,506	-	4,506
Riverboat admission fees					340,757	-	340,757
Video poker allocation					51,896	-	51,896
Unrestricted interest					60,609	7,842	68,451
Gain (loss) on disposal of assets					-	-	-
Other					21,248	619	21,867
TOTAL GENERAL REVENUE AND TRANSFERS					<u>1,708,002</u>	<u>270,051</u>	<u>1,978,053</u>
CHANGE IN NET POSITION					<u>1,606,898</u>	<u>(277,120)</u>	<u>1,329,778</u>
NET POSITION							
Beginning of year					<u>22,947,347</u>	<u>3,610,601</u>	<u>26,557,948</u>
End of year					<u>\$ 24,554,245</u>	<u>\$ 3,333,481</u>	<u>\$ 27,887,726</u>

The accompanying notes are an integral part of this statement.

The accompanying notes are an integral part of this statement.

TOWN OF GRAND ISLE, LOUISIANA

**GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2018**

	<u>GENERAL</u>	<u>COMMUNITY CENTER AND PLAYGROUND DIST NO. 16</u>	<u>FEMA REPETITIVE FLOOD CLAIMS GRANT</u>	<u>OTHER GOVERNMENTAL FUNDS</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
ASSETS					
Cash and cash equivalents	\$ 473,533	\$ 32,380	\$ -	\$ 509,454	\$ 1,015,367
Investments	3,397,115	114,913	-	23,740	3,535,768
Receivables (net of allowance for uncollectibles)	314,404	756,726	-	12,289	1,083,419
Due from other funds	332,531	2,104	-	33,058	367,693
Due from component unit	-	-	-	-	-
Inventories	-	-	-	-	-
Prepaid items	9,337	-	-	-	9,337
TOTAL ASSETS	<u>\$ 4,526,920</u>	<u>\$ 906,123</u>	<u>\$ -</u>	<u>\$ 578,541</u>	<u>\$ 6,011,584</u>
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts payable	\$ 54,109	\$ 1,064	\$ -	\$ 7,611	\$ 62,784
Accrued payroll and deductions	24,360	2,656	-	-	27,016
Due to other funds	129,588	4,911	-	9,470	143,969
Due to taxing bodies and others	596	-	-	-	596
Unearned grant revenues	159,851	-	-	-	159,851
TOTAL LIABILITIES	<u>368,504</u>	<u>8,631</u>	<u>-</u>	<u>17,081</u>	<u>394,216</u>
Fund Balances					
Nonspendable	9,337	-	-	-	9,337
Restricted	45,881	-	-	-	45,881
Committed	-	-	-	-	-
Assigned	-	897,492	-	561,460	1,458,952
Unassigned	4,103,198	-	-	-	4,103,198
TOTAL FUND BALANCES	<u>4,158,416</u>	<u>897,492</u>	<u>-</u>	<u>561,460</u>	<u>5,617,368</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 4,526,920</u>	<u>\$ 906,123</u>	<u>\$ -</u>	<u>\$ 578,541</u>	<u>\$ 6,011,584</u>

TOWN OF GRAND ISLE, LOUISIANA

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION**

JUNE 30, 2018

Amounts reported for governmental activities in the Statement of Net Assets (page 20) are different because:

Total Fund Balances at June 30, 2018 - Governmental Funds (page 22) \$ 5,617,368

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets is \$40,022,780 and the accumulated depreciation is \$21,085,903. 18,936,877

Total Net Position of Governmental Activities at June 30, 2018 (page 20) \$ 24,554,245

The accompanying notes are an integral part of this statement.

TOWN OF GRAND ISLE, LOUISIANA

GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2018

	<u>GENERAL</u>	<u>COMMUNITY CENTER AND PLAYGROUND DIST NO. 16</u>	<u>FEMA REPETITIVE FLOOD CLAIMS GRANT</u>	<u>OTHER GOVERNMENTAL FUNDS</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
REVENUES					
Taxes					
Property taxes	\$ 351,804	\$ -	\$ -	\$ -	\$ 351,804
Sales taxes	545,017	-	-	36,655	581,672
Franchise taxes	119,297	-	-	-	119,297
Licenses and permits	288,793	-	-	-	288,793
Intergovernmental	2,933,516	522,812	148	-	3,456,476
Gaming fees and commissions	392,653	-	-	-	392,653
Fines and forfeitures	173,205	-	-	-	173,205
Charges for services	617,438	2,080	-	211,955	831,473
Interest	57,893	1,664	-	1,052	60,609
Miscellaneous	71,806	2,000	-	38,662	112,468
TOTAL REVENUES	<u>5,551,422</u>	<u>528,556</u>	<u>148</u>	<u>288,324</u>	<u>6,368,450</u>
EXPENDITURES					
Current					
Public Safety					
Executive	86,646	-	-	-	86,646
General government	3,554,629	-	-	-	3,554,629
Public safety	893,135	-	-	-	893,135
Public works	917,535	-	-	40,019	957,554
Health and welfare	-	-	-	138,562	138,562
Culture, recreation and tourism	78,520	509,590	-	36,264	624,374
Debt Service					
Principal	395,652	-	-	-	395,652
Interest	-	-	-	-	-
TOTAL EXPENDITURES	<u>5,926,117</u>	<u>509,590</u>	<u>-</u>	<u>214,845</u>	<u>6,650,552</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(374,695)</u>	<u>18,966</u>	<u>148</u>	<u>73,479</u>	<u>(282,102)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	695	133,985	-	-	134,680
Transfers out	(133,985)	-	-	(695)	(134,680)
Revolving loan proceeds - DEQ	395,652	-	-	-	395,652
Capital leases	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>262,362</u>	<u>133,985</u>	<u>-</u>	<u>(695)</u>	<u>395,652</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER SOURCES (USES)	<u>(112,333)</u>	<u>152,951</u>	<u>148</u>	<u>72,784</u>	<u>113,550</u>
FUND BALANCE					
Beginning of year	4,270,749	744,541	(148)	488,676	5,503,818
End of year	<u>\$ 4,158,416</u>	<u>\$ 897,492</u>	<u>\$ -</u>	<u>\$ 561,460</u>	<u>\$ 5,617,368</u>

The accompanying notes are an integral part of this statement.

TOWN OF GRAND ISLE, LOUISIANA

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO
THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2018**

Amounts reported for governmental activities in the Statement of Activities (page 21) are different because:

Net change in fund balances - total governmental funds (page 24)	\$ 113,550
Reconciling items:	
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.	1,493,348
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase net assets.	-
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.	-
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the payment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas, these amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	
Issuances of sewer revenue bonds	(395,652)
Forgiveness of sewer revenue bonds	395,652
Change in net position of governmental activities (page 21)	<u>\$ 1,606,898</u>

The accompanying notes are an integral part of this statement.

TOWN OF GRAND ISLE, LOUISIANA

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
Taxes				
Property taxes	\$ 392,000	\$ 392,000	\$ 351,804	\$ (40,196)
Sales taxes	445,000	466,000	545,017	79,017
Franchise taxes	93,000	96,000	119,297	23,297
Licenses and permits	262,200	262,200	288,793	26,593
Intergovernmental	2,821,356	3,651,430	2,933,516	(717,914)
Gaming fees and commissions	387,000	387,000	392,653	5,653
Fines and forfeitures	201,780	200,280	173,205	(27,075)
Charges for services	605,000	606,712	617,438	10,726
Interest	6,000	43,000	57,893	14,893
Miscellaneous	69,500	88,714	71,806	(16,908)
TOTAL REVENUES	5,282,836	6,193,336	5,551,422	(641,914)
EXPENDITURES				
Current				
Executive	96,526	98,526	86,646	11,880
General government	4,019,680	4,986,538	3,554,629	1,431,909
Public safety	841,450	857,362	893,135	(35,773)
Public works	931,483	984,068	917,535	66,533
Health and welfare	-	-	-	-
Culture, recreation and tourism	112,110	102,546	78,520	24,026
Non-departmental	-	-	-	-
Intergovernmental	-	-	-	-
Debt Service				
Principal	-	395,652	395,652	-
Interest	-	-	-	-
Capital outlay	-	-	-	-
TOTAL EXPENDITURES	6,001,249	7,424,692	5,926,117	1,498,575
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(718,413)	(1,231,356)	(374,695)	856,661
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	695	695
Transfers out	-	-	(133,985)	(133,985)
Revolving Loan Proceeds - DEQ	530,213	712,000	395,652	(316,348)
Capital leases	-	-	-	-
Sale of capital assets	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	530,213	712,000	262,362	(449,638)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER SOURCES (USES)	(188,200)	(519,356)	(112,333)	407,023
FUND BALANCE				
Beginning of year	1,681,777	4,270,749	4,270,749	-
End of year	\$ 1,493,577	\$ 3,751,393	\$ 4,158,416	\$ 407,023

The accompanying notes are an integral part of this statement.

TOWN OF GRAND ISLE, LOUISIANA

COMMUNITY CENTER AND PLAYGROUND DISTRICT NO. 16
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCES - BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2018

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
Taxes				
Property taxes	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-
Franchise taxes	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	378,000	378,000	522,812	144,812
Gaming fees and commissions	-	-	-	-
Fines and forfeitures	-	-	-	-
Charges for services	5,000	2,000	2,080	80
Interest	1,000	1,000	1,664	664
Miscellaneous	2,500	-	2,000	2,000
TOTAL REVENUES	386,500	381,000	528,556	147,556
EXPENDITURES				
Current				
Executive	-	-	-	-
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Health and welfare	-	-	-	-
Culture, recreation and tourism	574,300	669,198	509,590	159,608
Non-departmental	-	-	-	-
Intergovernmental	-	-	-	-
Debt Service				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	-	-	-	-
TOTAL EXPENDITURES	574,300	669,198	509,590	159,608
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(187,800)	(288,198)	18,966	307,164
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	133,985	133,985
Transfers out	-	-	-	-
Capital leases	-	-	-	-
Sale of capital assets	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	133,985	133,985
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER SOURCES (USES)	(187,800)	(288,198)	152,951	441,149
FUND BALANCE				
Beginning of year	729,448	744,541	744,541	-
End of year	<u>\$ 541,648</u>	<u>\$ 456,343</u>	<u>\$ 897,492</u>	<u>\$ 441,149</u>

The accompanying notes are an integral part of this statement.

TOWN OF GRAND ISLE, LOUISIANA

FEMA - REPETITIVE FLOOD CLAIMS GRANT FUND
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCES - BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2018

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
Taxes				
Property taxes	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-
Franchise taxes	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	-	-	148	148
Gaming fees and commissions	-	-	-	-
Fines and forfeitures	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
Miscellaneous	-	-	-	-
TOTAL REVENUES	-	-	148	148
EXPENDITURES				
Current				
Executive	-	-	-	-
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Health and welfare	-	-	-	-
Culture, recreation and tourism	-	-	-	-
Non-departmental	-	-	-	-
Intergovernmental	-	-	-	-
Debt Service				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	-	-	-	-
TOTAL EXPENDITURES	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	148	148
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Capital leases	-	-	-	-
Sale of capital assets	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER SOURCES (USES)	-	-	148	148
FUND BALANCE				
Beginning of year	(148)	(148)	(148)	-
End of year	<u><u>\$ (148)</u></u>	<u><u>\$ (148)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 148</u></u>

The accompanying notes are an integral part of this statement.

TOWN OF GRAND ISLE, LOUISIANA

PROPRIETARY FUNDS
STATEMENT OF NET POSITION
JUNE 30, 2018

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS		
	WATERWORKS	GAS	TOTAL
	UTILITY FUND	UTILITY FUND	
ASSETS			
Cash and cash equivalents	\$ 25,973	\$ 16,054	\$ 42,027
Investments	-	-	-
Receivables (net of allowance for uncollectibles)	2,388	166,865	169,253
Due from other funds	103,488	2,749	106,237
Inventories	-	2,835	2,835
Prepaid items	-	-	-
Other assets	-	(372)	(372)
Restricted assets:			
Temporarily restricted:			
Cash and cash equivalents	51,226	56,135	107,361
Investments	546,719	-	546,719
Intergovernmental receivable	-	-	-
Permanently restricted:			
Cash and cash equivalents	-	-	-
Investments	-	-	-
Capital assets (net of accumulated depreciation)	9,692,405	455,149	10,147,554
Unamortized bond issue costs (net of accumulated amortization)	28,029	-	28,029
TOTAL ASSETS	10,450,228	699,415	11,149,643
LIABILITIES			
Current Liabilities			
Accounts payable	-	11,800	11,800
Accrued payroll and deductions	-	2,100	2,100
Due to other funds	1,871	321,055	322,926
Liabilities payable from restricted assets:			
Customer deposits	-	49,100	49,100
Due to other funds	-	7,035	7,035
Noncurrent liabilities:			
Water revenue bonds payable	7,423,201	-	7,423,201
TOTAL LIABILITIES	7,425,072	391,090	7,816,162
NET POSITION			
Invested in capital assets, net of related debt	2,297,233	455,149	2,752,382
Restricted for:			
Debt service	703,113	-	703,113
Construction	-	-	-
Unrestricted	24,810	(146,824)	(122,014)
TOTAL NET POSITION	\$ 3,025,156	\$ 308,325	\$ 3,333,481

The accompanying notes are an integral part of this statement.

TOWN OF GRAND ISLE, LOUISIANA

PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN
FUND NET POSITION
FOR THE YEAR ENDED JUNE 30, 2018

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS		
	WATERWORKS UTILITY FUND	GAS UTILITY FUND	TOTAL
OPERATING REVENUES			
Sales	\$ -	\$ 392,035	\$ 392,035
Service charges	-	2,050	2,050
Installation charges	-	13,082	13,082
Penalties	-	19,598	19,598
Intergovernmental transfers	541,508	-	541,508
Miscellaneous	-	619	619
TOTAL OPERATING REVENUES	541,508	427,384	968,892
OPERATING EXPENSES			
Personal services	-	158,457	158,457
Contracted services	-	76,249	76,249
Materials and supplies	-	15,372	15,372
General and administrative	193,790	140,682	334,472
Depreciation and amortization	441,685	23,539	465,224
TOTAL OPERATING EXPENSES	635,475	414,299	1,049,774
OPERATING INCOME (LOSS)	(93,967)	13,085	(80,882)
NONOPERATING REVENUES			
Interest income	7,663	179	7,842
Interest expense	(465,670)	-	(465,670)
Ad valorem taxes	209,272	52,318	261,590
Intergovernmental			
Federal - FEMA - Public Disaster Assistance	-	-	-
	(248,735)	52,497	(196,238)
INCOME (LOSS) BEFORE TRANSFERS AND SPECIAL ITEMS	(342,702)	65,582	(277,120)
OPERATING TRANSFERS			
Operating transfers in	-	-	-
Operating transfers out	-	-	-
	-	-	-
CHANGE IN NET POSITION	(342,702)	65,582	(277,120)
NET POSITION			
Beginning of year	3,367,858	242,743	3,610,601
End of year	\$ 3,025,156	\$ 308,325	\$ 3,333,481

The accompanying notes are an integral part of this statement.

TOWN OF GRAND ISLE, LOUISIANA

PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2018

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS		
	WATERWORKS UTILITY FUND	GAS UTILITY FUND	TOTAL
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from (Refunds to) customers and others	\$ -	\$ 421,961	\$ 421,961
Receipts from interfund services provided	-	144	144
Receipts from Jefferson Parish Water - operating subsidy	541,508	-	541,508
Payments to suppliers	(20,928)	(220,675)	(241,603)
Payments to Jefferson Parish (surplus funds)	(172,862)	(157,714)	(330,576)
Payments to employees	-	(103,736)	(103,736)
Payments for interfund services used	-	-	-
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>347,718</u>	<u>(60,020)</u>	<u>287,698</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Ad valorem taxes	209,272	52,318	261,590
Receipts under FEMA Public Disaster Assistance grants	-	-	-
Transfers in	-	-	-
Transfers out	-	-	-
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	<u>209,272</u>	<u>52,318</u>	<u>261,590</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Principal paid on Water Revenue Bonds, Series 2000	(75,839)	-	(75,839)
Interest paid on Water Revenue Bonds, Series 2000	(465,670)	-	(465,670)
Purchase of property and equipment	-	(9,379)	(9,379)
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	<u>(541,509)</u>	<u>(9,379)</u>	<u>(550,888)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received	7,663	179	7,842
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>7,663</u>	<u>179</u>	<u>7,842</u>
INCREASE IN CASH AND CASH EQUIVALENTS	23,144	(16,902)	6,242
CASH AND CASH EQUIVALENTS			
Beginning of year	600,774	89,091	689,865
End of year	<u>\$ 623,918</u>	<u>\$ 72,189</u>	<u>\$ 696,107</u>
RECONCILIATION TO BALANCE SHEET			
Current Assets			
Cash and cash equivalents	\$ 25,973	\$ 16,054	\$ 42,027
Restricted Assets			
Cash and cash equivalents	51,226	56,135	107,361
Investments	546,719	-	546,719
TOTAL	<u>\$ 623,918</u>	<u>\$ 72,189</u>	<u>\$ 696,107</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating income (loss)	<u>\$ (93,967)</u>	<u>\$ 13,085</u>	<u>\$ (80,882)</u>
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation and amortization	441,685	23,539	465,224
(Increase) decrease in assets:			
accounts receivable	-	(7,429)	(7,429)
due from other funds	-	144	144
inventory	-	3,698	3,698
other assets	-	372	372
Increase (decrease) in liabilities:			
accounts payable	-	7,558	7,558
accrued payroll and deductions	-	743	743
customer deposits	-	2,006	2,006
due to other funds	-	(103,736)	(103,736)
Net adjustments	<u>441,685</u>	<u>(73,105)</u>	<u>368,580</u>
Net cash provided (used) by operating activities	<u>\$ 347,718</u>	<u>\$ (60,020)</u>	<u>\$ 287,698</u>

The accompanying notes are an integral part of this statement.

TOWN OF GRAND ISLE, LOUISIANA

**FIDUCIARY FUNDS
STATEMENT OF NET POSITION
JUNE 30, 2018**

	<u>AGENCY FUNDS</u>
ASSETS	
Cash and cash equivalents	\$ 11,785
TOTAL ASSETS	<u>11,785</u>
LIABILITIES	
Due to taxing bodies and others	11,785
TOTAL LIABILITIES	<u>11,785</u>
NET POSITION	<u>\$ -</u>

The accompanying notes are an integral part of this statement.

TOWN OF GRAND ISLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the TOWN OF GRAND ISLE, LOUISIANA (the "Town") 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 Town's significant accounting policies are described below.

1. Reporting Entity

Under GASB's Codification of Governmental Accounting and Financial Reporting Standards Section 2100, the financial reporting entity consists of the primary government (the "Town") and its component units. Component units are defined as legally separate organizations for which the elected officials of the 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 body, and 1) the ability of the primary government to impose its will on that organization, or 2) whether the potential exists 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. Additionally, a component unit can be an organization for which the nature and significance of its relationship with the primary government is such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The component units discussed below are included in the Town's reporting entity as blended component units because of the significance of their operational or financial relationships with the Town.

Community Center and Playground District No. 16 of Jefferson Parish

The above noted District is a legally separate entity from the Town and is funded primarily by taxes and fees levied by the Parish of Jefferson; however, under agreement with the Parish, the entity is governed by the same elected officials that govern the Town. For financial reporting purposes, this entity is reported as if it were part of the Town's operations.

2. Description of Activities

The Town was incorporated on June 15, 1959, under the provisions of the Lawrason Act (LRS 33:321 - 481). The Town is governed by a Mayor-Board of Alderman form of government. Services provided by the Town include general government activities, public works, public safety, health and welfare and culture and recreation programs. The Town also provides waterworks and gas utilities.

3. Government-wide and Fund Financial Statements

Government-wide 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 Town. 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.

TOWN OF GRAND ISLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The statement of activities demonstrates the degree to which the direct expense of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Fund Financial Statements

Separate financial statements are provided for the governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements of the Town. Funds are used by the Town 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. The funds of the Town are classified into three categories: *governmental, proprietary and fiduciary*. Each category, in turn, is divided into separate "fund types".

Governmental funds are used to account for all or most of the Town's general activities, including the collection and disbursement of earmarked monies (special revenue funds), the acquisition or construction of general fixed assets (capital project funds), and the servicing of general long-term debt (debt service funds). The General Fund is used to account for all financial activities of the Town not accounted for in some other fund. "Major" individual governmental funds are reported as separate columns in the fund financial statements. The Town reports the following major governmental funds:

The **General Fund** is the general operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in another fund.

The **Community Center and Playground District No. 16 Special Revenue Fund** accounts for the proceeds of an ad valorem tax levied by the Parish of Jefferson and remitted to the Town for the construction, operations, and debt service costs of the Grand Isle Community Center and Playground District.

The **FEMA Repetitive Flood Claims Grant Special Revenue Fund** accounts for the proceeds of a federal grant being passed through the Town to aid residents who have made repetitive flood claims with FEMA in raising their houses.

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 Town uses *Enterprise Funds* to account for the operations of its waterworks and gas utilities. The principal operating revenues of each are charges to customers for sales and services or parish subsidies. 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.

TOWN OF GRAND ISLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the government. *Agency funds* generally are used to account for assets that the Town holds on behalf of others as their agent. The Grand Isle Relief Fund holds money donated to the Town for disaster relief to citizens in the Town.

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

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met and the funds are "available". As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Amounts reported as *program revenues* on the Statement of Activities include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes and related commissions.

Within the fund financial statements, the accounting and financial reporting treatment applied to a fund is determined by its measurement focus and basis of accounting.

Governmental fund financial statements are reported using a *current financial resources measurement focus* and the *modified accrual basis of accounting*. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets. Under the modified basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The Town considers property taxes and sales taxes as available if they are collected within 60 days after year end. A one-year availability period is used for revenue recognition for all other governmental fund revenues. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on general long-term debt, which is recognized when due.

Those revenues susceptible to accrual are property taxes, sales taxes, franchise taxes, interest revenue, charges for services, and grants. Fines and permits revenues are not susceptible to accrual because generally they are not measurable until received in cash.

