

**GRAND ISLE INDEPENDENT LEVEE DISTRICT
A COMPONENT UNIT OF THE STATE OF LOUISIANA
GRAND ISLE, LOUISIANA**

FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2025

Camnetar & Co., CPAs
a professional accounting corporation

**GRAND ISLE INDEPENDENT LEVEE DISTRICT
STATE OF LOUISIANA**

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INDEPENDENT AUDITOR'S REPORT

Camnetar & Co., CPAs

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INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners of
Grand Isle Independent Levee District
State of Louisiana
Grand Isle, Louisiana

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and the general fund of the Grand Isle Independent Levee District (the "District"), a component unit of the State of Louisiana, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Grand Isle Independent Levee District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the general fund of the Grand Isle Independent Levee District, as of June 30, 2025, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the budgetary comparison information, on pages 4 – 8 and 26 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Grand Isle Independent Levee District's basic financial statements. The accompanying Schedule of Per Diem Paid to Board Members, Schedule of Compensation, Benefits, and Other Payments to Agency Head, and Division of Administration Annual Fiscal Reporting are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, Schedule of Per Diem Paid to Board Members, Schedule of Compensation, Benefits, and Other Payments to Agency Head, and Division of Administration Annual Fiscal Reporting are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 31, 2026, on our consideration of the Grand Isle Independent Levee District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Grand Isle Independent Levee District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Grand Isle Independent Levee District's internal control over financial reporting and compliance.

Camnetar & Co.

Camnetar & Co., CPAs
a professional accounting corporation

Gretna, Louisiana
March 31, 2026

REQUIRED SUPPLEMENTAL INFORMATION (PART I)
MANAGEMENT'S DISCUSSION & ANALYSIS

**GRAND ISLE INDEPENDENT LEVEE DISTRICT
STATE OF LOUISIANA**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2025**

The management's discussion and analysis of the Grand Isle Independent Levee District's (the District) financial performance presents a narrative overview and analysis of the District's financial activities for the year ended June 30, 2025. This document focuses on the current year's activities, resulting changes and currently known facts. Please read this document in conjunction with the additional information contained in the transmittal letter and the District's financial statements.

Financial Highlights

- The District's total assets exceeded its total liabilities at the close of fiscal year 2025 by \$26,349,274. Of this amount \$25,902,658 or 98% reflects the District's net investment in capital assets. The remaining unrestricted net position of \$446,616 may be used to meet the District's ongoing obligations.
- The District's total net position increased by \$909,683 during the fiscal year 2025.
- As of the close of the fiscal year, the District's governmental fund reported an ending unassigned fund balance of \$446,616 a decrease of \$57,855 from the previous fiscal year.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's financial statements, which is comprised of government-wide financial statements, fund financial statements, notes to the financial statements, and required supplementary information. This report also contains additional information to supplement the basic financial statements, such as the required supplemental information.

Government-wide Financial Statements

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

The Statement of Net Position presents information on all of the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources. The difference between assets plus deferred outflows of resources and liabilities and deferred inflows of resources is net position and may serve as a useful indicator of whether the District's financial position is improving or deteriorating.

The Statement of Activities presents information showing how the District's net position changed during the most recent fiscal year. Regardless of when cash is affected, all changes in net position are reported when the underlying transaction occur. As a result, transactions are included that will not affect cash until future periods.

The State of Louisiana (the primary government) issues financial statements that include the activity contained in these financial statements. The State's financial statements are issued by the Louisiana Division of Administration - Office of Statewide Reporting and Accounting Policy and are audited by the Louisiana Legislative Auditor. The District is a "component unit" of the State of Louisiana.

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 District uses funds to ensure and demonstrate compliance with finance-related laws and regulations. The District uses only one fund type, the governmental fund, described in the financial statements as the General Fund.