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 assets. 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.

TOWN OF GRAND ISLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

In accordance with GASB Statement No. 20, Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting, it is the policy of the Town's proprietary funds to apply all applicable GASB pronouncements, as well as all Financial Accounting Standards Board (FASB) statements, interpretations, accounting principles board opinions and accounting research bulletins of the Committee on Accounting Procedure issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements.

The Town may also report unearned grant revenues on its combined balance sheet. Unearned grant revenues arise when potential revenue does not meet both the "measurable and available" criteria for recognition in the current period. Unearned grant 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 (i.e., an advance). In subsequent periods, when both revenue recognition criteria are met, or when the government has a legal claim to the resources, the liability of unearned grant revenues is removed from the combined balance sheet and revenue is recognized.

5. Assets, Liabilities, and Net Position or Equity

A. Cash and Investments

Cash and cash equivalents shown on the face of the Combined Balance Sheet include amounts in demand deposits, petty cash, certificates of deposit with maturities of less than 90 days, and shares in the Louisiana Asset Management Pool (LAMP).

In accordance with GASB Statement No. 31, investments are generally stated at fair value, unless the Town invests in "money market" securities which have a maturity date of less than 90 days at the balance sheet date. If the investments mature within 90 days, they are stated at cost or amortized cost. Louisiana Revised Statutes (LSA-RS 33:2955) authorize the Town to invest in (1) direct obligations of the United States Treasury, the principal and interest of which are fully guaranteed by the federal government, (2) bonds, debentures, notes, or other evidence of indebtedness issued or guaranteed by federal agencies or U.S. government instrumentalities, (3) direct security repurchase agreements of any federal book entry only securities, (4) time certificates of deposits of state banks organized under the laws of Louisiana and national banks having their principal offices in the state of Louisiana, savings accounts or shares of savings and loan associations, (5) in mutual or trust fund institutions, which are registered with the Securities and Exchange Commission under the Securities Act of 1933 and the Investment Act of 1940, and which have underlying investments consisting solely of and limited to securities of the U.S. government or its agencies, or (6) guaranteed investment contracts issued by a bank, financial institution, insurance company, or other entity having one of the two highest short-term rating categories of either Standard & Poor's Corporation or Moody's Investors Service, provided that no such investment may be made except in connection with a financing program approved by the State Bond Commission.

For the purposes of the statement of cash flows, the Proprietary Fund considers its investment in LAMP and all highly liquid investments with a maturity of three months or less when purchased, to be cash equivalents.

TOWN OF GRAND ISLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Interfund Receivables/Payables and Transfers

Activity between funds that are representative of lending/borrowing arrangements outstanding at year end are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds". Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources. As a general rule, all interfund balances are eliminated in the government-wide financial statements.

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses in proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented in the financial statements.

C. Inventories

The cost of material and supplies acquired by governmental funds are recorded as expenditures at the time of purchase. The inventory of such materials and supplies at June 30, 2018 would not be material to the financial statements. The inventory of the Proprietary Fund is stated at the lower of cost or market, determined by a first-in, first-out method.

D. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2018 are recorded as prepaid items.

E. Unamortized Charges

Bond issuance costs relating to the Revenue Bonds are treated as unamortized charges and will be amortized/expended over the life of the bonds. Amortization will occur over the next 40 years.

F. *Restricted Assets*

Funds on hand which represent "customer meter deposits" are classified as restricted assets on the balance sheet of the enterprise fund since these funds may only be used for the payment of any outstanding water bills when customers discontinue service. Special accounts set up in accordance with the Bond Anticipation Notes and the Water Revenue Bonds, Series 2000 bond indenture are also classified as restricted assets on the balance sheet. These accounts include a "construction account", a "debt service - sinking fund", a "debt service - reserve fund", and a "reserve for depreciation and contingencies fund".

TOWN OF GRAND ISLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental activities column in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial, individual cost of more than \$100 (except for electronic equipment is 100 percent capitalized) and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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. Major outlays for capital assets and improvements are capitalized as projects are constructed and are included in construction in progress.

General government property, plant, equipment, and infrastructure is depreciated using the straight-line method (with a mid-year convention) over the following estimated useful lives:

Asset Category	Useful Life in Years
Buildings and Improvements	40
Equipment (including furniture and fixtures)	3
Heavy Equipment	5
Vehicles	7
Infrastructure - Other	15 to 35
Infrastructure - Streets	20 to 40

The proprietary funds also record capital assets and depreciation. The useful lives used for computing depreciation for the proprietary funds are as follows:

Asset Category	Useful Life in Years
Buildings and Improvements	20 to 50
Furniture and Fixtures	5 to 10
Vehicles and Heavy Equipment	5 to 10
Utility Distribution Systems and Lines	20 to 40

H. Compensated Absences

In both the governmental and proprietary fund types, 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, 2018 would not be material to the financial statements.

TOWN OF GRAND ISLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are recognized as liabilities in the applicable governmental activities statement of net position. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable, if any, are reported net of the applicable bond premium or discount. Bond issuance costs, if any, are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures. Payments of principal and interest are recorded as expenditures only when due.

J. Fund Equity

In accordance with Government Accounting Standards Board (GASB) Statement No. 54 - *Fund Balance Reporting and Governmental Fund Type Definitions*, in the fund financial statements, fund balances of the governmental fund types are categorized into one of five categories - Non-spendable, Restricted, Committed, Assigned, or Unassigned.

For *committed fund balances*, the Town Council is considered to be the highest level of decision-making authority and ordinances or resolutions passed by it is needed to establish, modify, or rescind a fund balance commitment. For *assigned fund balances*, the Mayor or Town Clerk may assign amounts to a specific purpose.

While the Town has not established a policy for its use of unrestricted fund balances, it does consider that committed amounts would be reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

K. Use of Estimates

In preparation of financial statements in accordance with generally accepted accounting principles requires the Town 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/expenditures. Actual results could differ from the estimates that were used.

L. Subsequent Events

The Town has evaluated subsequent events through December 1, 2018, the date the financial statements were available to be issued.

TOWN OF GRAND ISLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

NOTE B - RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

1. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances and the Government-wide Statement of Activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes reconciliation between *net changes in fund balances - total governmental funds* and *changes in net position of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that "Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense." The details of this \$1,493,348 difference are as follows:

Capital outlay	\$ 2,702,154
Depreciation expense	(1,208,806)
Net adjustment to increase <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net position - governmental activities</i>	\$ 1,493,348

Another element of that reconciliation states that "the issuance of long-term debt provides current resources to governmental funds, while the payment of principal of long-term debt consumes the current financial resources of governmental funds." The details of this \$-0- difference is as follows:

Long-term debt issued - Sewer Revenue Bonds/Revolving Loan Proceeds	\$ 395,652
Payments on long-term debt - Sewer Revenue Bonds/Revolving Loan Forgiveness	(395,652)
Net adjustment to increase (decrease) <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net position - governmental activities</i>	\$ -

NOTE C - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

1. Budgetary Information

Formal budgetary accounting is employed as a management control device during the year for the General Fund and Special Revenue Funds. Informal budgets are also adopted for the Proprietary funds but are not presented.

Expenditures may not exceed budgeted appropriations at the division or department level. Expenditures may not exceed appropriations until additional appropriations have been provided. All annual appropriations which are not expended or encumbered lapse at year end.

Budgets are adopted for the General and Special Revenue funds on a basis consistent with generally accepted accounting principles (GAAP). Budgetary comparisons presented in the accompanying financial statements are on this GAAP basis.

TOWN OF GRAND ISLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

NOTE C - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

In accordance with the Louisiana Local Government Budget Act (LSA-RS 39:1301), the procedures used by the Town in establishing the budgetary data reflected in the financial statements are as follows:

- a. Not less than 30 days before the end of the fiscal year, the Mayor recommends to the Board of Aldermen a proposed operating budget for the ensuing fiscal year. The operating budget includes proposed expenditures and the means of financing them.
- b. The proposed budget is summarized and advertised and the public notified that the proposed budget is available for inspection and that within 10 days thereafter public hearings are conducted to obtain taxpayer comments.
- c. The budget is then legally enacted by passage of an ordinance by the Board of Aldermen.
- d. Any revisions that alter the total expenditures of a department must be approved by the Board of Aldermen. Changes to specific line-items within the departments must also be approved by the Board.

Budgeted amounts presented in the financial statements are as originally adopted or as finally amended by the Board of Aldermen.

2. Amendments to the Budget

The Town made several supplemental budgetary appropriations throughout the year, the final being made on May 9, 2018 via Ordinance 969. The most significant of the changes made are described below:

Budgeted revenues of the General Fund were increased by \$910,500. The majority of the increase was seen in intergovernmental - federal and state grants. Intergovernmental increased \$830,074 due to 1) a decrease in FEMA Disaster revenue (down \$335,573), 2) an increase in Revolving Loan Forgiveness on DEQ loan (up \$395,652), 3) an increase in revenues for the CPRA Hurricane Levee Restoration project (up \$200,000), 4) a decrease in State Capital Outlay program on the Gymnasium renovation project which was delayed (down \$111,600), and 5) an increase Parish Grants for money on the Hurricane Levee Restoration project (up \$749,976). In addition, Taxes were raised \$24,000 (\$21,000 in sales taxes and \$3,000 in Franchise Taxes). Licenses and Permits were raised \$40,000. Finally, Miscellaneous Revenues were increased \$19,214 (primarily in the other income line-item).

Budgeted expenditures of the General Fund were increased by \$1,209,578. A breakdown by function follows:

Fund/Function	Original Budget	Amendments	Final Budget
General Fund			
Executive	\$ 96,526	\$ 2,000	\$ 98,526
General Government	4,019,680	966,858	4,986,538
Public Safety	841,450	15,912	857,362
Public Works	931,483	52,585	984,068
Culture, Recreation and Tourism	112,110	(9,564)	102,546
Debt Service	530,213	181,787	712,000
Total	\$ 6,531,462	\$ 1,209,578	\$ 7,741,040

The \$966,858 increase in the General Government's expenditures was the result of 1) an increase of \$134,875 in legal and professional fees (primarily for legal and engineering services), 2) a decrease \$(109,350) in capital outlay – buildings and structures (due to delays in the gymnasium project), and 3) an increase of \$949,976 in capital outlay – hurricane levee restoration.

TOWN OF GRAND ISLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

NOTE C - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

The increase of \$15,912 in Public Safety was made up of an increase in insurance of \$15,548 (due to more cars and equipment being placed into service).

The increase of \$52,585 in Public Works is made up of 1) an increase of \$8,000 in salaries (due to small raises given), 2) an increase of \$38,853 in street signs (as more projects were approved), 3) an increase of \$15,720 in capital outlay – vehicles for the purchase of a new utility vehicle, and 4) a decrease of \$(9,188) in street repairs.

Debt Service went up \$181,787 to account for the DEQ 90 West project which was being funded with a revolving loan from LA DEQ. The costs of the project were being funded with a loan; however, a federal subsidy was used to simultaneously forgive the debt upon issuance. This increase was to account for activity on the project.

The Community Center and Playground District No. 16 Special Revenue Fund had a net increase in revenues of \$(5,500) made up of a decrease of \$(3,000) in rental fees and \$(2,500) in miscellaneous income. Expenditures went up \$94,898 (\$12,198 for summer youth salaries, \$21,000 for telephone, and \$67,000 for beach equipment).

During 2016, the FEMA Repetitive Flood Claims Grant expended the majority of the advance it had received in the previous year on its projects. The project was halted at the end of the previous year (2017) and no adjustments were made. The Town settled up with the Parish in 2018 and closed the fund.

3. Expenditures in Excess of Appropriations

The following funds had expenditures on a budgetary basis in excess of appropriations for the fiscal year ended June 30, 2018:

Fund/Function	Expenditures	Budget	Excess
General Fund			
Public Safety	\$ 893,135	\$ 857,362	\$ (35,773)
Special Revenue			
Drainage District No. 1	40,019	40,000	(19)
Community Fair	36,264	32,116	(4,148)

Expenditures exceeded appropriations in for the following reasons: the General Fund Public Safety Function was over budget in the following line-items: \$34,848 over budget in salaries (due to overtime and beach patrols), \$34,789 over budget in hospitalization insurance (due to additional staffing), \$14,411 in workers compensation (again, due to additional staffing and overtime), offset by under-budget amounts in beach patrol equipment repairs (\$10,000 under budget) and in vehicles (under budget by \$36,496). The Drainage District was over budget due to the accrual of costs associated with the rental of a pump. The Community Fair was over budget due to more than anticipated costs associated with the fair. All of the above overages were absorbed by available revenues/fund balances.

4. Deficit Fund Balances/Net Position

The Business-type Activities - Enterprise Funds ended the year with total net position of \$3,333,481; however, this number includes a deficit in the unrestricted net position of \$(122,014). This deficit is the net of a positive net position in the Water Utilities Fund of \$24,810, offset by a deficit of \$(146,824) in the Gas Utilities Fund.

The Gas Utilities Enterprise Fund has been experiencing cash flow problems for the past several years. Several steps have been taken to alleviate this problem, including raising service charges; however, a deficit net position remained at year-end despite a current year surplus in operations. It is anticipated that this deficit will be made up in 2019 and 2020. During 2018, the deficit increased by \$(65,582).

TOWN OF GRAND ISLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

NOTE D - DETAILED NOTES ON ALL ACTIVITIES AND FUNDS

1. Deposits with Financial Institutions and Investments

Deposits with Financial Institutions

At June 30, 2018, deposits with financial institutions consisted of the following:

	Cash	Certificates of Deposit	Other	Total
Deposits in Bank Accounts per Balance Sheet	\$ 1,176,240	\$ -	\$ 300	\$ 1,176,540
Bank Balances of Deposits Exposed to Custodial Credit Risk:				
A. Uninsured and uncollateralized	\$ -	\$ -	\$ -	\$ -
B. Uninsured and collateralized with securities held by the pledging institution	-	-	-	-
C. Uninsured and collateralized with securities held by the pledging institution's trust department or agent but not in the Town's name.	-	-	-	-
Total Bank Balances Exposed to Custodial Credit Risk	\$ -	\$ -	\$ -	\$ -
Total Bank Balances - All Deposits	\$ 1,306,799	\$ -	\$ -	\$ 1,306,799

Petty cash is not required to be reported in the note disclosure; however, to aid in reconciling amounts reported on the balance sheet to the amounts reported in this note, the Town held \$300 in petty cash at June 30, 2018 (\$200 in the General Fund and \$100 in the Gas Utilities Fund) which is shown as other above.

A breakdown of cash and investments as shown on the Statement of Net Position is as follows:

Fund	Cash and Cash Equivalents	Investments	Total
Major Funds			
General Fund	\$ 473,533	\$ 3,397,115	\$ 3,870,648
Community Center and Playground District No. 16	32,380	114,913	147,293
FEMA Repetitive Flood Claims Grant Fund	-	-	-
Non-major Governmental Funds			
Special Revenue Funds	509,454	23,740	533,194
Proprietary Funds (Unrestricted and Restricted)			
Waterworks Utilities Enterprise Fund	77,199	546,719	623,918
Gas Utilities Enterprise Fund	72,189	-	72,189
Fiduciary Funds - Agency	11,785	-	11,785
Total (See Footnote D.1)	\$ 1,176,540	\$ 4,082,487	\$ 5,259,027

TOWN OF GRAND ISLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

NOTE D - DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

Investments

Custodial Credit Risk

Investments can be exposed to custodial credit risk if the securities underlying the investment are uninsured, not registered in the name of the entity, and are either held by the counter-party or the counter-party's trust department or agent but not in the entity's name. The Town's investments consist of shares in the Louisiana Asset Management Pool (LAMP). The balance as of June 30, 2018 for all funds is \$4,082,487. Because this investment is not evidenced by securities that exist in physical or book entry form, it is not categorized for the purposes of this note.

Credit Risk of Investments

State law limits investments in commercial paper and corporate bonds to the top two ratings issued by nationally recognized statistical rating organizations. It is the Town's policy is to limit its investments in these investment types to the top ratings group. State statutes also allow the Town to invest in the Louisiana Asset Management Pool (LAMP). The following table lists the Town's investments by credit quality rating, whether held directly or indirectly (i.e., LAMP):

<u>S&P or Moody's Rating</u>	<u>Fair Value</u>
AAAm	\$ 4,082,487
	<u>\$ 4,082,487</u>

Interest Rate Risk

In accordance with the Town's investment policy, exposure to declines in fair values is managed by limiting the maturity of its investments to less than 1 year. By investing in LAMP, the Town is even less exposed to long-term interest rate risk.

Concentrations of Credit Risk

The Town does not limit how much can be invested in a particular issuer as long as the limits set forth in State Statutes are met. At June 30, 2018, 100 percent of the Town's investments of \$4,082,487 were invested with the Louisiana Asset Management Pool (LAMP).

TOWN OF GRAND ISLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

NOTE D - DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

2. Receivables

Receivables at June 30, 2018 consist of the following:

	General	Community Center and Playground District No. 16 Special Revenue	Other Governmental Funds	Proprietary Funds	Total
Receivables:					
Accounts					
Utilities	\$ -	\$ -	\$ -	\$ 167,225	\$ 167,225
Franchise taxes	40,715	-	-	-	40,715
Intergovernmental					
Sales taxes	184,329	-	12,289	-	196,618
Beer taxes	1,505	-	-	-	1,505
Gaming fees and commissions	25,440	-	-	-	25,440
Playground Dist No 16 taxes	-	741,827	-	-	741,827
Parish Transportation Funds	27,269	-	-	-	27,269
DEQ Revolving Loan 90 West	-	-	-	-	-
Federal, state, and local grants	29,249	14,899	-	-	44,148
State Park sanitation fees	1	-	-	-	1
State Beach water quality fees	1,000	-	-	-	1,000
Other	4,896	-	-	3,028	7,924
Subtotal	314,404	756,726	12,289	170,253	1,253,672
Less: Allowance for uncollectibles	-	-	-	(1,000)	(1,000)
Net Receivables - Governmental Funds	\$ 314,404	\$ 756,726	\$ 12,289	\$ 169,253	\$ 1,252,672

The Town generally considers all receivables to be collectible, however, in the Gas Utilities Enterprise Fund, an allowance for uncollectibles of approximately 1 percent (\$1,000) of the utility bills receivable has been recorded.

Sales taxes are collected by the Jefferson Parish Sheriff's Office (the ex-officio tax collector of the Parish). Sales taxes collected by vendors are remitted to the Sheriff in the month following the sale and the Sheriff then remits the taxes to the taxing agencies (i.e., the Town) by the 10th of the following month. These amounts represent sales taxes due from the Sheriff for May and June 2018, which were received in July and August 2018.

The General Fund receivables include normal recurring remittances for taxes and intergovernmental fees that were received after year end. Other than sales taxes, the largest receivables has to do with the accrual of \$40,715 in franchise taxes (related to the cable and electric utility franchise agreements). The \$29,249 for Federal, State and Local Grants is made up of claims filed with FEMA for Hurricanes Katrina (see Note E.3). The gaming fees and commissions are due from the Parish and the State for Boomtown Casino boarding fees and video poker commissions. The Parish Transportation Funds are due from the State's annual allocation.

TOWN OF GRAND ISLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

NOTE D - DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

There was no money due from DEQ relates to the Municipal Facilities Revolving Loan Program (Non-point Source Run-Off - Road Rehabilitation DEQ 90 West) at year end - see Note D.5.

The \$756,726 shown in the Playground District No. 16 Special Revenue fund relates to 1) the balance of parish dedicated ad valorem taxes collected by the Parish on the Town's behalf under a local cooperative agreement in the amount of \$741,827, and 2) \$14,899 in claims to FEMA related to Hurricane Isaac (See Note E.3). The ad valorem tax amounts are remitted to the Town by the Parish on a monthly basis. The Parish typically withholds a percentage of the annual tax collection for contingencies. The amount held by the Parish is accrued into the Town's fund.

Finally, the Waterworks Utilities Enterprise Fund includes \$5 for utility billings to customers for gas, penalties and sanitation fees, while the Gas Utilities Enterprise Fund includes \$167,220 for these types of billings. Included within the gas receivable amount is \$14,466 for un-billed receivables. This amount represents approximately one-half of the July 31, 2018 gas bills which are for the actual usage of gas in the last half of June 2018.

3. Capital Assets

The Town's capital assets include various infrastructure assets, including the value of Town-owned streets. The amount of streets capitalized totaled \$12,969,828 and is based on estimates from the Town's engineers on which streets are Town-owned, the make-up and condition of the street, the historical cost of the street, etc. The Town elected to capitalize these costs and depreciate them over their useful lives. The Town does not follow the "alternative method" of accounting for and depreciating these street networks, thus, any general maintenance costs (including street overlays) are being expended in the year incurred rather than capitalized.

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

TOWN OF GRAND ISLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

NOTE D - DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

	Balance July 1, 2017	Additions	Deletions	Reclasses & Transfers	Balance June 30, 2018
Governmental Activities:					
Capital Assets Not Being Depreciated					
Land	\$ 382,831	\$ -	\$ -	\$ -	\$ 382,831
Construction in progress	1,903,365	2,565,472	-	(3,394,445)	1,074,392
Total Capital Assets Not Being Depreciated	<u>\$ 2,286,196</u>	<u>\$ 2,565,472</u>	<u>\$ -</u>	<u>\$ (3,394,445)</u>	<u>\$ 1,457,223</u>
Capital Assets Being Depreciated:					
Buildings and improvements	\$ 7,803,797	\$ -	\$ -	\$ -	\$ 7,803,797
Furniture and fixtures	742,848	12,963	-	-	755,811
Heavy Equipment	3,517,460	86,511	-	-	3,603,971
Vehicles	387,006	37,208	-	-	424,214
Infrastructure	22,583,319	-	-	3,394,445	25,977,764
Total Capital Assets Being Depreciated	<u>35,034,430</u>	<u>136,682</u>	<u>-</u>	<u>3,394,445</u>	<u>38,565,557</u>
Less Accumulated Depreciation:					
Buildings and improvements	(1,460,559)	(204,221)	-	-	(1,664,780)
Furniture and fixtures	(661,101)	(18,859)	-	-	(679,960)
Heavy Equipment	(3,184,398)	(76,285)	-	-	(3,260,683)
Vehicles	(173,788)	(54,863)	-	-	(228,651)
Infrastructure	(14,397,251)	(854,578)	-	-	(15,251,829)
Total Accumulated Depreciation	<u>(19,877,097)</u>	<u>(1,208,806)</u>	<u>-</u>	<u>-</u>	<u>(21,085,903)</u>
Net Capital Assets Being Depreciated					
Buildings and improvements	6,343,238	(204,221)	-	-	6,139,017
Furniture and fixtures	81,747	(5,896)	-	-	75,851
Heavy Equipment	333,062	10,226	-	-	343,288
Vehicles	213,218	(17,655)	-	-	195,563
Infrastructure	8,186,068	(854,578)	-	3,394,445	10,725,935
Total Net Capital Assets Being Depreciated	<u>\$ 15,157,333</u>	<u>\$ (1,072,124)</u>	<u>\$ -</u>	<u>\$ 3,394,445</u>	<u>\$ 17,479,654</u>
Total Net Capital Assets - Governmental Activities	<u>\$ 17,443,529</u>	<u>\$ 1,493,348</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,936,877</u>

TOWN OF GRAND ISLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

NOTE D - DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

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

	Balance July 1, 2017	Additions	Deletions	Reclasses & Transfers	Balance June 30, 2018
Business-type Activities:					
Capital Assets Not Being Depreciated					
Land	\$ -	\$ -	\$ -	\$ -	\$ -
Construction in progress	-	-	-	-	-
Total Capital Assets Not Being Depreciated	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Capital Assets Being Depreciated:					
Buildings and improvements	\$ -	\$ -	\$ -	\$ -	\$ -
Furniture and equipment	2,913	1,519	-	-	4,432
Heavy Equipment	4,186	-	-	-	4,186
Vehicles	48,488	7,860	-	-	56,348
Transmission and distribution systems	18,593,571	-	-	-	18,593,571
Total Capital Assets Being Depreciated	<u>18,649,158</u>	<u>9,379</u>	<u>-</u>	<u>-</u>	<u>18,658,537</u>
Less Accumulated Depreciation:					
Buildings and improvements	-	-	-	-	-
Furniture and equipment	(2,913)	-	-	-	(2,913)
Heavy Equipment	(4,186)	-	-	-	(4,186)
Vehicles	(48,488)	-	-	-	(48,488)
Transmission and distribution systems	(7,991,465)	(463,931)	-	-	(8,455,396)
Total Accumulated Depreciation	<u>(8,047,052)</u>	<u>(463,931)</u>	<u>-</u>	<u>-</u>	<u>(8,510,983)</u>
Net Capital Assets Being Depreciated					
Buildings and improvements	-	-	-	-	-
Furniture and equipment	-	1,519	-	-	1,519
Heavy Equipment	-	-	-	-	-
Vehicles	-	7,860	-	-	7,860
Transmission and distribution systems	10,602,106	(463,931)	-	-	10,138,175
Total Net Capital Assets Being Depreciated	<u>\$ 10,602,106</u>	<u>\$ (454,552)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,147,554</u>
Total Net Capital Assets - Business-type Activities	<u>\$ 10,602,106</u>	<u>\$ (454,552)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,147,554</u>

TOWN OF GRAND ISLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

NOTE D - DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

Depreciation expense has been charged to the functions/programs of the Town as follows:

	Depreciation Expense
Governmental Activities	
Executive	\$ 5,153
General Government	159,006
Public Safety	48,263
Public Works	754,102
Health and Welfare	-
Culture, Recreation and Tourism	242,282
Total Depreciation Expenses - Governmental Activities	\$ 1,208,806
Business-type Activities	
Waterworks Utilities	\$ 440,392
Gas Utilities	23,539
Total Depreciation Expenses - Governmental Activities	\$ 463,931

The Construction in Progress of \$1,074,392 in the Governmental Activities relates to the following ongoing project(s):

Project	Construction In Progress	Required Future Financing	Expended During Year
Town Hall Renovations	\$ 178,491	\$ 430,181	\$ 4,660
Gymnasium Renovations	58,399	696,667	-
Road Rehabilitation - DEQ 90 West	817,427	35,573	395,652
Hurricane Levee Restoration	-	-	2,145,085
Multiplex Renovations	20,075	60,300	20,075
Total Construction in Progress	\$ 1,074,392	\$ 1,222,721	\$ 2,565,472

The Town Hall Renovations project is nearing the bid phase. The Parish provided \$150,000 to the Town for engineering fees to study and design this project. During 2018, the Town spent \$4,660 bringing the total to date cost to \$178,491. The work on the project has been delayed but continues. FEMA is paying for some architectural costs via a project worksheet written under Hurricane Gustav (See Note E.3).

The Gymnasium renovations are being funded with a \$740,000 State Capital Outlay grant (Project No. 50-MB1-12-01). The State is providing \$100,000 in cash for engineering and design work. The balance of \$640,000 is in a non-cash line of credit. During 2018, the Town spent \$-0-, bringing the total to date cost to \$58,399. The work on the project has been delayed but continues.

In 2018, \$395,652 was spent on the Municipal Facilities Revolving Loan Program (Non-point Source Run-Off - Road Rehabilitation DEQ 90 West) - see Note D.5.

TOWN OF GRAND ISLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

NOTE D - DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

During 2017, the Hurricane Levee suffered severe erosion and required emergency restoration work. The Town received grants from the CPRA and the Parish of Jefferson to help pay for the estimated \$2,949,976 in repairs costs. During 2018, the Town expended \$2,145,845 on this project, bringing the total cost-to-date to \$3,394,445. This project was completed and the balance in construction in progress was transferred to infrastructure.

Water District Takeover

As discussed in Note F.2, the Parish of Jefferson created Sub-District No. 1 of the Consolidated Water District No. 2 of Jefferson Parish in July 2005. This Sub-District effectively took over the daily operations of the Town's water district, while the Town continues to maintain custody of the Lafitte-to-Grand Isle waterline along with the associated debt (i.e., Water Revenue Bonds, Series 2000). This "take-over" of the water district effectively took place on or about August 15, 2005. Under the terms of the takeover, the Town turned over all operating and capital assets to the Parish's Water District, except for the Lafitte-to-Grand Isle Waterline. The \$17,563,296 cost of the waterline and related debt remain on the books of the Town because of restrictions in the bond indenture that funded the waterline construction. This asset is included in the transmission and distribution systems reported above in the Business-type capital assets.

4. Restricted Assets

The balances of Waterworks Utility and Gas Utility Enterprise Funds' restricted asset accounts are as follows:

<u>Fund/Restricted Asset Account</u>	
Waterworks Utilities Enterprise Fund	
Water Pipeline Debt Service - Sinking Fund	\$ 51,226
Water Pipeline Debt Service - Reserve Fund	248,567
Water Pipeline Debt Service - Depreciation & Contingencies Reserve	298,152
Total Waterworks Utilities	597,945
 Gas Utilities Enterprise Fund	
Meter Deposits	56,135
Total Waterworks Utilities	56,135
Total Restricted Assets	\$ 654,080

TOWN OF GRAND ISLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

NOTE D - DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

5. Long-Term Debt

Municipal Facilities Revolving Loan Program (Non-point Source Run-Off - Road Rehabilitation DEQ 90 West)

The State of Louisiana has established a Municipal Facilities Revolving Loan Fund (MFRLF) to be used for the purpose of providing financial assistance to agencies for the improvement of wastewater treatment facilities throughout the State. The MFRLF receives money from the Federal Environmental Protection Agency through its Capitalization Grants for Clean Water State Revolving Funds program provided under the Clean Water Act of 1972, as amended by the Water Quality Act of 1987 and the American Recovery and Reinvestment Act of 2009.

The Town entered into a Loan and Pledge Agreement with the Louisiana Department of Environmental Quality (LDEQ) on August 27, 2012 to finance the acquisition, construction and installation of improvements to the Town's sewerage system (i.e., a non-point run-off project). The Town, as evidenced by an ordinance adopted on September 11, 2012, authorized the incurring of debt and the issuance of Sewer Revenue Bond, Series 2012 in an amount not to exceed \$853,700. For various reasons, the project was put on hold and not revived until May 26, 2016, when the Town Council once again authorized the Mayor to pursue this funding.

Under this program, the bonds were issued by the Town and purchased by LDEQ using available funds in the MFRLF. The bond/loan proceeds are being paid out to the Town as eligible construction costs are incurred.

The Bonds are secured and payable from the revenues of the Town's sewerage system (i.e., the General Fund). The bonds are non-interest bearing and the Town's obligation to repay the principal of the Bonds is being forgiven simultaneously with the payment by LDEQ of each installment of the purchase price of the Bonds. Accordingly, the Town will not have to pay any principal or interest on these bonds.

The forgiveness of this debt is being provided for under a Supplemental Loan Agreement on August 27, 2012 (Agreement # CS221756-01) between the Town and LDEQ. Per the agreement, the State will utilize a portion of their revolving loan funds for additional subsidization to eligible recipients in the form of forgiveness of principal, negative interest loans or grants or any combination of these. LDEQ has authorized the use of these funds to forgive the Town's debt under this bond issuance.

During 2018 the Town incurred costs on this project totaling \$395,652. As of June 30, 2018, bond/loan proceeds of \$395,652 have been received, with the balance of \$-0- being accrued as receivable at year-end and the \$395,652 being recognized as revenue during the year. This amount is shown as an Other Financing Source in the General Fund. The simultaneous forgiveness portion of the transaction is being recognized as Intergovernmental Revenues - Federal grant in the General Fund in the amount of \$395,652. This same amount is recognized as an expenditure in the General Fund for Debt Service - Principal. Thus, at year end, there is no outstanding liability under these Sewer Revenue Bonds.

There are a number of limitations and restrictions contained in the bond indenture and Loan and Pledge Agreements, which the Town was in compliance with during the fiscal year ended June 30, 2018.

TOWN OF GRAND ISLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

NOTE D - DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

Water Revenue Bonds, Series 2000

The Waterworks Utilities Enterprise Fund issued Water Revenue Bonds, Series 2000 on February 25, 2000, totaling \$9,225,000, with interest of 4.75% per annum. The proceeds of the bonds were used to pay off the 2000 Bond Anticipation Notes issued by the Louisiana Facilities Planning Department. The Water Revenue Bonds are secured and payable solely by a pledge of the income and revenues of the Waterworks Utility System after provision for the payment of reasonable and necessary costs and expenses of operating and maintaining the system. Beginning March 25, 2002, and continuing each month through February 25, 2040, payments of \$43,819, representing principal and interest, are due each month. Payments totaling \$541,508 (\$75,839 principal and \$465,669 interest) were made during the current fiscal year.

Revenue bond debt service requirements to maturity, including interest of \$4,320,223, are as follows:

Year Ending June 30,	Water Revenue Bonds R-1	Water Revenue Bonds R-2	Total
2019	\$ 399,000	\$ 126,825	\$ 525,825
2020	399,000	126,825	525,825
2021	399,000	126,825	525,825
2022	399,000	126,825	525,825
2023	399,000	126,825	525,825
Thereafter	6,915,999	2,198,300	9,114,299
Total minimum payments	\$ 8,910,999	\$ 2,832,425	\$ 11,743,424
Less amount representing interest	(3,291,475)	(1,028,748)	(4,320,223)
Principal Due	<u>\$ 5,619,524</u>	<u>\$ 1,803,677</u>	<u>\$ 7,423,201</u>

There are a number of limitations and restrictions contained in the bond indenture which the Town was in compliance with during the fiscal year ended June 30, 2018, except for the following:

Under Section 9 of Ordinance 701, the Waterworks Utility fund is required "to provide revenues in each year, after paying all reasonable and necessary expenses of operating and maintaining the system in such year, of at least 120% of the largest amount of principal and interest falling due on the bonds ... in any future year." Under this requirement, the Waterworks fund should have \$630,990 of surplus funds (\$525,825 - highest principal and interest due times 120%) each year after paying the operating and maintenance costs.

The Town cannot calculate compliance with this requirement due to the takeover of the water operations by the Parish Water District (See Note G). All operating revenues and expenses are now the responsibility of the Parish Water District. Under the terms of this takeover agreement, the Parish now provides water directly to the Town's citizens and bills and collects water sales revenues. The Parish is to remit any surplus funds to the Town each month in order for the Town to make payment on the outstanding debt. Absent any surplus, the Parish agrees to provide a subsidy sufficient to pay the monthly debt.

The Ordinance also requires the Town to place a certain amount of funds each year into a Depreciation and Contingencies Fund as well as a Reserve Fund. The Town has fallen behind in depositing the required amount of funds into these reserve funds. The Town expects to withhold enough out of subsequent years ad valorem taxes to make up the shortfall.

TOWN OF GRAND ISLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

NOTE D - DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

Changes in General Long-Term Liabilities

The following is a summary of the changes in long-term debt related to governmental activities for the fiscal year ended June 30, 2018:

Type of Debt	Balance July 1, 2017	Additions	Deletions	Balance June 30, 2018	Due Within One Year
Governmental Activities:					
Sewer Revenue Bonds (Revolving Loan)	\$ -	\$ 395,652	\$ (395,652)	\$ -	\$ -
Total	<u>\$ -</u>	<u>\$ 395,652</u>	<u>\$ (395,652)</u>	<u>\$ -</u>	<u>\$ -</u>
Business-type Activities:					
Water Revenue Bonds (R-1 & R-2)	\$ 7,499,040	\$ -	\$ (75,839)	\$ 7,423,201	\$ 525,825
Total	<u>\$ 7,499,040</u>	<u>\$ -</u>	<u>\$ (75,839)</u>	<u>\$ 7,423,201</u>	<u>\$ 525,825</u>

6. Restrictions of Net Position and Fund Balance Components

The government-wide statement of net position includes several restrictions on net position. The following describes these restrictions:

Net Position - Restricted for Debt Service

This restriction of \$703,113 reflects the balance in the Water Utility fund set aside for paying principal and interest on the Water Revenue Bonds, as well as amounts held under the bond indenture for on Reserves and for Depreciation and Contingencies.

In accordance with GASB Codification Section 1800-142-162, fund balances of the governmental fund types are categorized into one of five categories – Non-spendable, Restricted, Committed, Assigned, or Unassigned. The Town commits, restricts or assigns its fund balances to various specific purposes within each category. Descriptions of the details of these specific purposes are as follows:

Fund Balance – Non-spendable

This \$9,337 amount represents resources that are not in a spendable form. The non-spendable category would include items such as inventories, prepaid items, and amounts that are legally required to remain intact.

Fund Balance - Restricted for Parish Lighting Project

This amount represents the balance of funds received from the Parish of Jefferson for a lighting improvement project (\$64,000 received less \$18,119 expended to date).

Fund Balance - Assigned to Community Center & Playgrounds

This amount represents the balance in the Community Center and Playground District No. 16 Special Revenue Fund that can only be used for the operations and maintenance of the district. The money comes from an ad valorem tax levied by the Parish and remitted to the Town.

Fund Balance - Assigned to Public Safety Functions

This amount represents the balance in the Seizure and Forfeiture Special Revenue Fund that can only be used by the Town's Police Department for law enforcement purposes.

TOWN OF GRAND ISLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

NOTE D - DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

Fund Balance - Assigned to Public Works Functions

This amount represents the balances in the Drainage District No. 1 and Erosion Control Special Revenue Funds. These funds can only be used for public works related to each of these functions. The Drainage District is funded by a sales tax that is assigned to this purpose.

Fund Balance - Assigned to Mosquito Control

This amount represents the balances in the Mosquito Control Special Revenue Fund. These funds are derived from user charges and can only be used for costs related to the Town's mosquito abatement program.

Fund Balance - Assigned to General Purposes

This amount represents the remaining balances in the specific Special Revenue funds that have not been explained above. These fund balances are assigned for the use in the purpose set forth in each specific fund.

Fund Balance - Unassigned

This amount represents funds that have not been assigned to other funds and have not been restricted, committed, or assigned to a specific purpose within the General Fund. This is the residual classification for the General Fund.

The specific purpose details of fund balance categories are recapped as follows:

	General	Major Governmental Funds	Other Governmental Funds	Total
Non-spendable	\$ 9,337	\$ -	\$ -	\$ 9,337
Restricted to:				
Parish Lighting project	45,881	-	-	45,881
	45,881	-	-	45,881
Committed	-	-	-	-
Assigned to:				
Community Center and Playgrounds	-	897,492	-	897,492
Public Safety	-	-	9,367	9,367
Public Works	-	-	75,802	75,802
Mosquito Control	-	-	385,645	385,645
General Purposes	-	-	90,646	90,646
	-	897,492	561,460	1,458,952
Unassigned	4,103,198	-	-	4,103,198
Total Fund Balance	\$ 4,158,416	\$ 897,492	\$ 561,460	\$ 5,617,368

TOWN OF GRAND ISLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

NOTE D - DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

7. Taxes

Sales Taxes

The total sales tax levied on purchases within the Town limits was 8 3/4 percent. Of this, 4 percent is levied by the State, 1 1/2 percent is levied by the Jefferson Parish Public School System (a separate entity), 3 percent is levied by the Parish of Jefferson (a separate entity), and 1/4 percent is levied by the Jefferson Parish Sheriff's Office.

Of the 3 percent levied by the Parish, 1/2 percent is remitted to the Jefferson Parish Public School System and 2 1/2 percent is remitted to the Town (as in incorporated municipality). Of this 2 1/2 percent, 1/6 percent is recognized in the Drainage District No. 1 Special Revenue Fund (generating \$36,655 for 2018). The balance goes to the Town's General Fund (generating \$545,017 for 2018). Included in this amount is the 1/4 percent levied by the Sheriff's Office that is remitted directly to the Town for law enforcement purposes and is recognized in the General Fund (\$23,186 for 2018).

Ad Valorem Taxes

The Town levies an ad valorem tax on real property within the city limits. Ad valorem taxes are recognized in the fiscal year in which the taxes are levied. The levy is generally made as of November 15 of each year. The tax is 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 considered delinquent on March 1 in the year after the levy. The taxes are billed and collected by the Town.

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. Ad valorem taxes are levied (per \$1,000 assessed value) in varying amounts for maintenance and operation of the Town.

The number of mills levied on the 2017 tax rolls was 6.81 for the General Fund and 5.06 for the Waterworks and Gas Utility funds. The Utility funds split the 5.06 mills, with 80 percent going to the Waterworks Utility Fund and 20 percent going to the Gas Utility Fund. Assessed values for the 2017 totaled \$53,834,832 (a decrease of \$(1,864,233) or 3.35%), resulting in a current year tax levy of \$639,021 (\$366,616 for the General Fund and \$272,406 for the Water and Gas Utility Funds). After refunds, changes and write-offs, the General Fund recognized \$352,471 in current year taxes plus \$(667) in back taxes, for a net total of \$351,804. The Water and Gas Utility Funds recognized \$261,590 in current year taxes (\$209,272 in the Water Utilities Fund and \$52,318 in the Gas Utilities Fund).

As part of the agreement with the Parish to have them take over the water department operations, the Town is required to remit any surplus funds remaining in the Water Utilities Fund after all operating and debt service expenses have been made. For 2018, the Water Utilities Fund was able to remit \$172,862 to the Parish's Water Department.

TOWN OF GRAND ISLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

NOTE D - DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (CONTINUED)

8. Interfund Transactions

Interfund Receivables and Payables

Individual balances due from/to other funds at June 30, 2018 are as follows:

Fund	Interfund Receivable	Interfund Payable
General Fund	\$ 332,531	\$ 129,588
Major Funds		
Community Center and Playground Dist No. 16	2,104	4,911
	<u>2,104</u>	<u>4,911</u>
Other Governmental Funds		
Drainage District No. 1	33,058	-
Mosquito Control Fund	-	9,470
	<u>33,058</u>	<u>9,470</u>
Total Governmental Funds	<u>367,693</u>	<u>143,969</u>
Proprietary Funds		
Waterworks Utilities Enterprise Fund		
Unrestricted	103,488	1,871
Gas Utilities Enterprise Fund		
Unrestricted	2,749	321,055
Restricted	-	7,035
Total Proprietary Funds	<u>106,237</u>	<u>329,961</u>
Total All Funds	<u>\$ 473,930</u>	<u>\$ 473,930</u>

Interfund Administrative Fee

The Town's General Fund processes all of the transactions of the various funds of the Town. For certain funds, it charges an administrative fee to help cover the costs of operations. For 2018, it collected \$26,400 under this allocation - \$5,400 from the Mosquito Control Special Revenue Fund, \$15,000 from the Community Center and Playground District No. 16 Special Revenue Fund, and \$6,000 from the Gas Utility Fund.

TOWN OF GRAND ISLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

NOTE E - CONTINGENCIES (CONTINUED)

During 2018, the Parish of Jefferson renewed its insurance coverage for damage to the waterline. The Town is required to have this coverage in place under the requirements of Section (C) of Ordinance 701, which authorized the sale of the Water Revenue Bonds, Series 2000. The Town has been unable to secure coverage on the waterline due to its size; however, the Parish has been able to obtain coverage on its behalf.

2. Federal Financial Assistance

The Town participates in certain federal financial assistance programs. Amounts received or receivable from grantor agencies are subject to audit and adjustments by grantor agencies, principally the federal and state governments. Any disallowed costs, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the Town expects such amounts, if any, to be immaterial.

Hurricane Katrina

On August 29, 2005, Hurricane Katrina struck the New Orleans Metropolitan area, which includes Jefferson Parish and the Town of Grand Isle. While the Town was spared from a direct hit, the Isle was overrun by the storm surge. Approximately 30 percent of the businesses and residences on the back side of the Isle (including the Caminada area) were destroyed or badly damaged. Most of the Town's major assets (i.e., buildings) survived the Hurricane; however, some of its office equipment (police department), heavy equipment (pump stations), vehicles and infrastructure assets were damaged or destroyed. The gas lines sustained damage, as well as part of the water distribution system due to salt-water intrusion. The Town's fishing pier was partially destroyed.