**GRAND ISLE INDEPENDENT LEVEE DISTRICT
STATE OF LOUISIANA**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2025**

Overview of the Financial Statements

The governmental fund is used to account for essentially the same functions reported as governmental activities in the government wide financial statements. However, unlike 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 the District's near-term financing requirements.

Because the view of government 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. Both the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balance provide a reconciliation to facilitate this comparison between the governmental fund and governmental activities.

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.

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information. This District adopts an annual budget for the general fund. Budgetary comparison statements are provided for the general fund to demonstrate budgetary compliance.

Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain supplemental information concerning the per diem and salary paid to the board of commissioners and the schedule of compensation, benefits, and other payments paid to Agency Head.

Government-Wide Financial Analysis

Statement of Net Position

Total assets increased by \$1,752,936 primarily due to:

- an increase in cash of \$851,436 related to unspent grant proceeds from Jefferson Parish for the Orange Street Pump Station project. The District received \$2,138,683 in grant funding from Jefferson Parish for the Orange Street Pump Station Project. As of June 30, 2025, the District had expended \$1,433,521 of eligible project costs, with the remaining \$705,162 in restricted grant funds held for completion of the project in fiscal year 2026. These restricted funds are not available for general District operations.
- an increase in capital assets of \$967,538 due to capital investment projects.
- Total liabilities increased by \$843,253 primarily due to:
- due to an increase in accounts payables of \$138,091 associated with the active projects noted above and
- the District recognized deferred grant revenue of \$705,162 for advance funding from Jefferson Parish for the Orange Street Pump Station.

**GRAND ISLE INDEPENDENT LEVEE DISTRICT
STATE OF LOUISIANA**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2025**

Government-Wide Financial Analysis

The following schedule presents the condensed Statement of Net Position which provides an overview of the District's financial condition by summarizing its assets, liabilities, and resulting net position at year-end.

**Condensed Comparative Statements of Net Position
For the Year Ended June 30,**

	TOTAL		Increase / (Decrease)
	2025	2024	
Cash and cash equivalents	\$ 1,082,577	\$ 231,141	\$ 851,436
Investments	210,278	201,750	8,528
Due from governmental agency	28,675	103,241	(74,566)
Capital assets (net of depreciation)	25,902,658	24,935,120	967,538
Total assets	<u>\$ 27,224,188</u>	<u>\$ 25,471,252</u>	<u>\$ 1,752,936</u>
Current liabilities	\$ 169,752	\$ 31,661	\$ 138,091
Deferred grant revenue	705,162	-	705,162
Total liabilities	<u>874,914</u>	<u>31,661</u>	<u>843,253</u>
Net Position			
Invested in capital assets	25,902,658	24,935,120	967,538
Unrestricted	446,616	504,471	(57,855)
Total net position	<u>26,349,274</u>	<u>25,439,591</u>	<u>909,683</u>
Total liabilities and net position	<u>\$ 27,224,188</u>	<u>\$ 25,471,252</u>	<u>\$ 1,752,936</u>

Statement of Activities

The District's net position increase of \$909,683 is attributed to: an increase in intergovernmental grants of \$718,101 offset by a decrease in public works expenses of \$114,804, details of which are shown below.

The following schedule presents the condensed Statement of Activities which summarizes the District's revenues, expenses, and overall changes in net position for the fiscal year.

**Condensed Comparative Statements of Activities
For the Fiscal Years June 30,**

	TOTAL		Increase / (Decrease)
	2025	2024	
Public Works Expenses	\$ (1,010,560)	\$ (1,125,364)	\$ (114,804)
Grants and contributions	1,664,121	946,020	718,101
General revenues	256,122	254,786	1,336
Change in net position	909,683	75,442	604,633
Net position, beginning of the year	25,439,591	25,364,149	75,442
Net position, end of the year	<u>\$ 26,349,274</u>	<u>\$ 25,439,591</u>	<u>\$ 680,075</u>

**GRAND ISLE INDEPENDENT LEVEE DISTRICT
STATE OF LOUISIANA**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2025**

Government-Wide Financial Analysis

The following schedule provides an analysis of public works expenses for the fiscal year June 30, 2025 compared to that of the prior fiscal year.