Before, during, and after the Hurricanes, the Town incurred expenses for emergency management, evacuations, debris removal, etc., most of which is being reimbursed by the Federal Emergency Management Agency (FEMA) at a 100% level.

To date, the Town has filed claims (i.e., project worksheets) totaling \$7,699,368. Additional claims are pending as the repair work continues, particularly with the infrastructure areas. As of June 30, 2018, the Town has incurred eligible expenditures totaling \$7,296,274 and has received \$7,267,025. The difference of \$29,249 is shown on the balance sheet as accounts receivable at year end (see Note D.2). During 2018, the Town closed the bulk of its "small projects" with FEMA. The result was the recognition of \$235,973 in revenues that were previously recorded as unearned due to pending approvals and reconciliations. For 2018, the Town recognized total revenues related to this disaster of \$271,773 in the General Fund. The Town continued the process of closing out some of the project worksheets with FEMA. As this process continues, the Town may owe additional funds back to FEMA or may be due additional funds. It is anticipated that most of the unspent money will be supported by expenditures and remain with the Town.

Hurricanes Gustav and Ike

On August 29, 2008, Hurricane Gustav struck just west of the New Orleans Metropolitan Area. Due to the severity of the storm, the New Orleans Metropolitan Area, including Jefferson Parish, was evacuated. While the widespread wind and flood damage did not occur in the northern parts of the Parish, the southern-most part of the Parish, including Grand Isle, experienced severe damage. Most of the Town's facilities were spared significant damage, however, the hurricane protection levee suffered severe damage and the gas distribution lines experienced salt-water intrusion. The Town provided emergency services before, during and after the Hurricane.

TOWN OF GRAND ISLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

NOTE E - CONTINGENCIES (CONTINUED)

To date, the Town has filed claims (i.e., project worksheets) totaling \$3,127,731. Additional claims are pending as the damage continues to be surveyed and assessed. As of June 30, 2018, the Town has incurred eligible expenditures totaling \$2,394,384 and has received \$2,535,314. The difference of \$(140,930) is reflected on the balance sheet as a receivable of \$-0- (See Note D.2) and unearned revenue of \$(140,930). These revenues are considered unearned until the Town spends the money advanced to it by FEMA on several "small project" worksheets.

On September 11, 2008, Hurricane Ike passed just south of the coast of Louisiana and struck the State of Texas. While the State was spared a direct hit, the southern parts of the Parish, including the communities of Grand Isle, Lafitte, Barataria, and Crown Point suffered significant damage from storm and tidal surges. Again, the Town's facilities were spared any significant damage; however, the Town was once again evacuated. The Town provided emergency services before, during and after the Hurricane. To date, the Town has filed claims (i.e., project worksheets) totaling \$2,919,830, with the largest projects relating to the Cheniere and Grand Isle Fishing Piers. Additional claims are pending as the damage continues to be surveyed and assessed. As of June 30, 2018, the Town has incurred eligible expenditures totaling \$2,572,605 and has received \$2,591,527. The difference of \$(18,922) is reflected on the balance sheet as a receivable of \$-0- (See Note D.2) and unearned revenue of \$(18,922). These revenues are being considered unearned until the Town spends the money advanced to it by FEMA on several "small project" worksheets.

FEMA reimbursed the Town for Gustav-related claims at a 90% level for all eligible costs. Ike-related claims were paid at 100% for Category B claims (i.e., emergency labor and equipment) and at 90% for all other categories. For 2018, the Town recognized revenues of \$(57,074) in the General Fund for Gustav-related claims and \$-0- for Ike-related claims \$(57,074) in the General Fund and \$-0- in the Gas Utilities Enterprise Fund).

Hurricane Isaac

On September 1, 2012, Hurricane Isaac struck just west of the New Orleans Metropolitan Area. While the area was spared a direct hit, the southern parts of the Parish, including the communities of Grand Isle, Lafitte, Barataria, and Crown Point suffered significant water damage from storm and tidal surges. The entire metropolitan New Orleans area also lost electricity for nearly 10 days due to falling trees and downed lines. The Town's facilities were largely spared any significant damage; however, recreational facilities (parks and playgrounds) were damaged. In addition, the Town provided emergency services before, during and after the Hurricane.

The Town provided emergency services before, during and after the storm. Most of these costs are considered eligible for reimbursement through the Federal Emergency Management Agency's (FEMA) Public Disaster Assistance program. To date, the Town has filed claims (i.e., project worksheets) totaling \$123,184, with the largest projects relating to the parks and playgrounds. Additional claims are pending as the damage continues to be surveyed and assessed. As of June 30, 2018, the Town has incurred eligible expenditures totaling \$47,166 and has received \$32,267. The difference of \$14,899 is reflected on the balance sheet as a receivable (See Note D.2) of the Community Center Fund. FEMA is reimbursing the Town for 75% of eligible costs. For 2018, the Town recognized revenues of \$-0- in the General Fund and \$-0- in the Community Center Special Revenue Fund.

TOWN OF GRAND ISLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

NOTE E - CONTINGENCIES (CONTINUED)

Tropical Storm Nate

On October 7, 2017, Tropical Storm Nate brushed the mouth of the Mississippi River just east of the Town of Grand Isle. While the area was spared a direct hit, the southern parts of Jefferson Parish, including Grand Isle, suffered high tides and water damage from storm and tidal surges. The Town's facilities were largely spared any significant damage; however, recreational facilities (beaches, parks and playgrounds) were damaged. In addition, the Town provided emergency services before, during and after the Tropical Storm. Most of these costs are considered eligible for reimbursement through the Federal Emergency Management Agency's (FEMA) Public Disaster Assistance program.

To date, the Town has filed claims (i.e., project worksheets) totaling \$204,520; however, none of the claims have yet been approved or obligated by FEMA. If eligible, FEMA will reimburse the Town for 75% of eligible costs. For 2018, the Town recognized revenues of \$-0- in the General Fund and \$-0- in the Community Center Special Revenue Fund related to this disaster. The Town continues to work with GOHSEP and FEMA to have the projects approved and obligated.

NOTE F - OTHER INFORMATION

1. Retirement Plan

The Town provides a Savings Incentive Match Plan for employees (i.e., a SIMPLE IRA Plan). The plan allows all full-time employees to make pre-tax salary deferrals of up to \$6,000 annually. The Town is required to make either a dollar-for-dollar match up to 3% of compensation or a 2% nonelective contribution to all eligible participants. The funds are held by a third-party trustee in accounts for each employee. Total contributions to the plan for the year ended June 30, 2018 totaled \$86,517 (\$58,995 employee and \$27,522 employer). The Town paid one month's of contributions early, therefore, \$9,337 has been set up as a prepaid item at year end.

2. Restructuring of Water District

In an effort to address the failing financial condition of the Waterworks Utility Fund, the Town passed Ordinance No. 816 on April 12, 2005 asking for the Parish of Jefferson to take-over the daily operations of the Town's water district. On July 13, 2005, the Parish complied by passing Ordinance No. 22560, which created Sub-District No. 1 of the Consolidated Water District No. 2 of Jefferson Parish. This Sub-District effectively took over the daily operations of the Town's water district, while the Town maintains custody of the Lafitte-to-Grand Isle waterline along with the associated debt (i.e., Water Revenue Bonds, Series 2000).

Under the terms of the Local Services Agreement, which was authorized by Resolution No. 2430 on August 9, 2005, the Town's citizens and businesses are now customers of Sub-District No. 1 of the Consolidated Water District No. 2 of Jefferson Parish (i.e., the Parish's Water Department). All water services (usage, installation, repairs, etc.) are now provided to the citizens and businesses of the area by the Parish's Water Department. All billings and collections for services are now handled by the Parish as well.

The citizens and businesses of the Town will continue to pay the current rates (subject to CPI increases) to help fund the outstanding debt. These rates, which are higher than any other Parish resident, will continue to be paid even after the debt is paid off to repay the Parish's Sub-District for any subsidies that may have been provided over the years.

TOWN OF GRAND ISLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

NOTE F - OTHER INFORMATION (CONTINUED)

This "take-over" of the water district effectively took place on or about August 15, 2005. On that date, all operating assets (fixed assets, etc.) were turned over to the Parish's Water District (See Note D.3). Additional assets (gas deposits, petty cash, and outstanding utility billings) totaling \$147,369 were transferred to the Gas Utilities Enterprise Fund. The Waterworks fund is essentially left with the Lafitte-to-Grand Isle waterline, the associated debt (i.e., Water Revenue Bonds, Series 2000, and any amounts due to other funds that resulted from the Waterworks fund not being able to remit general collections to the General Fund, the Mosquito Fund, and the Gas Fund.

The Town's ad valorem taxes that are collected for the Waterworks and Gas Utility Funds will be remitted to the Parish of Jefferson (after the Town's Water District pays off its current outstanding debt). The Parish's Sub-District will collect all operating revenues of the water district. By the 20th of each month, the Parish's Sub-District will remit any surplus revenues to the Town's Waterworks Utility Fund so that the Town may service the debt on the Water Revenue Bonds. Should there be no surplus, the Parish agrees to provide a subsidy to the Town in an amount sufficient to service the debt.

During the current fiscal year, the Parish' Water Department provided \$541,508 in operating subsidies to the Town's Waterworks Utility Fund to help cover debt service payments due under the Water Revenue Bonds and the Town was able to remit \$172,862 of surplus local ad valorem tax funds back to the Parish.

3. FEMA Repetitive Flood Claims Housing Elevation Project

On October 1, 2013, the Town entered into an agreement with the Governor's Office of Homeland Security and Emergency Preparedness (GOHSEP) whereby GOHSEP would provide the Town with up to \$3,398,220 of FEMA Repetitive Flood Claims grant funds (#RFC-PJ-06-LA-2012-005) to help elevate 20 residential structures within the Town limits. The project runs from September 26, 2013 to September 26, 2017. The costs of the project are 100% federal. The project got underway in 2016, as the Town selected a project manager (Solutient), selected 20 structures to elevate, and began the contracting process. The activity of this grant is shown in the FEMA Repetitive Flood Claims Grant Special Revenue Fund (a major fund).

During 2015, the Town received an advance on this project totaling \$679,644. The Town spent \$144,873 of the funds during the initial year and another \$509,396 in 2016, bringing the total spent to date to \$654,269. The project was put on hold in 2016 and was ultimately taken over by the Parish. The remaining balance of \$25,375 had been shown as unearned grant revenues on the Balance Sheet and the Statement of Net Position in previous years. For 2018, the balances were settled with the Parish. \$25,227 was paid back to the Parish and \$148 was recognized as revenue to cover prior costs. This fund is now closed.

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**COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES**

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*COMBINING STATEMENTS
NON-MAJOR GOVERNMENTAL FUNDS*

SPECIAL REVENUE FUNDS

Special Revenue Funds account for the proceeds of specific revenues that are legally restricted to expenditures for specific purposes.

SEIZURE AND FORFEITURE

Used to account for the proceeds of funds seized during drug enforcement activities. These proceeds are to be used exclusively for drug enforcement.

DRAINAGE DISTRICT NO. 1

Used to account for the proceeds of one-third of the 1981 ½ cent sales tax to be used for operations, maintenance, and improvements of the Town's drainage system.

EROSION CONTROL FUND

Used to account for intergovernmental revenues and donations received to be used for erosion control projects within the Town limits.

MOSQUITO CONTROL FUND

Used to account for the proceeds of a mosquito fee assessed on all residential and commercial property to be used to control the mosquito population within the community.

RIVERBOAT GAMBLING AND ADMISSIONS FEES

Used to account for the Town's 5 percent share of boarding fees received by Jefferson Parish from the Boomtown Belle Casino.

COMMUNITY FAIR

Used to account for the proceeds of the community fair sponsored by the Town.

TOWN OF GRAND ISLE, LOUISIANA

NON-MAJOR GOVERNMENTAL FUNDS
 COMBINING BALANCE SHEET
 JUNE 30, 2018

	SPECIAL REVENUE FUNDS		
	SEIZURE AND FORFEITURE	DRAINAGE DISTRICT NO. 1	EROSION CONTROL FUND
ASSETS			
Cash and cash equivalents	\$ 9,367	\$ -	\$ 38,066
Investments	-	-	-
Receivables (net of allowance for uncollectibles)			
Accounts	-	-	-
Intergovernmental	-	12,289	-
Gaming fees and commissions	-	-	-
Due from other funds	-	33,058	-
TOTAL ASSETS	\$ 9,367	\$ 45,347	\$ 38,066
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	\$ -	\$ 7,611	\$ -
Accrued payroll and deductions	-	-	-
Due to other funds	-	-	-
Unearned grant revenues	-	-	-
TOTAL LIABILITIES	-	7,611	-
Fund Balances			
Nonspendable			
Restricted	-	-	-
Committed	-	-	-
Assigned	9,367	37,736	38,066
Unassigned	-	-	-
TOTAL FUND BALANCES	9,367	37,736	38,066
TOTAL LIABILITIES AND FUND BALANCES	\$ 9,367	\$ 45,347	\$ 38,066

<u>MOSQUITO CONTROL FUND</u>	<u>RIVERBOAT GAMBLING ADMISSION FEES</u>	<u>COMMUNITY FAIR</u>	<u>TOTAL</u>
\$ 395,115	\$ 36,675	\$ 30,231	\$ 509,454
-	23,740	-	23,740
-	-	-	-
-	-	-	12,289
-	-	-	-
-	-	-	33,058
<u>\$ 395,115</u>	<u>\$ 60,415</u>	<u>\$ 30,231</u>	<u>\$ 578,541</u>
\$ -	\$ -	\$ -	\$ 7,611
-	-	-	-
9,470	-	-	9,470
-	-	-	-
<u>9,470</u>	<u>-</u>	<u>-</u>	<u>17,081</u>
-	-	-	-
-	-	-	-
385,645	60,415	30,231	561,460
-	-	-	-
<u>385,645</u>	<u>60,415</u>	<u>30,231</u>	<u>561,460</u>
<u>\$ 395,115</u>	<u>\$ 60,415</u>	<u>\$ 30,231</u>	<u>\$ 578,541</u>

TOWN OF GRAND ISLE, LOUISIANA

NON-MAJOR GOVERNMENTAL FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCES
 FOR THE YEAR ENDD JUNE 30, 2018

	SPECIAL REVENUE FUNDS		
	SEIZURE AND FORFEITURE	DRAINAGE DISTRICT NO. 1	EROSION CONTROL FUND
REVENUES			
Taxes			
Property taxes	\$ -	\$ -	\$ -
Sales taxes	-	36,655	-
Franchise taxes	-	-	-
Licenses and permits	-	-	-
Intergovernmental	-	-	-
Gaming fees and commissions	-	-	-
Fines and forfeitures	-	-	-
Charges for services	-	-	-
Interest	-	-	75
Miscellaneous	-	-	-
TOTAL REVENUES	<u>-</u>	<u>36,655</u>	<u>75</u>
EXPENDITURES			
Current			
Public Safety			
Executive	-	-	-
General government	-	-	-
Public safety	-	-	-
Public works	-	40,019	-
Health and welfare	-	-	-
Culture, recreation and tourism	-	-	-
Non-departmental	-	-	-
TOTAL EXPENDITURES	<u>-</u>	<u>40,019</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVNUES OVER EXPENDITURES	<u>-</u>	<u>(3,364)</u>	<u>75</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	-
Transfers out	-	(695)	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>(695)</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVNUES OVER EXPENDITURES AND OTHER SOURCES (USES)	-	(4,059)	75
FUND BALANCE			
Beginning of year	9,367	41,795	37,991
End of year	<u>\$ 9,367</u>	<u>\$ 37,736</u>	<u>\$ 38,066</u>

<u>MOSQUITO CONTROL FUND</u>	<u>RIVERBOAT GAMBLING ADMISSION FEES</u>	<u>COMMUNITY FAIR</u>	<u>TOTAL</u>
\$ -	\$ -	\$ -	\$ -
-	-	-	36,655
-	-	-	-
-	-	-	-
-	-	-	-
211,955	-	-	211,955
535	399	43	1,052
-	-	38,662	38,662
<u>212,490</u>	<u>399</u>	<u>38,705</u>	<u>288,324</u>
-	-	-	-
-	-	-	-
-	-	-	-
138,562	-	-	40,019
-	-	-	138,562
-	-	36,264	36,264
-	-	-	-
<u>138,562</u>	<u>-</u>	<u>36,264</u>	<u>214,845</u>
<u>73,928</u>	<u>399</u>	<u>2,441</u>	<u>73,479</u>
-	-	-	-
-	-	-	(695)
<u>-</u>	<u>-</u>	<u>-</u>	<u>(695)</u>
73,928	399	2,441	72,784
311,717	60,016	27,790	488,676
<u>\$ 385,645</u>	<u>\$ 60,415</u>	<u>\$ 30,231</u>	<u>\$ 561,460</u>

TOWN OF GRAND ISLE, LOUISIANA

NON-MAJOR SPECIAL REVENUE FUNDS
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCES - BUDGET AND ACTUAL
 FOR THE YEAR ENDD JUNE 30, 2018

	TOTALS BY FUNCTION			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	BUDGETS		ACTUAL	
	ORIGINAL	FINAL		
REVENUES				
Taxes				
Property taxes	\$ -	\$ -	\$ -	\$ -
Sales taxes	40,000	40,000	36,655	(3,345)
Intergovernmental	-	-	-	-
Gaming fees and commissions	-	-	-	-
Fines and forfeitures	1,000	1,000	-	(1,000)
Charges for services	197,000	204,000	211,955	7,955
Interest	1,540	1,440	1,052	(388)
Miscellaneous	5,500	38,593	38,662	69
TOTAL REVENUES	245,040	285,033	288,324	3,291
EXPENDITURES				
Current				
Public Safety	1,040	1,040	-	1,040
Public Works	40,000	40,000	40,019	(19)
Health and Welfare	197,500	197,500	138,562	58,938
Culture and Recreation	3,300	32,116	36,264	(4,148)
TOTAL EXPENDITURES	241,840	270,656	214,845	55,811
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	3,200	14,377	73,479	59,102
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	(695)	(695)
TOTAL OTHER FINANCING SOURCES (USES)	-	-	(695)	(695)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER SOURCES (USES)	3,200	14,377	72,784	58,407
FUND BALANCE				
Beginning of year	488,128	488,676	488,676	-
End of year	\$ 491,328	\$ 503,053	\$ 561,460	\$ 58,407

TOWN OF GRAND ISLE, LOUISIANA

NON-MAJOR SPECIAL REVENUE FUNDS
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCES - BUDGET AND ACTUAL
 FOR THE YEAR ENDD JUNE 30, 2018

	SEIZURE AND FORFEITURE			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	BUDGETS		ACTUAL	
	ORIGINAL	FINAL		
REVENUES				
Fines and forfeitures				
Seizures and forfeitures	\$ 1,000	\$ 1,000	\$ -	\$ (1,000)
Interest	40	40	-	(40)
TOTAL REVENUES	<u>1,040</u>	<u>1,040</u>	<u>-</u>	<u>(1,040)</u>
EXPENDITURES				
Current				
Public Safety				
Police dog costs	-	-	-	-
Supplies	1,040	1,040	-	1,040
Towing fees	-	-	-	-
Training	-	-	-	-
Travel and lodging	-	-	-	-
TOTAL EXPENDITURES	<u>1,040</u>	<u>1,040</u>	<u>-</u>	<u>1,040</u>
EXCESS (DEFICIENCY) OF REVNUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVNUES OVER EXPENDITURES AND OTHER SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE				
Beginning of year	9,367	9,367	9,367	-
End of year	<u>\$ 9,367</u>	<u>\$ 9,367</u>	<u>\$ 9,367</u>	<u>\$ -</u>

TOWN OF GRAND ISLE, LOUISIANA

NON-MAJOR SPECIAL REVENUE FUNDS
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCES - BUDGET AND ACTUAL
 FOR THE YEAR ENDD JUNE 30, 2018

	DRAINAGE DISTRICT NO. 1			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	BUDGETS		ACTUAL	
	ORIGINAL	FINAL		
REVENUES				
Taxes				
Sales taxes	\$ 40,000	\$ 40,000	\$ 36,655	\$ (3,345)
Franchise taxes	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Gaming fees and commissions	-	-	-	-
Fines and forfeitures	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
Miscellaneous	-	-	-	-
TOTAL REVENUES	40,000	40,000	36,655	(3,345)
EXPENDITURES				
Current				
Public Works				
Culverts and gates	3,845	4,188	4,188	-
Lease and rental payments	-	-	7,611	(7,611)
Miscellaneous	-	-	-	-
Repairs and maintenance - pump stations	16,155	16,155	13,513	2,642
Repairs and maintenance - vehicles	-	-	-	-
Utilities	20,000	19,657	14,707	4,950
Capital outlay				
Pump stations	-	-	-	-
TOTAL EXPENDITURES	40,000	40,000	40,019	(19)
EXCESS (DEFICIENCY) OF REVNUES OVER EXPENDITURES	-	-	(3,364)	(3,364)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	(695)	(695)
TOTAL OTHER FINANCING SOURCES (USES)	-	-	(695)	(695)
EXCESS (DEFICIENCY) OF REVNUES OVER EXPENDITURES AND OTHER SOURCES (USES)	-	-	(4,059)	(4,059)
FUND BALANCE				
Beginning of year	40,708	41,795	41,795	-
End of year	<u>\$ 40,708</u>	<u>\$ 41,795</u>	<u>\$ 37,736</u>	<u>\$ (4,059)</u>

TOWN OF GRAND ISLE, LOUISIANA

NON-MAJOR SPECIAL REVENUE FUNDS
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCES - BUDGET AND ACTUAL
 FOR THE YEAR ENDD JUNE 30, 2018

	EROSION CONTROL FUND			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	BUDGETS		ACTUAL	
	ORIGINAL	FINAL		
REVENUES				
Interest	\$ 400	\$ 400	\$ 75	\$ (325)
TOTAL REVENUES	<u>400</u>	<u>400</u>	<u>75</u>	<u>(325)</u>
EXPENDITURES				
Current				
Public Works				
Engineering fees	-	-	-	-
Miscellaneous	-	-	-	-
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVNUES OVER EXPENDITURES	<u>400</u>	<u>400</u>	<u>75</u>	<u>(325)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVNUES OVER EXPENDITURES AND OTHER SOURCES (USES)	<u>400</u>	<u>400</u>	<u>75</u>	<u>(325)</u>
FUND BALANCE				
Beginning of year	37,915	37,991	37,991	-
End of year	<u>\$ 38,315</u>	<u>\$ 38,391</u>	<u>\$ 38,066</u>	<u>\$ (325)</u>

TOWN OF GRAND ISLE, LOUISIANA

NON-MAJOR SPECIAL REVENUE FUNDS
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCES - BUDGET AND ACTUAL
 FOR THE YEAR ENDD JUNE 30, 2018

	MOSQUITO CONTROL FUND			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	BUDGETS		ACTUAL	
	ORIGINAL	FINAL		
REVENUES				
Charges for services				
Mosquito fees	\$ 197,000	\$ 204,000	\$ 211,955	\$ 7,955
Grass cutting fees	-	-	-	-
Interest	500	500	535	35
TOTAL REVENUES	197,500	204,500	212,490	7,990
EXPENDITURES				
Current				
Health and Welfare				
Audit	3,000	3,000	3,000	-
Bank Charges	-	-	-	-
Chemicals	-	-	-	-
Grass cutting	-	-	-	-
Interdepartmental administrative fee	5,400	5,400	5,400	-
Miscellaneous	-	-	-	-
Spraying and larviciding	189,100	189,100	130,162	58,938
Intergovernmental	-	-	-	-
Debt Service				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	-	-	-	-
TOTAL EXPENDITURES	197,500	197,500	138,562	58,938
EXCESS (DEFICIENCY) OF REVNUES OVER EXPENDITURES	-	7,000	73,928	66,928
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-
EXCESS (DEFICIENCY) OF REVNUES OVER EXPENDITURES AND OTHER SOURCES (USES)	-	7,000	73,928	66,928
FUND BALANCE				
Beginning of year	313,806	311,717	311,717	-
End of year	\$ 313,806	\$ 318,717	\$ 385,645	\$ 66,928

TOWN OF GRAND ISLE, LOUISIANA

NON-MAJOR SPECIAL REVENUE FUNDS
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCES - BUDGET AND ACTUAL
 FOR THE YEAR ENDD JUNE 30, 2018

	RIVERBOAT GAMBLING FEES			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	BUDGETS		ACTUAL	
	ORIGINAL	FINAL		
REVENUES				
Gaming fees and commissions				
Riverboat admission fees	\$ -	\$ -	\$ -	\$ -
Interest	500	500	399	(101)
TOTAL REVENUES	500	500	399	(101)
EXPENDITURES				
Current				
Public Works				
Christmas lights	-	-	-	-
Other special projects	-	-	-	-
Capital outlay - equipment	-	-	-	-
TOTAL EXPENDITURES	-	-	-	-
EXCESS (DEFICIENCY) OF REVNUES OVER EXPENDITURES	500	500	399	(101)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-
EXCESS (DEFICIENCY) OF REVNUES OVER EXPENDITURES AND OTHER SOURCES (USES)	500	500	399	(101)
FUND BALANCE				
Beginning of year	59,785	60,016	60,016	-
End of year	\$ 60,285	\$ 60,516	\$ 60,415	\$ (101)

TOWN OF GRAND ISLE, LOUISIANA

NON-MAJOR SPECIAL REVENUE FUNDS
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCES - BUDGET AND ACTUAL
 FOR THE YEAR ENDD JUNE 30, 2018

	COMMUNITY FAIR			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	BUDGETS		ACTUAL	
	ORIGINAL	FINAL		
REVENUES				
Interest	\$ 100	\$ -	\$ 43	\$ 43
Miscellaneous				
Fair receipts	5,000	38,593	38,662	69
Fair donations	500	-	-	-
TOTAL REVENUES	<u>5,600</u>	<u>38,593</u>	<u>38,705</u>	<u>112</u>
EXPENDITURES				
Current				
Culture and Recreation				
Advertising	300	1,575	1,575	-
Bank charges	-	-	20	(20)
Fair supplies	3,000	30,541	34,669	(4,128)
TOTAL EXPENDITURES	<u>3,300</u>	<u>32,116</u>	<u>36,264</u>	<u>(4,148)</u>
EXCESS (DEFICIENCY) OF REVNUES OVER EXPENDITURES	<u>2,300</u>	<u>6,477</u>	<u>2,441</u>	<u>(4,036)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVNUES OVER EXPENDITURES AND OTHER SOURCES (USES)	2,300	6,477	2,441	(4,036)
FUND BALANCE				
Beginning of year	26,547	27,790	27,790	-
End of year	<u>\$ 28,847</u>	<u>\$ 34,267</u>	<u>\$ 30,231</u>	<u>\$ (4,036)</u>

*INDIVIDUAL FUND
STATEMENTS AND SCHEDULES*

TOWN OF GRAND ISLE, LOUISIANA

GENERAL FUND
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2018

REVENUES	BUDGETED AMOUNTS			VARIANCE WITH
	ORIGINAL	FINAL	ACTUAL	FINAL BUDGET POSITIVE (NEGATIVE)
Taxes				
Property taxes	\$ 392,000	392,000	\$ 351,804	\$ (40,196)
Sales taxes				
General	400,000	400,000	476,580	76,580
Law Enforcement	20,000	20,000	23,186	3,186
Hotel/Motel	25,000	46,000	45,251	(749)
Franchise taxes				
Electric - Entergy	68,000	68,000	70,512	2,512
Cable - Vision Communications	25,000	28,000	48,785	20,785
	<u>930,000</u>	<u>954,000</u>	<u>1,016,118</u>	<u>62,118</u>
Licenses and permits				
Business				
Occupational	105,000	105,000	90,161	(14,839)
Liquor and beer	6,000	6,000	6,005	5
Non-business				
Building	75,000	75,000	80,022	5,022
Zoning and adjustments	1,200	1,200	25	(1,175)
Golf cart permits	75,000	75,000	112,580	37,580
	<u>262,200</u>	<u>262,200</u>	<u>288,793</u>	<u>26,593</u>
Intergovernmental				
Federal				
FEMA - Disaster Assistance	359,608	24,035	214,699	190,664
DEQ - Revolving Loan Forgiveness	-	395,652	395,652	-
State				
Beer tax	3,700	3,992	4,506	514
Parish road fund	168,000	168,000	163,768	(4,232)
Tourism funds	52,000	52,000	28,295	(23,705)
DOTD - Highway maintenance	13,000	13,000	13,850	850
Beach Water Quality Program	6,000	6,000	7,000	1,000
LGAP equipment grants	11,413	11,413	11,413	-
State Capital Outlay - Gymnasium	111,600	-	-	-
CPRA - Hurricane Levee Restoration	1,000,000	1,200,000	1,200,000	-
Local				
Jeff Parish - Capital Grants - Lighting	46,000	-	-	-
Jeff Parish - Youth Program Grant	-	1,181	-	(1,181)
Jeff Parish - Police Car Grant	-	-	-	-
Jeff Parish - Hurricane Levee Restoration	1,000,000	1,749,976	894,333	(855,643)
Jeff Parish - Palm Tree Grant	1,000	-	-	-
Jeff Parish - Weather Station Grant	-	1,181	-	(1,181)
	<u>2,821,356</u>	<u>3,651,430</u>	<u>2,933,516</u>	<u>(717,914)</u>
Gaming fees and commissions				
Riverboat admission fees	330,000	330,000	340,757	10,757
Video poker allocation	57,000	57,000	51,896	(5,104)
	<u>387,000</u>	<u>387,000</u>	<u>392,653</u>	<u>5,653</u>
Fines and forfeitures				
Fines and court costs	200,280	200,280	171,349	(28,931)
Bond fees	1,500	-	1,856	1,856
	<u>201,780</u>	<u>200,280</u>	<u>173,205</u>	<u>(27,075)</u>
Charges for services and fees				
Sanitation fees	600,000	600,000	610,290	10,290
Tax research and notices	5,000	5,000	5,609	609
Inspection fees	-	1,712	-	(1,712)
Advertising recoveries	-	-	1,539	1,539
	<u>605,000</u>	<u>606,712</u>	<u>617,438</u>	<u>10,726</u>
Interest	6,000	43,000	57,893	14,893
Miscellaneous				
Interdepartmental administrative fee	26,500	26,500	26,400	(100)
10% tax collection charge	27,000	27,000	26,158	(842)
BP Economic Loss settlement	-	-	-	-
Other	16,000	35,214	19,248	(15,966)
	<u>69,500</u>	<u>88,714</u>	<u>71,806</u>	<u>(16,908)</u>
TOTAL REVENUES	<u>\$ 5,282,836</u>	<u>6,193,336</u>	<u>\$ 5,551,422</u>	<u>\$ (641,914)</u>

TOWN OF GRAND ISLE, LOUISIANA

GENERAL FUND
 SCHEDULE OF EXPENDITURES BY DEPARTMENT - BUDGET AND ACTUAL
 EXECUTIVE FUNCTION
 FOR THE YEAR ENDED JUNE 30, 2018

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
MAYOR'S DEPARTMENT				
Current				
Salaries	\$ 80,526	\$ 80,526	\$ 79,930	\$ 596
Local and special costs	1,000	1,000	105	895
Office supplies	2,000	2,000	908	1,092
Legal and professional fees	2,000	2,000	-	2,000
Repairs - vehicles	1,500	1,500	793	707
Gas and oil	3,000	5,000	1,709	3,291
Telephone	-	-	-	-
Travel and other	3,000	3,000	2,064	936
Miscellaneous	500	500	-	500
Capital outlay				
Office furniture and equipment	3,000	3,000	1,137	1,863
TOTAL DEPARTMENT	<u>\$ 96,526</u>	<u>\$ 98,526</u>	<u>\$ 86,646</u>	<u>\$ 11,880</u>
TOTAL EXECUTIVE	<u>\$ 96,526</u>	<u>\$ 98,526</u>	<u>\$ 86,646</u>	<u>\$ 11,880</u>

TOWN OF GRAND ISLE, LOUISIANA

GENERAL FUND
 SCHEDULE OF EXPENDITURES BY DEPARTMENT - BUDGET AND ACTUAL
 GENERAL GOVERNMENT FUNCTION
 FOR THE YEAR ENDED JUNE 30, 2018

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET POSITIVE (NEGATIVE)
GENERAL AND ADMINISTRATIVE				
Current				
Salaries	\$ 175,000	\$ 175,000	\$ 159,791	\$ 15,209
Payroll taxes	78,000	78,000	86,567	(8,567)
Unemployment taxes	1,400	1,600	2,387	(787)
Insurance - hospitalization	230,000	223,000	212,931	10,069
Insurance - workman's compensation	40,000	32,000	44,396	(12,396)
Retirement - employer contributions	31,000	28,000	27,522	478
Aldermen - per diems	31,200	31,280	31,186	94
Aldermen - expenses	5,000	5,000	3,694	1,306
Audit	13,000	16,070	16,070	-
Legal and professional fees	10,000	144,875	31,334	113,541
Office supplies	11,000	10,000	9,970	30
Coffee supplies	12,000	12,000	9,537	2,463
Janitorial supplies	2,000	2,000	2,217	(217)
Advertising	8,000	8,000	8,397	(397)
Bank charges	500	350	381	(31)
Signs and insignias	1,000	1,000	558	442
LMA - dues	300	216	216	-
LMA - expenses	4,000	4,000	1,350	2,650
Dues and subscriptions	1,400	5,500	3,620	1,880
Insurance - general and auto	75,000	90,000	88,469	1,531
Utilities	16,000	16,000	19,068	(3,068)
Postage	4,500	3,000	3,476	(476)
Telephone	22,000	18,000	18,853	(853)
Repairs - buildings	15,000	16,000	20,460	(4,460)
Repairs - office equipment	13,500	20,000	14,653	5,347
Repairs - vehicles	3,000	3,000	1,808	1,192
Repairs - erosion control	-	-	-	-
Repairs - storm damage	-	-	-	-
Gas and oil	5,000	5,000	5,314	(314)
Public assistance	1,000	1,000	297	703
Physicals	500	2,500	1,533	967
Uniforms	2,000	2,000	1,063	937
Travel and other	500	500	161	339
Safety equipment	-	-	-	-
Elections and inauguration	-	-	-	-
Oil Spill response costs	-	-	-	-
Miscellaneous	3,000	1,500	(579)	2,079
Intergovernmental	15,000	15,000	-	15,000
Capital outlay				
Buildings and structures	471,208	361,858	26,984	334,874
Office furniture and equipment	10,000	5,000	3,229	1,771
Vehicles	2,500	500	-	500
Christmas decorations	2,200	1,000	1,059	(59)
Hurricane Levee inpection/restoration	2,020,000	2,969,976	2,165,347	804,629
Road Rehabilitation - DEQ 90 West	530,213	530,213	395,652	134,561
TOTAL DEPARTMENT	\$ 3,867,921	\$ 4,839,938	\$ 3,418,971	\$ 1,420,967

TOWN OF GRAND ISLE, LOUISIANA

GENERAL FUND
 SCHEDULE OF EXPENDITURES BY DEPARTMENT - BUDGET AND ACTUAL
 GENERAL GOVERNMENT FUNCTION (CONTINUED)
 FOR THE YEAR ENDED JUNE 30, 2018

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
PLANNING COMMISSION AND TAX DEPARTMENT				
Current				
Salaries	\$ 132,200	\$ 132,000	\$ 125,607	\$ 6,393
Legal and professional fees	-	-	-	-
Office supplies	3,000	3,000	1,645	1,355
Gas and oil	-	-	-	-
Printing - tax bills	3,600	2,500	3,047	(547)
Postage	-	-	-	-
Property abatement	-	-	-	-
Advertising	1,100	1,100	106	994
Recordation	4,500	6,000	4,735	1,265
Travel and other	500	500	418	82
Miscellaneous	500	500	100	400
Capital outlay				
Office furniture and equipment	6,359	1,000	-	1,000
TOTAL DEPARTMENT	<u>\$ 151,759</u>	<u>\$ 146,600</u>	<u>\$ 135,658</u>	<u>\$ 10,942</u>
TOTAL GENERAL GOVERNMENT	<u>\$ 4,019,680</u>	<u>\$ 4,986,538</u>	<u>\$ 3,554,629</u>	<u>\$ 1,431,909</u>

TOWN OF GRAND ISLE, LOUISIANA

GENERAL FUND
 SCHEDULE OF EXPENDITURES BY DEPARTMENT - BUDGET AND ACTUAL
 PUBLIC SAFETY FUNCTION
 FOR THE YEAR ENDED JUNE 30, 2018

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
POLICE DEPARTMENT				
Current				
Salaries	\$ 450,000	\$ 450,000	\$ 480,339	\$ (30,339)
Salaries - beach patrol	30,000	30,000	34,509	(4,509)
Insurance - hospitalization	107,000	107,000	141,789	(34,789)
Insurance - workman's compensation	27,000	27,000	41,411	(14,411)
Retirement - employer contributions	-	-	-	-
Chief of Police - expenses	1,000	1,000	697	303
Clerk of Court fees	20,500	20,000	21,177	(1,177)
Decals	-	3,000	1,369	1,631
Dues and subscriptions	1,000	1,000	932	68
Food and lodging - deputies	3,000	1,000	752	248
Food - prisoners	600	600	272	328
Legal and professional fees	-	-	2,100	(2,100)
Local and special	1,000	1,000	-	1,000
Office supplies	5,000	5,000	3,721	1,279
Coffee supplies	500	1,000	875	125
Janitorial supplies	1,000	1,500	1,290	210
Ammunition	2,500	2,500	1,387	1,113
Chemicals	500	500	-	500
Insurance - general and auto	27,000	42,548	45,703	(3,155)
Utilities	4,600	4,600	3,172	1,428
Postage	250	250	127	123
Telephone	20,000	14,500	17,267	(2,767)
Repairs - buildings	5,000	364	415	(51)
Repairs - office equipment	1,000	1,000	327	673
Repairs - vehicles	8,000	13,000	11,120	1,880
Repairs - storm damage	-	-	-	-
Repairs - beach patrol	10,000	10,000	-	10,000
Gas and oil	20,000	20,000	28,112	(8,112)
Physicals	-	2,000	470	1,530
School training	2,500	2,000	1,500	500
Uniforms	6,000	6,000	5,367	633
Travel and other	2,000	2,000	1,086	914
Public assistance	1,000	1,000	-	1,000
Small tools and equipment	-	-	-	-
Miscellaneous	2,000	2,000	1,256	744
Capital outlay				
Buildings and structures	-	-	-	-
Office furniture and equipment	2,500	2,500	1,451	1,049
Guns and equipment	5,000	9,000	8,977	23
Vehicles	69,000	69,500	33,004	36,496
TOTAL DEPARTMENT	\$ 836,450	\$ 854,362	\$ 891,974	\$ (37,612)
CIVIL DEFENSE				
Current				
Salaries	\$ -	\$ -	\$ -	\$ -
Emergency supplies	5,000	3,000	1,161	1,839
Travel and other	-	-	-	-
Miscellaneous	-	-	-	-
Capital outlay				
Office furniture and equipment	-	-	-	-
TOTAL DEPARTMENT	\$ 5,000	\$ 3,000	\$ 1,161	\$ 1,839
TOTAL PUBLIC SAFETY	\$ 841,450	\$ 857,362	\$ 893,135	\$ (35,773)

TOWN OF GRAND ISLE, LOUISIANA

GENERAL FUND
 SCHEDULE OF EXPENDITURES BY DEPARTMENT - BUDGET AND ACTUAL
 PUBLIC WORKS FUNCTION
 FOR THE YEAR ENDED JUNE 30, 2018

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
STREETS DEPARTMENT				
Current				
Salaries	\$ 215,000	\$ 223,000	\$ 261,756	\$ (38,756)
Street repairs	9,188	-	2,113	(2,113)
Street signs	16,147	55,000	39,598	15,402
Limestone	1,000	1,500	1,548	(48)
Small tools and equipment	2,500	3,500	3,437	63
Repairs - vehicles	41,035	41,035	30,918	10,117
Repairs - street lights	66,000	66,000	-	66,000
Outside services - tree removal	-	-	-	-
Office supplies	-	-	-	-
Gas and oil	22,000	22,000	23,238	(1,238)
Equipment rental	5,000	2,500	175	2,325
Street overlays	-	-	-	-
Uniforms	1,000	1,200	1,821	(621)
Miscellaneous	4,000	4,000	3,370	630
Capital outlay				
Buildings and structures	-	-	-	-
Office furniture and equipment	11,413	11,413	11,413	-
Vehicles	5,000	20,720	7,860	12,860
TOTAL DEPARTMENT	<u>\$ 399,283</u>	<u>\$ 451,868</u>	<u>\$ 387,247</u>	<u>\$ 64,621</u>
SANITATION DEPARTMENT				
Current				
Contracted services - hauling fees	\$ 464,000	\$ 464,000	\$ 464,312	\$ (312)
Disposal charges	68,000	68,000	65,780	2,220
Utilities	200	200	196	4
Miscellaneous	-	-	-	-
Capital outlay				
Vehicles	-	-	-	-
TOTAL DEPARTMENT	<u>\$ 532,200</u>	<u>\$ 532,200</u>	<u>\$ 530,288</u>	<u>\$ 1,912</u>
TOTAL PUBLIC WORKS	<u>\$ 931,483</u>	<u>\$ 984,068</u>	<u>\$ 917,535</u>	<u>\$ 66,533</u>

TOWN OF GRAND ISLE, LOUISIANA

GENERAL FUND
 SCHEDULE OF EXPENDITURES BY DEPARTMENT - BUDGET AND ACTUAL
 CULTURE, RECREATION AND TOURISM
 FOR THE YEAR ENDED JUNE 30, 2018

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
TOURISM DEPARTMENT				
Current				
Salaries	\$ 27,200	\$ 27,000	\$ 24,533	\$ 2,467
Advertising	77,000	67,636	49,501	18,135
Dues and subscriptions	410	410	850	(440)
Office supplies	1,000	1,000	690	310
Telephone	1,500	1,500	1,333	167
Postage	-	-	-	-
Travel and other	2,500	2,500	1,113	1,387
Miscellaneous	1,000	1,000	500	500
Capital outlay				
Land improvements - palm trees	-	-	-	-
Office furniture and equipment	1,500	1,500	-	1,500
TOTAL DEPARTMENT	<u>\$ 112,110</u>	<u>\$ 102,546</u>	<u>\$ 78,520</u>	<u>\$ 24,026</u>
TOTAL CULTURE, RECREATION, AND TOURISM	<u>\$ 112,110</u>	<u>\$ 102,546</u>	<u>\$ 78,520</u>	<u>\$ 24,026</u>

TOWN OF GRAND ISLE, LOUISIANA

COMMUNITY CENTER AND PLAYGROUND DISTRICT NO. 16
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCES - BUDGET AND ACTUAL
 FOR THE YEAR ENDD JUNE 30, 2018