**Analysis of Public Works Expenses
For the Fiscal Years June 30,**

	TOTAL		Increase / (Decrease)
	2025	2024	
Public Works Expenses			
Personnel Services	\$ 30,397	\$ 29,826	\$ 571
Office Expenditures	7,465	6,667	798
Operating & Maintenance	50,740	95,791	(45,051)
Professional Services	124,405	190,431	(66,026)
Travel	11,913	6,467	5,446
Depreciation	785,640	796,182	(10,542)
Total	<u>\$ 1,010,560</u>	<u>\$ 1,125,364</u>	<u>\$ (114,804)</u>

Analysis of the Governmental Fund (General Fund)

The focus of the District's governmental funds is to provide information on near term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District'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. At June 30, 2025, the District's governmental funds reported an ending fund balance of \$446,616. This is a decrease of \$57,855 in comparison to the prior year.

**Condensed - Comparative Statements of Revenues, Expenditures and
Changes in Fund Balance - General Fund
For the Fiscal Years June 30,**

	TOTAL		Increase / (Decrease)
	2025	2024	
Property Taxes	\$ 245,756	\$ 243,983	\$ 1,773
Intergovernmental revenue	1,664,121	946,020	718,101
Interest	10,366	10,803	(437)
Total Revenues	<u>1,920,243</u>	<u>1,200,806</u>	<u>719,437</u>
Expenditures	224,920	329,182	(104,262)
Capital Outlay	1,753,178	752,441	1,000,737
Total Revenues	<u>1,978,098</u>	<u>1,081,623</u>	<u>896,475</u>
Net change in fund balance	(57,855)	119,183	(177,038)
Fund balance, beginning of the year	504,471	385,288	119,183
Fund balance, end of the year	<u>\$ 446,616</u>	<u>\$ 504,471</u>	<u>\$ 838,620</u>

**GRAND ISLE INDEPENDENT LEVEE DISTRICT
STATE OF LOUISIANA**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2025**

Analysis of Budgeted Amounts

Revenues - The District's General Fund final budget called for revenues of \$2,668,033. Actual revenues came in over budget by \$31,940 due to more revenue from federal grants and interest income.

Expenditures - The District's General Fund final budget called for expenditures of \$2,661,927. The expenditures of the District came in under budget by \$545,740. The difference is due to a decrease in professional services and capital outlay in expenses related to the ongoing projects discussed previously.

Capital Assets

As of June 30, 2025, the District had \$25,902,658 invested in a broad range of capital assets including construction in progress, equipment and infrastructure (net of accumulated depreciation). The District's investment in capital assets increased by \$967,538.

	2025	2024	Increase (Decrease)
Capital Assets Not Being Depreciated			
Land	\$ -	\$ -	\$ -
Construction in progress	2,246,796	613,916	1,632,880
Capital Assets Being Depreciated			-
Equipment	461,973	356,576	105,397
Infrastructure	29,870,804	29,855,903	14,901
Total	<u>32,579,573</u>	<u>30,826,395</u>	<u>1,753,178</u>
Less Accumulated Depreciation	6,676,915	5,891,275	785,640
Net investment in capital assets	<u>\$ 25,902,658</u>	<u>\$ 24,935,120</u>	<u>\$ 967,538</u>

Long-Term Liabilities

At year-end, the District did not have any outstanding debt that is subject to the legal debt limitations applicable to the District.

Economic Factors and Next Year's Budget

The Grand Isle Independent Levee District relies on multiple funding sources to support its flood protection system. The District's millage provides core operating revenue needed for daily maintenance and levee operations. Long-term capital needs, however, are funded primarily through a combination of local, state, and federal grants, which support major projects such as levee improvements, shoreline stabilization, and coastal resilience measures.