	BUDGETS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		(NEGATIVE)
REVENUES				
Intergovernmental				
Parish dedicated ad valorem taxes	\$ 378,000	\$ 378,000	\$ 522,812	\$ 144,812
Federal Grants - FEMA	-	-	-	-
Parish - Special Funds	-	-	-	-
Charges for services				
Rental income	5,000	2,000	2,080	80
Interest	1,000	1,000	1,664	664
Miscellaneous	2,500	-	2,000	2,000
TOTAL REVENUES	386,500	381,000	528,556	147,556
EXPENDITURES				
Current				
Culture and Recreation				
Salaries	59,300	59,300	56,825	2,475
Salaries - beach sweep	48,000	48,000	47,804	196
Salaries - summer program	-	12,198	19,243	(7,045)
Payroll taxes	8,000	8,000	9,199	(1,199)
Unemployment taxes	500	500	533	(33)
Insurance				
Hospitalization	28,000	28,000	29,489	(1,489)
Workman's compensation	4,800	7,500	7,299	201
General and auto	73,000	73,000	57,340	15,660
Audit	7,500	7,500	7,500	-
Gas and oil - beach equipment	10,000	5,000	7,918	(2,918)
Janitorial supplies	5,000	5,000	3,700	1,300
Legal and professional fees	500	500	-	500
Office supplies and costs	1,000	500	43	457
Recreational assistance	5,000	5,000	2,200	2,800
Repairs and maintenance				
Building	175,000	175,000	49,329	125,671
Office equipment	2,000	1,000	750	250
Beach cleaning equipment	8,000	8,000	7,578	422
Tennis courts	500	500	-	500
Parks and playgrounds	40,700	45,700	49,870	(4,170)
Small tools and equipment	500	500	243	257
Telephone	3,000	24,000	9,364	14,636
Utilities	45,000	45,000	40,384	4,616
Interdepartmental administrative fee	15,000	15,000	15,000	-
Miscellaneous	2,000	2,000	427	1,573
Capital outlays				
Office furniture and equipment	3,000	3,000	2,722	278
Beach cleaning equipment	11,500	78,500	75,214	3,286
Christmas decorations	7,500	8,500	9,500	(1,000)
Playground equipment	10,000	2,500	-	2,500
TOTAL EXPENDITURES	574,300	669,198	509,590	159,608
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(187,800)	(288,198)	18,966	307,164
OTHER FINANCING SOURCES (USES)				
Transfers in				
	-	-	133,985	(133,985)
TOTAL OTHER FINANCING SOURCES (USES)	-	-	133,985	(133,985)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER SOURCES (USES)	(187,800)	(288,198)	152,951	441,149
FUND BALANCE				
Beginning of year	729,448	744,541	744,541	-
End of year	\$ 541,648	\$ 456,343	\$ 897,492	\$ 441,149

TOWN OF GRAND ISLE, LOUISIANA

**WATERWORKS UTILITY FUND
SCHEDULE OF OPERATING EXPENSES
FOR THE YEAR ENDED JUNE 30, 2018**

GENERAL AND ADMINISTRATIVE

Audit	-
Bank charges	-
Grant expenses - Rural Development	-
Insurance - general and auto	-
Interdepartmental administrative fee	-
Intergovernmental - Excess Millage to JP	172,862
Legal and professional fees	-
Miscellaneous	-
Office and janitorial supplies	-
One call service	-
Physicals and drug testing	-
Postage	-
Repairs and maintenance	-
Tax collection commission	20,928
Telephone	-
Training school	-
Travel and other	-
Uniforms	-
Utilities	-
Water master plan	-
Waterline survey	-
Total General and Administrative	<u>193,790</u>

DEPRECIATION

Depreciation and amortization	<u>441,685</u>
Total Depreciation	<u>441,685</u>

TOTAL OPERATING EXPENSES	<u><u>\$ 635,475</u></u>
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TOWN OF GRAND ISLE, LOUISIANA

**WATERWORKS UTILITY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS OF
RESTRICTED ASSET FUNDS
FOR THE YEAR ENDED JUNE 30, 2018**

WATER PIPELINE DEBT SERVICE - SINKING FUND

Cash and cash equivalents at June 30, 2017	\$ 51,128
Receipts	
Transfers from Water Pipeline Construction Fund	-
Intergovernmental subsidy - JP Water	541,508
Interest and bank charges	98
Total Receipts	<u>541,606</u>
Disbursements	
Payments of principal on Water Revenue Bonds, Series 2000	161,146
Payments of interest on Water Revenue Bonds, Series 2000	380,362
Bank Charges	-
Total Disbursements	<u>541,508</u>
Cash and cash equivalents at June 30, 2018	<u>\$ 51,226</u>

WATER PIPELINE DEBT SERVICE - RESERVE FUND

Cash and cash equivalents at June 30, 2017	\$ 245,156
Receipts	
Transfers from Waterworks Utility Fund	-
Interest and bank charges	3,411
Total Receipts	<u>3,411</u>
Cash and cash equivalents at June 30, 2018	<u>\$ 248,567</u>

TOWN OF GRAND ISLE, LOUISIANA

**WATERWORKS UTILITY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS OF
RESTRICTED ASSET FUNDS
FOR THE YEAR ENDED JUNE 30, 2018**

WATER PIPELINE - RESERVE FOR DEPRECIATION AND CONTINGENCIES FUND

Cash and cash equivalents at June 30, 2017	\$ 294,060
Receipts	
Transfers from Waterworks Utility Fund	-
Interest and bank charges	4,092
Total Receipts	<u>4,092</u>
Cash and cash equivalents at June 30, 2018	<u>\$ 298,152</u>

SUMMARY OF CASH AND CASH EQUIVALENTS - RESTRICTED ASSETS

Water Pipeline - Debt Service - Sinking Fund	\$ 51,226
Water Pipeline - Debt Service - Reserve Fund	248,567
Water Pipeline - Reserve for Depreciation and Contingencies Fund	298,152
	<u>\$ 597,945</u>

Reported on Balance Sheet as:

Restricted Assets	
Cash and cash equivalents	\$ 51,226
Investments	546,719
	<u>\$ 597,945</u>

TOWN OF GRAND ISLE, LOUISIANA

GAS UTILITY FUND
SCHEDULE OF OPERATING EXPENSES
FOR THE YEAR ENDED JUNE 30, 2018

PERSONAL SERVICES

Salaries	\$	106,768
Payroll taxes		7,451
Unemployment tax		533
Insurance - workmen's compensation		4,597
Insurance - hospitalization and other		39,108
Total Personal Services		<u>158,457</u>

CONTRACTED SERVICES

Gas purchases		54,107
Contracted services		22,142
Total Contracted Services		<u>76,249</u>

MATERIALS AND SUPPLIES

Installation materials and labor		8,183
Gas and oil		2,347
Small tools and equipment		4,842
Equipment rental		-
Total Materials and Supplies		<u>15,372</u>

GENERAL AND ADMINISTRATIVE

Audit		2,000
Bank charges		448
Insurance - general and auto		58,970
Inspection and surveys		1,600
Interdepartmental administrative fee		6,000
Miscellaneous		700
Office and janitorial supplies		2,825
One call service		823
Physicals and drug testing		769
Postage		8,097
Repairs and maintenance		
Office equipment		290
Vehicles		153
Storm damage		-
Gas distribution system		50,815
Gas meters		1,960
Tax collection commission		5,232
Training school		-
Travel and other		-
Total General and Administrative		<u>140,682</u>

DEPRECIATION

Depreciation and amortization		23,539
Total Depreciation		<u>23,539</u>

TOTAL OPERATING EXPENSES	\$	<u>414,299</u>
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TOWN OF GRAND ISLE, LOUISIANA

**AGENCY FUNDS
SCHEDULE OF CHANGES IN DEPOSIT BALANCES
DUE TO OTHERS
FOR THE YEAR ENDED JUNE 30, 2018**

DEPOSIT BALANCES DUE TO OTHERS AT JUNE 30, 2017	<u>\$ 12,586</u>
COLLECTIONS	
Deposits	
Donations	-
Interest Income	24
Total Collections	<u>24</u>
DISTRIBUTIONS	
Deposits Settled To:	
Town of Grand Isle General Fund	-
Disaster victims and vendors	825
Capital outlay	-
Total Distributions	<u>825</u>
DEPOSIT BALANCES DUE TO OTHERS AT JUNE 30, 2018	<u>\$ 11,785</u>

OTHER INFORMATION

TOWN OF GRAND ISLE, LOUISIANA
SCHEDULE OF PAYMENTS TO ALDERMEN
For the Fiscal Year Ended June 30, 2018

ALDERMAN	SEAT	AMOUNT
Ray Santiny	Seat A	\$ 6,237
Brian Barthelemy	Seat B	6,237
Mona Santiny	Seat C	6,237
Kelly Besson Jr	Seat D	6,237
Leoda Bladsacker	Seat E	6,237
TOTAL		<u><u>\$ 31,185</u></u>

The Mayor and the Aldermen may be contacted by writing to:

Town of Grand Isle
PO Box 200, Ludwig Lane
Grand Isle, LA 70358

TOWN OF GRAND ISLE

**SCHEDULE OF COMPENSATION AND OTHER PAYMENTS
TO AGENCY HEAD OR CHIEF EXECUTIVE OFFICER
FOR THE YEAR ENDED JUNE 30, 2018**

Agency Head Name/Title:

David Camardelle, Mayor

<u>Purpose</u>	<u>Amount</u>	
Salary	\$ 43,635	(1)
Taxes - Federal (Social Security and Medicare)	2,960	(2)
Benefits - Retirement	1,309	(3)
Benefits - Insurance (Group Health)	13,341	(4)
Benefits - Other (Life and Dental Insurance)	744	
Vehicle Provided by Agency	4,068	(5)
Vehicle Use Reimbursements	(488)	(6)
Per Diem	-	
Reimbursements	-	
Travel (Meal per diems)	-	
Registration Fees	105	(7)
Conference Travel	1,794	(8)
Continuing Professional Education Fees	-	
Housing	-	
Unvouchered Expenses	-	
Special Meals	-	

Notes to Schedule:

- (1) The Mayor's salary is set by Town Ordinance.
- (2) The Town and its employees pay social security and medicare taxes. This amount represents the amount of taxes paid by the employer (the Town) on this employee's taxable wages.
- (3) The Town allows its employees to participate in a 401-K retirement plan. The employee can contribute up to 3% of his earnings and the Town matched the contribution. This amount is the Town's portion of the expense.
- (4) The Town pays for 75.0% of the health insurance coverage for all full-time employees. This represents the amount of the Mayor's premium paid for by the Town, net of the 25% employee share.
- (5) The Town provides the Mayor with a take-home vehicle. This amount represents the costs associated with the operation of the vehicle (gas, repairs, insurance).
- (6) The Mayor served as a Boad Member for the Louisiana Municipal Association (LMA) for 2018. For attending meetings in Baton Rouge and elsewhere, the LMA would pay the Mayor for mileage. The Mayor would in turn deposit these reimbursements over to the Town. This amount represents the deposits made to the travel account.
- (7) Includes registration fees for conferences (LMA, Mid-Size City, etc.).
- (8) Includes travel costs (airfare, hotel, parking, etc.) for attending conferences (such as LMA, Mid-Size City, etc.) and/or travel to Baton Rouge or Washington DC.

TOWN OF GRAND ISLE
SCHEDULE OF CASH AND CASH EQUIVALENTS
June 30, 2018

FUND/ACCOUNT	BANK	6/30/2018 BANK BALANCE	6/30/2018 BOOK BALANCE
GENERAL FUND AND MAJOR FUNDS			
GENERAL FUND			
CASH AND CHECKING			
Petty Cash	N/A	\$ -	\$ 200
Operating	South Lafourche Bank	468,340	433,260
Accounts Payable	South Lafourche Bank	55,769	36,566
Payroll	South Lafourche Bank	9,257	107
Appearance Bonds	Community Bank	5,358	3,400
		<u>538,724</u>	<u>473,533</u>
LOUISIANA ASSET MANAGEMENT POOL			
General Fund Accounts		<u>3,397,115</u>	<u>3,397,115</u>
		<u>\$ 3,935,839</u>	<u>\$ 3,870,648</u>
COMMUNITY CENTER AND PLAYGROUND DIST NO. 16			
CASH AND CHECKING			
Community Center	South Lafourche Bank	42,751	32,380
FEMA Repetitive Flood Claims Grant	South Lafourche Bank	-	-
		<u>42,751</u>	<u>32,380</u>
LOUISIANA ASSET MANAGEMENT POOL			
Community Center		<u>114,913</u>	<u>114,913</u>
		<u>\$ 157,664</u>	<u>\$ 147,293</u>
		<u>\$ 4,093,503</u>	<u>\$ 4,017,941</u>
NON-MAJOR FUNDS			
SPECIAL REVENUE			
CASH AND CHECKING			
Riverboat Gambling	South Lafourche Bank	\$ 36,675	\$ 36,675
Mosquito Control	South Lafourche Bank	405,212	395,115
Seizure and Forfeiture	South Lafourche Bank	9,367	9,367
Erosion Control	South Lafourche Bank	38,066	38,066
Community Fair	State Bank	30,231	30,231
		<u>519,551</u>	<u>509,454</u>
LOUISIANA ASSET MANAGEMENT POOL			
Riverboat Gambling		<u>23,740</u>	<u>23,740</u>
		<u>23,740</u>	<u>23,740</u>
		<u>\$ 543,291</u>	<u>\$ 533,194</u>
		<u>\$ 4,636,794</u>	<u>\$ 4,551,135</u>

(continued)

TOWN OF GRAND ISLE
SCHEDULE OF CASH AND CASH EQUIVALENTS
June 30, 2018

FUND/ACCOUNT	BANK	6/30/2018 BANK BALANCE	6/30/2018 BOOK BALANCE
PROPRIETARY FUNDS			
WATERWORKS - UNRESTRICTED			
CASH AND CHECKING			
Operating (O&M)	South Lafourche Bank	13,554	25,973
Total Waterworks - Unrestricted		<u>13,554</u>	<u>25,973</u>
WATERWORKS - RESTRICTED			
CASH AND CHECKING			
Waterpipeline - Sinking	South Lafourche Bank	51,226	51,226
		<u>51,226</u>	<u>51,226</u>
LOUISIANA ASSET MANAGEMENT POOL			
Waterpipeline - Reserve		248,567	248,567
Waterpipeline - Depreciation and Contingencies		298,152	298,152
		<u>546,719</u>	<u>546,719</u>
Total Waterworks - Restricted		<u>597,945</u>	<u>597,945</u>
TOTAL WATERWORKS FUND		<u>611,499</u>	<u>623,918</u>
GAS FUND			
CASH AND CHECKING			
Gas Operating	South Lafourche Bank	71,939	15,954
Petty Cash	N/A	-	100
		<u>71,939</u>	<u>16,054</u>
GAS UTILITIES - RESTRICTED			
CASH AND CHECKING			
Meter Deposit	JP Morgan Chase	57,269	56,135
Total Gas Utilities - Restricted		<u>57,269</u>	<u>56,135</u>
TOTAL GAS UTILITIES FUND		<u>129,208</u>	<u>72,189</u>
TOTAL PROPRIETARY FUNDS		<u>\$ 740,707</u>	<u>\$ 696,107</u>
FIDUCIARY FUNDS			
AGENCY FUNDS			
CASH AND CHECKING			
Grand Isle Relief Fund	South Lafourche Bank	\$ 11,785	\$ 11,785
TOTAL FIDUCIARY FUNDS		<u>\$ 11,785</u>	<u>\$ 11,785</u>
GRAND TOTAL		<u>\$ 5,389,286</u>	<u>\$ 5,259,027</u>

TOWN OF GRAND ISLE, LOUISIANA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/ PROGRAM TITLE	FEDERAL CFDA NUMBER	GRANT/PROJECT NUMBER	GRANT PERIOD FROM TO	GRANT AMOUNT
PASS-THROUGH PROGRAMS:				
OFFICE OF HOMELAND SECURITY - FEMA				
Passed through Louisiana Governor's Office of Homeland Security (GOHSEP)				
Disaster Assistance - Hurricane Katrina	97.036	FEMA-1603-DR-LA	Project Completion	\$ 7,639,720
Disaster Assistance - Hurricane Gustav	97.036	FEMA-1786-DR-LA	Project Completion	3,527,052
Disaster Assistance - Hurricane Ike	97.036	FEMA-1792-DR-LA	Project Completion	2,996,156
Disaster Assistance - Hurricane Isaac	97.036	FEMA-4080-DR-LA	Project Completion	118,186
Disaster Assistance - Tropical Storm Nate	97.036	FEMA-3392-DR-LA	Project Completion	-
Repetitive Flood Claims (RFC) - House Raising Project	97.092	RFC-PJ-06-LA-2012-005	Project Completion	3,398,220
TOTAL HOMELAND SECURITY				
ENVIRONMENTAL PROTECTION AGENCY				
Passed through Louisiana Department of Environmental Quality				
Capitalization Grants for Clean Water State Revolving Funds - Ninety West Park	66.458	Loan # CS221756-01	Project Completion	853,000 (2)
TOTAL DEPARTMENT OF AGRICULTURE				
DEPARTMENT OF AGRICULTURE				
Passed through Louisiana Local Government Facility Planning				
Water Act 2000 - Lafitte to Grand Isle Waterline Project	10.Unknown	Case #22-026-0726014896	Project Completion	9,225,000 (3)
TOTAL DEPARTMENT OF AGRICULTURE				
TOTAL PASS-THROUGH				
TOTAL FEDERAL ASSISTANCE				

NOTES TO SCHEDULE:

This schedule was prepared on the accrual basis of accounting and covers the period from July 1, 2017 to June 30, 2018. Since the federal expenditures were less than \$750,000, the Town was not subject to a "Single Audit" in accordance with OMB's Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards under 2CFR Part 200. As such, this Schedule is not required; however, the Town elected to present the schedule anyway.

- (1) The Town spent all of the federal money itself - it had no pass-through subrecipients.
- (2) Amount represents participation in a federal revolving loan program through LDEQ, not a grant. Sewer Revenue Bonds were issued as evidence of this debt. Simultaneously, with the issuance of the debt a loan subsidy received from EPA/LDEQ through the Clean Water Act. Funds were used by CPA/LDEQ to pay off the Sewer Revenue Bonds issued under the State Revolving Loan Program. The amount shown is the net federal assistance received by the Town.
- (3) Amount represents a federal loan, not a grant. Funds were used to construct the new waterline. The bonds to fund this project were issued through the United States Rural Development Authority.

ACCRUED (DEFERRED) REVENUE JUNE 30, 2017	CASH RECEIVED		ACCRUED (DEFERRED) REVENUE JUNE 30, 2018	TOTAL REVENUE RECOGNIZED	EXPENDITURES (1)		TOTAL EXPENDITURES
	GRANT	OTHER			FEDERAL	OTHER	
\$ (206,723)	\$ 35,801	\$ -	\$ 29,249	\$ 271,773	\$ 271,773	\$ -	\$ 271,773
(83,856)	-	-	(140,930)	(57,074)	(57,074)	-	(57,074)
(18,922)	-	-	(18,922)	-	-	-	-
14,899	-	-	14,899	-	-	-	-
-	-	-	-	-	-	-	-
(25,375)	(25,227)	-	-	148	148	-	148
<u>(319,977)</u>	<u>10,574</u>	<u>-</u>	<u>(115,704)</u>	<u>214,847</u>	<u>214,847</u>	<u>-</u>	<u>214,847</u>
-	395,652	-	-	395,652	395,652	-	395,652
<u>-</u>	<u>395,652</u>	<u>-</u>	<u>-</u>	<u>395,652</u>	<u>395,652</u>	<u>-</u>	<u>395,652</u>
-	-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ (319,977)</u>	<u>\$ 406,226</u>	<u>\$ -</u>	<u>\$ (115,704)</u>	<u>\$ 610,499</u>	<u>\$ 610,499</u>	<u>\$ -</u>	<u>\$ 610,499</u>
<u>\$ (319,977)</u>	<u>\$ 406,226</u>	<u>\$ -</u>	<u>\$ (115,704)</u> (A)	<u>\$ 610,499</u>	<u>\$ 610,499</u>	<u>\$ -</u>	<u>\$ 610,499</u>
			Less Local Match	-			
			Federal Assistance	<u>610,499</u> (B)			

Shown on Balance Sheet as:

Accounts Receivable	\$ 44,148
Unearned Revenues	(159,852)
	<u>\$ (115,704) (A)</u>

Shown on Statement of Revenues and Expenditures in:

\$ 610,351	General Fund
148	FEMA RFC Fund
-	Community Center Fund
-	Gas Utility Fund
<u>\$ 610,499</u> (B)	

TOWN OF GRAND ISLE

**SCHEDULE OF STATE FUNDING
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

<u>DESCRIPTION OF FUNDING</u>	<u>AMOUNT</u>
Department of Treasury - Tax Allocations	
Beer Tax	\$ 4,506
Parish Transportation Funds	163,768
Video Poker Allocation	51,896
Grand Isle Tourist Commission Enterprise Tax	28,295
	<u>248,465</u>
Department of Transportation and Development	
Highway 1 - Maintenance Agreement	13,850
	<u>13,850</u>
Louisiana Department of Health and Hospitals	
Grand Isle Beach Water Quality Program	7,000
	<u>7,000</u>
Louisiana Office of Community Development	
Louisiana Government Assistance Program (LGAP - 1415-JFN-0101)	11,413
	<u>11,413</u>
Louisiana Facilities Planning and Control (State Capital Outlay)	
Gymnasium Renovations (# 50-MB112-01)	-
	<u>-</u>
Louisiana Coastal Protection and Restoration Authority	
Grand Isle & Vicinity Beach Erosion and Hurricane Protection Project (BA-0198)	1,200,000
	<u>1,200,000</u>
 TOTAL	 <u>\$ 1,480,728</u>

TOWN OF GRAND ISLE, LOUISIANA

SCHEDULE OF INSURANCE IN FORCE
JUNE 30, 2018

(UNAUDITED)

TYPE OF POLICY/RISKS COVERED	POLICY NO.	INSURER	EXPIRATION DATE
Physical Damage - Water Pipeline	17-7590270344-I-01	Lloyd's of London	4/11/2019 (1)
FHA Bond - General	71488812	Western Surety	12/11/2018
Fidelity Bonds - Treasurer	142232835	Western Surety	3/27/2019
Fidelity Bonds - PE Others	0601-05613505	Western Surety	3/1/2019
Fidelity Bonds - Police Chief	0601-70121990	Western Surety	7/1/2019
Flood Insurance			
Police Department	17-11510842403-04	Wright Insurance	2/23/2019
City Hall	17-11510842402-04	Wright Insurance	2/23/2019
Maintenance Building	17-1151313953-02	Wright Insurance	1/16/2019
Storage Building	17-1151313950-02	Wright Insurance	1/16/2019
Community Center	17-1151313956-02	Wright Insurance	1/16/2019
Gas Building	17-1151313958-02	Wright Insurance	1/16/2019
Commercial Property Coverage			
City Hall	#326414	AMRISC, LP	8/1/2018
Police Department	#326414	AMRISC, LP	8/1/2018
Community Center	#326414	AMRISC, LP	8/1/2018
Multiplex Building	#326414	AMRISC, LP	8/1/2018
Maintenance Building	#326414	AMRISC, LP	8/1/2018
Storage Building	#326414	AMRISC, LP	8/1/2018
Commercial Auto - Physical Damage	HSLR 18056100	Louisiana Municipal Risk Management Association	6/18/2018
Commercial/General Liability	LML-0375-16366	Louisiana Municipal Risk Management Association	6/1/2018 (2)
General Total - \$500,000			
Products and Completed Work - \$500,000			
Fire - \$50,000 per occurrence			
Medical - \$1,000 per person			
Medical - \$10,000 per accident			
Each Even Limit - \$500,000			
Premises Damage Limit - \$500,000			
Automotive Liability	LML-0375-16366	Louisiana Municipal Risk Management Association	6/1/2018 (2)
Bodily Injury and Property Damage			
Combined - \$500,000 per accident			
Law Enforcement Liability Protection	LML-0375-16366	Louisiana Municipal Risk Management Association	6/1/2018 (2)
Total Limit - \$500,000			
Each Wrongful Act - \$500,000			
Each Wrongful Act Deductible - \$1,000			
Public Entity Errors and Omissions	LML-0375-16366	Louisiana Municipal Risk Management Association	6/1/2018 (2)
Claims Made			
Total Limit - \$500,000			
Each Wrongful Act - \$500,000			
Each Wrongful Act Deductible - \$1,000			
Standard Workman's Compensation		Louisiana Municipal Risk Management Association	
Hospitalization - Employees		Blue Cross/Blue Shield	

(1) insurance on water pipeline is placed by Jefferson Parish.

(2) renewed subsequent to year end.

TOWN OF GRAND ISLE, LOUISIANA

**SCHEDULE OF WATER RATES AND CONNECTIONS
JUNE 30, 2018**

(UNAUDITED)

<u>CLASS OF CUSTOMER</u>	<u>(1) MINIMUM RATE</u>	<u>RATE PER FIRST 30 UNITS</u>	<u>(3) 2018 # OF CONNECTIONS</u>	<u>(3) 2017 # OF CONNECTIONS</u>
Residential	\$ 6.50 for 30 units	\$3.50 per 1,000 gallons	-	-
Non-residential	\$10.00 for 30 units	\$4.00 per 1,000 gallons	-	-
Commercial	\$10.00 for 30 units	\$4.00 per 1,000 gallons	-	-
Industrial	\$25.00 for 30 units	\$7.50 per 1,000 gallons (2)	-	-
Elderly	\$3.25 for 30 units	\$3.50 per 1,000 gallons	-	-
			<u>-</u>	<u>-</u>

(1) - one unit equals 100 gallons

(2) - rate was reduced on January 13, 2004 per Ord. No. 796 to \$4.50 per 1,000 gallons

(3) - Jefferson Parish Water District took over billings for system. Breakdown not available.

TOWN OF GRAND ISLE, LOUISIANA

**AGEING OF UTILITY BILLINGS RECEIVABLE
JUNE 30, 2018**

(UNAUDITED)

	<u>(4) 2018 UTILITY BILLING RECEIVABLE</u>		<u>(4) 2017 UTILITY BILLING RECEIVABLE</u>	
Current (< 30 days)				
Water	\$ -		\$ -	
Gas	29,341		35,478	
Garbage	50,504		49,200	
Mosquito	-		-	
Sales tax	112		416	
	<u>79,957</u>	52.3%	<u>85,094</u>	58.9%
>30 days	<u>72,802</u>	47.7%	<u>59,461</u>	41.1%
	<u>\$ 152,759</u>	100.0%	<u>\$ 144,555</u>	100.0%

(4) - Jefferson Parish Water District took over billings for system. These amounts are shown as receivable in the Town's Gas Utilities Enterprise Fund. All receivables relating to the Waterworks system now flow through the Parish's Water District.

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**

The Honorable David Camardelle, Mayor
and the Board of Aldermen
Town of Grand Isle, Louisiana

I 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 governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Grand Isle, Louisiana (the "Town"), as of and for the fiscal year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents, and have issued my report thereon dated December 1, 2018.

Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I considered the Town's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, I do not express an opinion on the effectiveness of the Town'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 Town'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.

My 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 deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified. I did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Responses, which I consider to be significant deficiencies. See deficiencies #SD 18-01 and SD 18-02.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion.

The results of my tests disclosed two instances of noncompliance or other matters that is required to be reported under *Government Auditing Standards*. See compliance findings #CF 18-01 and CF 18-02 in the attached Schedule of Findings and Responses.

I also noted certain other matters that I have reported to management of the Town in a separate letter entitled "Memorandum of Advisory Comments", dated December 1, 2018.

Town's Responses to Deficiencies and/or Findings

The Town's responses to the deficiencies and/or findings identified in my audit are described in the accompanying Schedule of Findings and Responses. The Town's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, I express no opinion on them.

Purpose of this Report

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion of the effectiveness of the Town'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 Town's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statutes 24:513, the report is distributed by the Legislative Auditor as a public document.



December 1, 2018
Marrero, Louisiana

TOWN OF GRAND ISLE, LOUISIANA

SCHEDULE OF FINDINGS AND RESPONSES For the Fiscal Year Ended June 30, 2018

SECTION I - SUMMARY OF AUDITOR'S RESULTS

- A. The auditor's report expresses an unmodified opinion.
- B. No material weaknesses were identified in the Town's internal control over financial reporting.
- C. Two significant deficiencies are noted related to the audit of the financial statements are reported in the *Independent Auditor's Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit in Accordance With Government Auditing Standards*. These deficiencies are outlined below.
- D. No instances of noncompliance material to the financial statements of the Town, which is required to be reported in accordance with *Government Auditing Standards*, were noted during the audit.
- E. The audit was not subject to OMB Uniform Administrative Requirements 2 CFR Part 200 (a "Single Audit"), as federal expenditures did not exceed the \$750,000 threshold.
- F. A separate management letter was issued for the year ended June 30, 2018.

SECTION II - FINDINGS RELATING TO THE FINANCIAL STATEMENT AUDIT

INTERNAL CONTROLS:

Significant Deficiencies

SD Comment # 18-01 - Preparation of Financial Statements by Auditor

Condition and Criteria - The Town 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 Town 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 - Recently issued Statement of Auditing Standards (SAS) 115 requires that I 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, I do not believe that curing the significant deficiency described in this finding would be cost effective or practical and accordingly, I do not believe any corrective action is necessary.

TOWN OF GRAND ISLE, LOUISIANA

SCHEDULE OF FINDINGS AND RESPONSES (CONTINUED) For the Fiscal Year Ended June 30, 2018

Management's Response - The Town'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.

SD Comment # 18-02 – Maintaining Proper Capital Asset and Depreciation Records

Condition and Criteria - The Town does not maintain a formal capital assets ledger that includes a calculation of depreciation expense. Instead, it has chosen to rely on the external auditor to maintain a schedule of capital asset depreciation within an excel spreadsheet, which is adjusted each year during the audit. By not maintaining a capital asset system that includes depreciation, the Town must wait until year end for the external auditor to calculate and post depreciation on capital assets. The Town has taken ownership of the spreadsheet; however, they do not have the expertise to make the calculations.

Cause - The Town's software system was not set up to depreciate capital assets. It merely tracks description, costs, and tag numbers.

Recommendation - The Town should work towards modifying its current software database or purchasing one that would allow for the timely calculation of depreciation of all fixed assets.

Management's Response - We will look into doing this for the next fiscal year audit. Since we record our activity on a "cash-basis" of accounting, we do not see this as a must and are satisfied with relying on the year-end audit adjustments to reflect capitalization and depreciation activity. We review the end-of-year schedule of assets prepared by the external auditor.

COMPLIANCE:

Compliance Findings

CF Finding # 18-01 - Noncompliance with Louisiana Local Government Budget Act

Condition and Criteria - Louisiana Revised Statute 39:1311 requires governments to amend their budgets when budgeted revenues or expenditures are expected to exceed budget by more than 5 percent.

Finding - For the year ended June 30, 2018, the General Fund and one major special revenues fund - the Community Center and Playground District No. 16 - had revenues and expenditures in excess of 5 percent of the budgeted amounts.

The General Fund had actual revenues of \$5,551,422, which were \$641,914 or 10.4 percent over budget, and actual expenditures of \$5,926,117, which were \$1,498,575 or 20.2 percent under budget. The primary reason for revenues being so far over budget was the Hurricane Levee Restoration Project. The Town budgeted the full amount of the project even though some of the revenues were accrued and recognized in the prior year. This item was \$855,643 under budget. This amount was offset by the FEMA Assistance revenues, which were \$190,664 over budget due to recognition of revenues on the closure of the small projects. Expenditures were under budget due to the Hurricane Levee Project being budgeted in full (this line was \$804,629 under budget. Capital Outlay in the General Government Function was also under budget by \$334,874 (due to delays in the gymnasium project) and the DEQ 90 West project was under budget by \$134,561 (related to prior year accruals).

TOWN OF GRAND ISLE, LOUISIANA

SCHEDULE OF FINDINGS AND RESPONSES (CONTINUED)

For the Fiscal Year Ended June 30, 2018

The Community Center and Playground District No. 16 had actual revenues of \$528,556, which were \$147,556 or 38.7 percent over budget. The primary reason for the variance had to do with the end-of-year accrual of revenues due from the Parish of dedicated ad valorem taxes due. Actual expenditures came in at \$509,590, which were \$159,308 or 23.8 percent under budget. This had mostly to do with the roof repair project being delayed.

Effect - The Town is not in compliance with LRS 39:1311 for the year ended June 30, 2018 in these two instances.

Management's Response - The Town sometimes has trouble recognizing revenues on capital projects within the General Fund due to the multi-year nature of the projects and the end of year accruals. Delays in these types of projects also cause problems in budgeting. We will try to do better in the future.

CF Finding # 18-02 - Noncompliance with Water Revenue Bond Debt Covenants

Condition and Criteria - The Waterworks Utilities Enterprise Fund issued Water Revenue Bonds, Series 2000 on February 25, 2000 totaling \$9,225,000, with interest of 4.75% per annum. The proceeds of the bonds were used to pay off the 2000 Bond Anticipation Notes issued by the Louisiana Facilities Planning Department. The Water Revenue Bonds are secured and payable solely by a pledge of the income and revenues of the Waterworks Utility System after provision for the payment of reasonable and necessary costs and expenses of operating and maintaining the system. Sections 4(e) and 4(f) of the Bond Certificate call for the Town to fund a Debt Reserve Fund and a Depreciation and Contingencies Fund. Per the payment schedules, the Town is to make monthly deposits into these two funds from February 2001 until February 2040. Currently, the Town is to be making deposits of \$2,191 per month into these two funds, for a total of \$26,292 annually per fund.

Finding - For 2018, the annual deposit was made; however, when looking at the required balance as of June 30, 2018, I noted that the Town has fallen behind in funding these two funds. If the required deposits had been made since 2005, the funds would have the balances noted in the table below. As noted in the table, the Debt Reserve Fund appears to be under-funded by \$(145,817) and the Depreciation and Contingencies Fund appears to be under-funded by \$(122,524).

Debt Reserve Fund			Depreciation and Contingencies Fund		
Amount	# of Mos	Amount On Hand	Amount	# of Mos	Amount On Hand
\$ 1,826	24	\$ 43,824	\$ 1,826	24	\$ 43,824
\$ 2,191	196	429,436	\$ 2,191	196	429,436
Total Required To Date		473,260	Total Required To Date		473,260
Current Fund Balance		327,443	Current Fund Balance		350,736
Surplus (Deficit)		\$ (145,817)	Surplus (Deficit)		\$ (122,524)

Effect - The Town is not in compliance with the reserve requirements of the bond certificate.

Management's Response - The Water District was taken over by the Parish of Jefferson in August 2005. Since then, the Town's Water Utility Fund merely acts as a conduit to collect the ad valorem taxes dedicated to it as well as the debt subsidy provided by the Parish of Jefferson as part of the takeover. The Water Utility Fund owed money from prior years (mostly sanitation fees) to the Town's General Fund when the takeover occurred. Each year, the Town was trying to pay some of this debt off as well as make the required deposits into the Reserve and Depreciation and Contingencies Fund. The Town would then remit the balance of funds to the Parish of Jefferson to aid in operating the Water District.

TOWN OF GRAND ISLE, LOUISIANA

**SCHEDULE OF FINDINGS AND RESPONSES (CONTINUED)
For the Fiscal Year Ended June 30, 2018**

Apparently, sometime between the period of 2011 and 2017, we inadvertently remitted too much to the Parish and did not deposit enough into the Reserve Fund and the Depreciation and Contingencies Fund. Given the level of ad valorem taxes we levy and collect each year, we anticipate withholding enough from the taxes in the next two years to catch up on these deficit balances and to bring these two funds up to the required levels.

SECTION III - FINDINGS AND QUESTIONED COSTS - FEDERAL AWARDS

Not Applicable

SECTION IV - STATUS OF PRIOR YEAR FINDINGS AND DEFICIENCIES

Prior Year Comment No.	Description	Status
SD 17-01	The Town relies upon its external auditor to prepare its financial statements.	Not resolved. See CY SD Comment # 18-01.
SD 17-02	The Town does not maintain a formal capital assets and depreciation schedule.	Not resolved. See CY SD Comment # 18-02.
CF 17-01	The Town did not comply with the Local Government Budget Act as both revenues and expenditures had variances between budget and actual of greater than 5%.	Not resolved. See CY CF Comment # 17-01.

(END OF REPORT)

MEMORANDUM OF ADVISORY COMMENTS

TOWN OF GRAND ISLE, LOUISIANA

For the Fiscal Year Ended June 30, 2018

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**INTERNAL CONTROL
AND RELATED MATTERS**

Paul C. Rivera, CPA

The Honorable David Camardelle, Mayor
and the Board of Aldermen
Town of Grand Isle, Louisiana

I have audited the financial statements of the Town of Grand Isle, Louisiana, for the fiscal year ended June 30, 2018, and have issued my reports thereon dated December 1, 2018. As part of my audit, I considered the Town's internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing an opinion on the financial statements, and not to provide an opinion on the effectiveness of the Town's internal control.

Significant deficiencies, which may have been noted during my consideration of the internal control over financial reporting, have been reported on in a separately issued report, entitled "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*".

This memorandum summarizes various immaterial deficiencies, instances of noncompliance, and other matters that have come to my attention. While not involving significant control deficiencies or material weaknesses, these matters do present opportunities for strengthening the Town's internal controls and improving the operating efficiency of the Town.

I have already discussed these comments and suggestions with the Town's administrative personnel and have included their responses. I will be pleased to discuss these comments and suggestions with you in further detail at your convenience, perform an additional study of these matters, or assist you in implementing the recommendations.

Paul C. Rivera, CPA

December 1, 2018

TOWN OF GRAND ISLE, LOUISIANA

COMMENTS AND SUGGESTIONS For the Fiscal Year Ended June 30, 2018

ENSURING PROPER ACCOUNTING AND REPORTING

MLC 18-1 – Bank Reconciling Adjustments Not Being Posted to the General Ledger

ADVISORY COMMENT

While the Town Treasurer does reconcile the various bank accounts on a monthly basis, it was noted that several of the bank reconciliations were carrying reconciling differences or “outages” on them. This meant that the bank accounts were technically reconciled; however, the general ledger accounts did not balance back to the bank reconciliations until audit adjusting journals were posted.

RECOMMENDATION

The reconciling differences on the bank reconciliations should be posted in the month they are noted, or at least in the subsequent month to ensure that the bank reconciliations and the general ledger balances agree.

RESPONSE

The main checking account was out due to some prior year audit entries that were incorrectly reversed in the current year. Once a proof of cash was performed, the adjustments were made and the accounts were in balance. The other few accounts that had reconciling differences were also adjusted during the audit and these entries will be posted to the general ledger. We will attempt to post these reconciling differences on a more timely basis in the future. We do not anticipate this recurring.

MLC 18-2 – Credit Card Payments on Fines Not Being Reconciled/Recorded Properly

ADVISORY COMMENT

During 2018, the Town’s Police Department began accepting credit card payments on fines and fees. The transactions are entered into the DigiCourt system and a report is provided to the Accounting Department on the transactions for that month. During my testing, I noted that the amounts that were recorded on the general ledger did not agree to the amounts that were clearing the bank statements. It appears that there are timing and reconciling differences between the police department reports and the merchant statements from the credit card companies that are not being reconciled or recorded. As such, there were a number of reconciling entries that had to be posted to the general ledger at year end in order to bring the cash account into balance.

TOWN OF GRAND ISLE, LOUISIANA

COMMENTS AND SUGGESTIONS For the Fiscal Year Ended June 30, 2018

ENSURING PROPER ACCOUNTING AND REPORTING

RECOMMENDATION

The reconciling differences on the bank reconciliations should be posted in the month they are noted, or at least in the subsequent month to ensure that the bank reconciliations and the general ledger balances agree. The credit card merchant statements should be reconciled to the activity posted to the general ledger.

RESPONSE

One of the problems is that the monthly report from the DigiCourt system does not contain dates on the fine payments that it reports. Thus, it is hard to reconcile/match which payments are showing up on the DigiCourt report to the transactions on the merchant statement and/or bank statement. We will work with the police department and DigiCourt to determine whether dates can be affixed to the transaction register report. We will then work to have a monthly reconciliation of the credit card merchant statement put in place.

TOWN OF GRAND ISLE, LOUISIANA

COMMENTS AND SUGGESTIONS For the Fiscal Year Ended June 30, 2018

INCREASING THE REVENUES OF THE TOWN

MLC 18-3 – Gas Utility Fund Continues to Experience Operating Losses and Cash Flow Deficiencies

ADVISORY COMMENT

The Town's Gas Utilities Enterprise Fund purchases natural gas and sells it to the residents of the Town. Over the past few years, as gas prices fluctuated wildly, this fund has struggled to make ends meet. As seen below, this fund has incurred operating losses over the past few years and has a deficit in its unrestricted net assets of \$(146,824).

	<u>6/30/2014</u>	<u>6/30/2015</u>	<u>6/30/2016</u>	<u>6/30/2017</u>	<u>6/30/2018</u>
Operating Revenues	\$ 261,009	\$ 309,234	\$ 389,956	\$ 413,644	\$ 427,384
Operating Expenses	469,374	413,905	378,664	464,387	414,299
Operating Income (Loss)	<u>(208,365)</u>	<u>(104,671)</u>	<u>11,292</u>	<u>(50,743)</u>	<u>13,085</u>
Ad Valorem Taxes	42,607	44,929	55,439	50,183	52,318
Interest	292	102	134	173	179
Grants	84,754	10,407	722	-	-
Net Income (Loss)	<u>(80,712)</u>	<u>(49,233)</u>	<u>67,587</u>	<u>(387)</u>	<u>65,582</u>
Beginning Net Assets	305,488	224,776	175,543	243,130	242,743
Ending Net Assets	<u>\$ 224,776</u>	<u>\$ 175,543</u>	<u>\$ 243,130</u>	<u>\$ 242,743</u>	<u>\$ 308,325</u>
Invested in Fixed Assets	\$ 535,172	\$ 513,179	\$ 491,216	\$ 469,309	\$ 455,149
Unrestricted Net Assets	(310,396)	(337,636)	(248,086)	(226,566)	(146,824)
Total Net Assets	<u>\$ 224,776</u>	<u>\$ 175,543</u>	<u>\$ 243,130</u>	<u>\$ 242,743</u>	<u>\$ 308,325</u>

RECOMMENDATION

The Town increased the rates it charges in order to avoid future cash shortfalls and operating losses. Per the chart, the current year actually had a small deficit. The Town should monitor the cash flows to ensure that a positive net position is maintained.

RESPONSE

Ordinance No. 930 was passed on May 12, 2015 raising the gas rates charged to the customers of the Gas Utility Fund. We hope these changes alleviate some of the problems that we have experienced. We have reduced the deficit over the last three years since these changes were made.

TOWN OF GRAND ISLE, LOUISIANA

**COMMENTS AND SUGGESTIONS
For the Fiscal Year Ended June 30, 2018**

INCREASING THE REVENUES OF THE TOWN

MLC 18-4 – Credit Card Transactions Fees Are Not Sufficient to Cover Costs

ADVISORY COMMENT

During 2018, the Town's Police Department began accepting credit card payments on fines and fees. The Town has the DigiCourt system set up to charge a "convenience fee" on credit card payments in order to recoup the charges made to the Town by the credit card companies. During my testing, I noted that the amount charged to the citizens paying fines is set at 2.49% of the transaction; however, the credit card companies are actually charging the Town 2.90% on each transaction. Thus, it appears that the Town is not recovering the full cost of the merchant fee.

RECOMMENDATION

Absent any legal restrictions, the Town should increase the amount it charges in the DigiCourt system on the payment of fines by credit card to match what the credit card companies are charging the Town – 2.90%. This would ensure that the Town recoups the full cost of the convenience fee they are being charged.

RESPONSE

We will look into this for 2019.

**COMPLIANCE WITH LAWS
AND REGULATIONS**

Paul C. Rivera, CPA

(504) 371-4390

The Honorable David Camardelle, Mayor
and the Board of Aldermen
Town of Grand Isle, Louisiana

I have audited the financial statements of the Town of Grand Isle, Louisiana, for the fiscal year ended June 30, 2018 and have issued my reports thereon dated December 1, 2018. As part of obtaining reasonable assurance about whether the basic financial statements are free of material misstatement, I performed tests of the Town's compliance with certain provisions of laws, regulations, contracts, and grant agreements. However, my objective was not to provide an opinion on compliance with such provisions.

Material instances of noncompliance have already been reported on in a separately issued report, entitled "Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit Performed in Accordance with Government Auditing Standards". The attached schedule of noncompliance with laws and regulations includes certain immaterial instances of noncompliance noted as a result of the items tested.

I have already discussed these findings with the Town's administrative personnel and have included their responses. I will be pleased to discuss these comments with you in further detail at your convenience or to perform any additional study of these matters.

Paul C. Rivera, CPA

December 1, 2018

TOWN OF GRAND ISLE, LOUISIANA
SCHEDULE OF NONCOMPLIANCE WITH
LAWS AND REGULATIONS
For the Fiscal Year Ended June 30, 2018

ICF 18-1 – Unable to Calculate Compliance with a Water Revenue Bond Covenant

COMPLIANCE FINDING

There are a number of limitations and restrictions contained in the bond indenture which the Town was in compliance with during the fiscal year ended June 30, 2018, except for the following:

Under Section 9 of Ordinance 701, the Waterworks Utility fund is required “to provide revenues in each year, after paying all reasonable and necessary expenses of operating and maintaining the system in such year, of at least 120% of the largest amount of principal and interest falling due on the bonds ... in any future year.” Under this requirement, the Waterworks fund should have \$630,990 of surplus funds (\$525,825 - highest principal and interest due times 120%) each year after paying the operating and maintenance costs. The Town has fallen short of this requirement for the past several years. For June 30, 2018, compliance with this requirement could not be calculated because of the take-over of daily operations by the Parish’s Water District.

RESPONSE

The Parish has taken over the operations of the Water District effective August 15, 2005. The surplus funds and operating subsidy provided by the Parish should cover any future debt payments required by the bonds. Since the takeover, the Parish has made all of the required payments and the Town has, in turn, paid the bonds as they come due.

**STATUS OF PRIOR YEAR
COMMENTS AND FINDINGS**

TOWN OF GRAND ISLE, LOUISIANA

STATUS OF PRIOR YEAR COMMENTS AND FINDINGS

June 30, 2018

Prior Year Comment No.	Prior Year Comment	Status
Internal Control MLC # 17-1	The Town's Gas Utilities Fund is not remitting the total Sanitation Fees collected to the General Fund.	Resolved.
Internal Control MLC # 17-2	The Town's bank reconciliation adjustments were not being posted on a timely basis.	Not Resolved. See CY Internal Control Comment MLC # 18-1.
Internal Control MLC # 17-3	The Town's Gas Utilities Fund continues to experience operating losses and cash flow problems.	Not Resolved. See CY Internal Control Comment MLC # 18-3.
Compliance Finding ICF # 17-1	The Town's Waterworks Utilities Fund was in violation of its Revenue Bond covenants due to its inability to meet the targeted surplus ratios called for.	Not Resolved. See CY Compliance Finding ICF # 18-1.

**AGREED-UPON PROCEDURES REPORT
TOWN OF GRAND ISLE, LOUISIANA**

**Independent Accountant's Report
On Applying Agreed-Upon Procedures**

For the Period from July 1, 2017 to June 30, 2018

To the Mayor and Council Members
of the Town of Grand Isle and to
the Louisiana Legislative Auditor:

I have performed the procedures enumerated below, which were agreed to by the Town of Grand Isle, Louisiana (the "Town") and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2017 through June 30, 2018. The Town's management is responsible for those C/C areas identified in the SAUPs.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, I make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

Written Policies and Procedures

1. Obtain the entity's written policies and procedures and observe whether those written policies and procedures address each of the following categories and subcategories (if applicable to public funds and the entity's operations):
 - a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget
 - b) ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.
 - c) ***Disbursements***, including processing, reviewing, and approving
 - d) ***Receipts/Collections***, including receiving, recording, and preparing deposits

- e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.
- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process
- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers, and (5) monitoring card usage
- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers
- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy. Note: Ethics requirements are not applicable to nonprofits.
- j) **Debt Service**, including (1) debt issuance approval, (2) EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

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

Board (or Finance Committee, if applicable)

- 2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period and:
 - a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

RESULTS: No exceptions noted - The Board meets with a quorum on a bi-weekly basis as per their minutes.

- b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the General Fund and major Special Revenue Funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds.
 - Alternatively, for those entities reporting on the non-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.

RESULTS: No exceptions noted - The Board is presented with a meeting packet that includes budget-to-actual data on the Town's General Fund and major funds. For 2018, on a quarterly basis, the Town Council has met to discuss budget issues.

- c) For governmental entities, obtain the prior year audit report and observe the unrestricted fund balance in the general fund. If the general fund had a negative ending unrestricted 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 unrestricted fund balance in the general fund.

RESULTS: Not Applicable.

Bank Reconciliations

3. Obtain a listing of client 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.

RESULTS: No exceptions noted - I obtained a list of bank accounts from the Town and management's representation that the list was complete. Per the listing, the Town maintained 16 bank accounts during the fiscal year, all of which received public funds.

Select the 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 statements and reconciliation for each selected account, and observe that:

- a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);
- b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and
- c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

RESULTS: No exceptions noted - Based on the number of accounts maintained by the Town, I selected 5 of the public accounts for testing (General Fund, Accounts Payable, Payroll, Community Center, and Gas Fund). For those accounts, bank reconciliations were obtained for the month of June 2018, without exception. The bank reconciliations were prepared by the Accounting Clerk and reviewed by the Treasurer within 30 days of the closing date. Initials of the Treasurer are evident on the bank reconciliations. The Treasurer does review the bank reconciliations for old outstanding items. She includes notes on the bank reconciliation on what the disposition of the researched item should be (e.g., needs to be voided and reissued, etc.). For those accounts selected, I did not note any item outstanding more than 12 months.

Collections

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

RESULTS: No exceptions noted - I obtained a list of deposit sites from the Town and management's representation that the list was complete. Per the listing, Town Hall and the Multiplex (Police Station) are the only deposit sites.

5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete.

RESULTS: No exceptions noted - I obtained a list of collection locations from the Town and management's representation that the list was complete. Per the listing, there are 4 collection sites – Town Hall – Treasurer's Office, Town Hall – Tax Department, Town Hall – Water and Gas Department, and the Multiplex (Police Department).

Randomly select one collection location for each deposit site, obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that the job duties are properly segregated at each collection location such that:

- a) Employees that are responsible for cash collections do not share drawers/registers.
- b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit
- c) Each employee responsible for collecting cash is not responsible for posting collections entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
- d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.

RESULTS: No exceptions noted - There were no written policies or procedures for cash collections; therefore, I inquired of the employees involved in processing collections and making deposits at the Town Hall and the Police station. I observed the following: a) cash drawers ("boxes") are used but are not shared; b) cash collections are made by an employee who makes the deposit; however, another employee is involved in the reconciling process; c) the employees who collect cash in the Water and Gas Department does post entries into the Utility Billing System; however, another employee (the Treasurer) is also responsible for reviewing and approving the posting and actually posts to the General Ledger. The same happens for the police department collections. The employee posts the data to the Digicourt System, but the Treasurer reconciles the deposits and posts to the General Ledger; and d) the employee (Assistant Treasurer) is responsible for posting the General Collections to the General Ledger. She is not responsible for collecting cash or checks, other than occupational licenses, in which the Treasurer would review and approve.

6. Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.

RESULTS: No exceptions noted - The Town does carry an insurance policy/surety bond on all employees.

7. Randomly select two deposit dates for each of the bank accounts selected in procedure 3 under Bank Reconciliations above. Obtain supporting documentation for each of the deposits selected and:
 - a) Observe that receipts are sequentially pre-numbered.
 - b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - c) Trace the deposit slip total to the actual deposit per the bank statement.
 - d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$10).
 - e) Trace the actual deposit per the bank statement to the general ledger.

RESULTS: No exceptions noted - I vouched 10 deposits (2 for each site) to their supporting documentation, including the deposit slip. I also traced the deposit to the bank statement and observed that the deposits were made within 1 week of collection. I was also able to trace the deposits to the posting in the general ledger without exception. It should be noted that the closest bank branch to the Town is approximately 40 miles away in South Lafourche.

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

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

RESULTS: No exceptions noted - I obtained a listing of locations that process payments for the Town and I obtained management's representation that the listing was complete. Per management, all payments are processed at Town Hall (200 Ludwig Lane).

9. For each location selected in Step 8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:
 - a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
 - b) At least two employees are involved in processing approving payments to vendors.

- c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
- d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

RESULTS: Exceptions Noted – There were no written policies or procedures for processing payments; therefore, I inquired of the employees involved in processing payments at the Town Hall. I observed the following: a) at least two people are involved in initiating purchases – employees must make a request to the Town Clerk and he fills out a Purchase Order (PO) if budgeted funds are available, b) at least two employees are involved in the process of approving payments to vendors – the Assistant Treasurer receives invoices and sets payables up for processing. The Town Clerk reviews and approves the payable runs, c) the employee (the Assistant Treasurer) who is responsible for processing payments does have access to vendor files, which includes the ability to add or delete as needed and no other employee reviews these changes, and d) signed checks are mailed to vendors by a clerk who is not part of the payables process.

- 10. For each location selected in Step 8 above, obtain the entity’s non-payroll disbursement transaction population (excluding credit cards and travel reimbursements) and obtain management’s representation that the population is complete.

RESULTS: No exceptions noted - I obtained a listing of non-payroll disbursement transactions and I obtained management’s representation that the listing was complete. For testing purposes, I used the detailed general ledger.

Randomly select 5 disbursements for each location, obtain documentation for each transaction, and:

- a) Observe that the disbursement matched the related original invoice/billing.
- b) Observe that the disbursement documentation include evidence (e.g., initial/date, electronic logging) of segregation of duties tested under Step 9, as applicable.

RESULTS: No exceptions noted - I randomly selected 5 transactions for testing and observed that all of the transactions were supported by a matching invoice or statement. I also observed without exception that the disbursement included evidence of segregation of duties tested under Step 9 (i.e., initiation, review and approval of purchases and payments).

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

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

RESULTS: No exceptions noted - I obtained a listing of all active credit cards, including the card numbers and the names of the persons assigned the cards. I also obtained management's representation that the listing is complete. During the year, the Town issued eight (8) corporate credit cards plus it utilized a fleet fuel card system in the Police Department.

12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:

- a) Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts or credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing, by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]

RESULTS: No exceptions noted - I selected 5 cards and obtained a monthly statement for each card. I noted original receipts attached to the statements supporting the charges. I also observed evidence that it was reviewed and approved by the Assistant Treasurer (i.e., someone other than the account holder).

- b) Observe that finance charges and/or late fees were not assessed on the selected statements.

RESULTS: Exception Noted – on the 6/18/18 American Express Statement for the Police Chief, there was a \$35 finance charge/late fee. I did not note finance charges or late fees on any of the other statements selected for testing.

13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transaction if less than 10) from each statements, and obtain supporting documentation for the transaction (i.e., each card should have 10 transaction subject to testing). For each transaction, observe that it is supported by:

- An original itemized receipt that identifies precisely what was purchased;
- Written documentation of the business/public purpose; and
- Documentation of the individuals participating in meals (for meal charges only)

RESULTS: No exceptions noted - Of the five cards tested, I examined supporting documents for 15 transactions. Of these transactions, all 15 of the transactions had an original itemized receipt, had the business purpose noted, and any other documentation that might be required.

Travel and Expense Reimbursement

14. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete.

RESULTS: No exceptions noted - I obtained a listing of all travel and related expenditures charged to the various general ledger accounts. I obtained management's representation that the general ledger was complete.

Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:

- a) If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).
- b) If reimbursed using actual costs, observe that the reimbursement was supported by an original itemized receipt that identifies precisely what was purchased.
- c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (see Step 1h).
- d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

RESULTS: No exceptions noted - I selected 5 reimbursement requests and observed: a) the Town does not use per diem rates, b) the Town did reimburse actual costs based on original itemized receipts, c) the business/public purpose of the costs were noted, and d) the reimbursement requests were reviewed and approved by the Treasurer (i.e., someone other than the person receiving reimbursement).

Contracts

15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternatively, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete.

RESULTS: No exceptions noted - I obtained the general ledger from the Town and scanned it for contract payments on professional services, materials and supplies, leases or construction activities. I also inquired of the Town Clerk and Town Treasurer as to possible contracts entered into or renewed during 2018. I obtained management's representation that the general ledger was complete.

Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:

- a) Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bides, advertised), if required by law.

RESULTS: No exceptions noted - None of the 3 contracts selected required bids under the Louisiana Public Bid Law.

- b) Observe that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason act, Home Rule Charter).

RESULTS: No exceptions noted - All of the 3 contracts were approved by the Town Council.

- c) If the contract was amended (e.g., change order), observe that the original contract terms provided for such an amendment.

RESULTS: No exceptions noted - None of the 3 contracts was amended during the year; however, amendments were allowed under the contract terms.

- d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and condition of the contract.

RESULTS: No exceptions noted - I vouched one payment on each of the 3 contracts during the fiscal period and examined the invoice. The amounts noted on the invoice were in accordance with the contract terms.

Payroll and Personnel

16. Obtain a listing of employees and elected officials employed during the fiscal period and management's representation that the listing is complete.

RESULTS: No exceptions noted - I obtained a listing of all employees who received payments during the fiscal year and I obtained management's representation that the listing was complete.

Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

RESULTS: No exceptions noted - I traced the hourly wages paid for each of the five employees selected from the payroll journals to the pay rate noted on their personnel file maintained by the Treasurer and approved by the Board, without exception.

17. Randomly select on pay period during the fiscal period. For the 5 employees/officials selected under Step 16 above, obtain attendance records and leave documentation for the pay period, and:

- a) Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)

RESULTS: No exceptions noted - For the 5 selected, I picked the June 17, 2018 pay period for testing. For that payroll, I vouched their attendance and leave to their time cards and/or time schedule, without exception. It should be noted that one of the employees originally selected had terminated by that time. He was selected for testing in the termination benefits AUP step.

- b) Observe that supervisors approved the attendance and leave of the selected employees/officials.

RESULTS: No exceptions noted - For each of the selected 4 employees, the time card and/or time schedule was initialed by a supervisor and/or the Town Treasurer approving the attendance and leave noted. If sick or annual leave was taken, there was an approved leave slip attached.

- c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.

RESULTS: No exceptions noted - The Town Treasurer maintains a listing of vacation leave earned, used and balances available for each employee. If any leave was charged, it is posted to the leave records. For the 5 employees selected, 2 had taken leave on the pay date selected for testing. The hours available and used were traced to the leave records without exception.

18. Obtain a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete.

RESULTS: No exceptions noted - I obtained a listing of all employees who were terminated during the fiscal period and management's representation that the list is complete.

Randomly select 2 employees/officials, obtain related documents of the hours and pay rates used in management's termination payment calculations, agree the hours to the employee/official's cumulative leave records, and agree the pay rates to the employee/official's authorized pay rates in the employee/officials personal file.

RESULTS: No exceptions noted - I selected two employees who terminated during the fiscal period. I vouched the hours on their last checks to the attendance and leave records. I noted that upon termination, each employee is not paid sick leave, which is in accordance with Town policy. The employees were paid for the number of hours that was being carried on their annual leave card, in accordance with Town policy. The pay rate used was in accordance with the authorized pay rate.

19. Obtain management's representation that the employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers compensation premiums have been paid, and associated forms have been filed, by required deadlines.

RESULTS: No exceptions noted - I obtained the management's representation that the employer and employee portions of federal and state taxes, retirement contributions to the 401k plan, health insurance premiums, and workers compensation premiums have been paid. Management has also represented that all required forms have been filed with the respective agencies by the required deadlines.

Ethics (excluding nonprofits)

20. Using the five randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain ethics compliance documentation from management, and:
- a) Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.

RESULTS: Exception Noted - I obtained the ethics training certificates on 4 of the 5 employees selected. The one employee who did not complete the training in the current fiscal year did complete the training in January 2017 (last fiscal year); however, a more current certificate could not be located.

- b) Observe that the documentation demonstrates each employee/official attested through signature verification that he or she has read the entity's ethics policy during the fiscal period.

RESULTS: No exceptions noted - The Town only requires employees to submit acknowledgment of reading the ethics rules upon hire, not each fiscal year.

Debt Service (excluding nonprofits)

21. Obtain a listing of bonds/notes issued during the fiscal period and management's representation that the listing is complete. Select all bonds/notes on the listing, obtain supporting documentation, and observe that the State Bond Commission approval was obtained for each bond/note issued.

RESULTS: Not Applicable – no new issues in the current fiscal year.

22. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants.

RESULTS: I obtained a listing of bonds outstanding at year end and management's representation that the listing is complete. I selected the Water Revenue Bonds for testing. I inspected the debt covenants and obtained supporting documentation for the reserve balances and payments. An Exception was noted in that the deposits to the Debt Service Reserve Fund and the Depreciation and Contingencies Fund are not at the required level through June 30, 2018. The current year transfers into the two funds were made; however, it appears that in prior years, the transfers fell short of what was required. As noted in the table, the Debt Reserve Fund appears to be under-funded by \$(145,817) and the Depreciation and Contingencies Fund appears to be under-funded by \$(122,524).

Debt Reserve Fund

		Amount
Amount	# of Mos	On Hand
\$ 1,826	24	\$ 43,824
\$ 2,191	196	429,436
Total Required To Date		473,260
Current Fund Balance		327,443
Surplus (Deficit)		<u>\$ (145,817)</u>

Depreciation and Contingencies Fund

		Amount
Amount	# of Mos	On Hand
\$ 1,826	24	\$ 43,824
\$ 2,191	196	429,436
Total Required To Date		473,260
Current Fund Balance		350,736
Surplus (Deficit)		<u>\$ (122,524)</u>

Other

23. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete.

RESULTS: No exceptions noted - I inquired of management about whether any misappropriations of public funds or assets had occurred during the fiscal year. Per management, no misappropriations occurred or were known about, thus, no list was produced.

Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

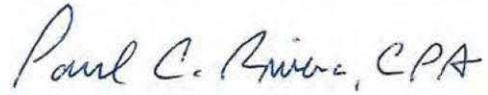
RESULTS: Not Applicable – No misappropriations identified by management.

24. 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: The Town has posted the LLA Fraud Hotline Poster in its Town Hall in the Treasurer's Office and in the lobby by the copy machine. It does not have an official website; therefore, the requirement to post to the website is not applicable.

I was not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, I do not express such an opinion or conclusion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

The purpose of this report is 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.

A handwritten signature in black ink that reads "Paul C. Rivera, CPA". The signature is written in a cursive style with a large initial 'P'.

Paul C. Rivera, CPA
Marrero, Louisiana
December 1, 2018



Town of Grand Isle

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DAVID J. CAMARDELLE
MAYOR

LAINE LANDRY
CHIEF OF POLICE

RAY A. SANTINY
TOWN CLERK

COUNCIL MEMBERS:

RAY A. SANTINY, SEAT A
KELLY BESSON, JR., SEAT B
MONA SANTINY, SEAT C
BRIAN BARTHELEMY, SEAT D
LEODA B. BLADSACKER, SEAT E

December 1, 2018

Paul C. Rivera, CPA and the
Louisiana Legislative Auditor

We appreciate this opportunity to provide explanations for any exceptions noted during the application of the Louisiana Legislative Auditor's Agreed-Upon Procedures (AUPs) for the period July 1, 2017 to June 30, 2018. As a small town, we do the best we can with the limited staff that we have. We are committed to providing the best services to the citizens of our Town and spending the public money provided to us in the most efficient manner possible.

In regards to the exceptions noted during the AUPs, we offer the following:

AUP 1 - No written policies and procedures for various financial and business functions.

RESPONSE: Due to the small size of the financial staff of the Town, we have never felt that the cost/benefit of incurring the time and cost in documenting all of our policies and procedures warranted such an endeavor. Our administrative staff is well-established and has years of experience on the job. They are well versed in what needs to be done and what our policies and procedures are, even if they are not in writing. We are very well versed in the budget law, public bid laws, Lawrason Act, ethics laws, etc. and have always followed the written state statutes as guidelines.

AUP 9c – The employee (Assistant Treasurer) who is responsible for processing payments does have access to vendor files, which includes the ability to add or delete as needed and no other employee reviews these changes.

RESPONSE: Again, due to the small size of the financial staff of the Town, some duties in various financial functions will overlap, including the accounts payable process. Our Town Clerk recently turned the Accounts Payable process over to the Assistant Treasurer in question. While she does have access to the vendor list, we feel that there are enough mitigating controls in place that would catch any suspicious activity by her in regards to the vendor files. The Mayor and the Town Clerk review all disbursements and sign each check. The Treasurer also reviews the documentation when posted to the General Ledger. Unknown vendors would raise suspicions fairly quickly.

AUP 12 – The 6/18/18 American Express credit card statement for the Police Chief's card included a \$35 finance charge/late fee.

RESPONSE: The previous month's payment was lost in the mail which prompted this late fee. A manual check was issued to pay the March 2018 statement balance and the computer check was voided.

AUP 20a – 1 of the 5 employees selected for ethics training testing did not complete the required ethics training course within the current fiscal year.

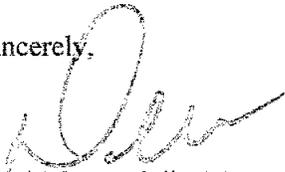
RESPONSE: The employee in question works in the Police Department. She did complete the required course in January 2017 (last year). We will make sure she takes it each January.

AUP 22 – I noted that the balances in the Debt Service Reserve Fund and the Depreciation and Contingencies Funds as of June 30, 2018 have fallen short of what is required under the debt covenants.

RESPONSE: It appears that sometime in 2010, we erroneously deposited the monthly amount into these funds instead of the annual amount. Thus, for a period, we were underfunding the reserves. We made the proper transfers for the current fiscal year and expect to make up the shortfalls noted over the next two fiscal years by withholding money out of the annual ad valorem tax revenue collections.

We hope that our answers address any concerns raised from the exceptions noted. We will work towards improving our processes and procedures to minimize or reduce any such exceptions in the future.

Sincerely,



David Camardelle, Mayor
Town of Grand Isle