The District continues to seek and secure funding from the Coastal Protection and Restoration Authority (CPRA) and works closely with the U.S. Army Corps of Engineers (USACE) to pursue federal appropriations for large-scale maintenance and protection projects. Continued availability of these grant funds is essential to advancing critical capital improvements that preserve the long-term integrity of Grand Isle's hurricane protection system.

Contacting the District's Management

The financial report is designed to provide our citizens with taxpayers, customers, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional information, contact David Camardelle, President, Post Office Box 757, Grand Isle, Louisiana 70358.

**FINANCIAL STATEMENTS
AND
NOTES TO THE FINANCIAL STATEMENTS**

**GRAND ISLE INDEPENDENT LEVEE DISTRICT
STATE OF LOUISIANA**

**Statement of Net Position
June 30, 2025**

	GOVERNMENTAL ACTIVITIES
ASSETS	
Current Assets	
Cash and cash equivalents	\$ 377,415
Investments	210,278
Advalorem tax receivable	1,174
Due from federal government	27,501
Restricted Assets:	
Cash and cash equivalents	705,162
Total Current Assets	1,321,530
Noncurrent Assets	
Capital assets (net of accumulated depreciation)	25,902,658
TOTAL ASSETS	\$ 27,224,188
LIABILITIES	
Current Liabilities	
Accounts payable	\$ 168,955
Payroll liabilities	797
Deferred grant revenue - parish grant	705,162
TOTAL LIABILITIES	874,914
NET POSITION	
Net investment in capital assets	25,902,658
Unrestricted	446,616
TOTAL NET POSITION	26,349,274

The accompanying notes are an integral part of these statements.

**GRAND ISLE INDEPENDENT LEVEE DISTRICT
STATE OF LOUISIANA**

**Statement of Activities
For the Year Ended June 30, 2025**

Function	Expenses	Program Revenues			Net (Expense) Revenue & Changes in Net Position
		Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	
Governmental Activities					
Public works	\$ 1,010,560	\$ -	\$ 230,600	\$ 1,433,521	\$ 653,561
Total Governmental Activities	<u>1,010,560</u>	<u>-</u>	<u>230,600</u>	<u>1,433,521</u>	<u>653,561</u>
General Revenues					
					245,756
					10,366
					<u>256,122</u>
					909,683
					<u>25,439,591</u>
					<u>\$ 26,349,274</u>

The accompanying notes are an integral part of these statements.

**GRAND ISLE INDEPENDENT LEVEE DISTRICT
STATE OF LOUISIANA**

**Governmental Fund – General Fund
Balance Sheet
June 30, 2025**

	<u>General Fund</u>
ASSETS	
Cash and cash equivalents	\$ 377,415
Investments	210,278
Advalorem tax receivable	1,174
Due from federal government	27,501
Restricted Assets:	
Cash	705,162
TOTAL ASSETS	<u><u>\$ 1,321,530</u></u>
LIABILITIES AND FUND BALANCE	
LIABILITIES	
Accounts payable	\$ 168,955
Payroll Liabilities	797
Unearned revenue - parish grant	705,162
TOTAL LIABILITIES	<u>874,914</u>
FUND BALANCE	
Unassigned	446,616
TOTAL FUND BALANCE	<u>446,616</u>
TOTAL LIABILITIES AND FUND BALANCE	<u><u>\$ 1,321,530</u></u>

The accompanying notes are an integral part of these statements.

**GRAND ISLE INDEPENDENT LEVEE DISTRICT
STATE OF LOUISIANA**

**Governmental Fund – General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
For the Year Ended June 30, 2025**

	General Fund
REVENUES	
Taxes	
Property taxes	\$ 245,756
Intergovernmental	
Federal Grants	230,600
Parish Grants	1,433,521
Interest Income	10,366
TOTAL REVENUES	1,920,243
EXPENDITURES	
Public works	
Personnel Services	30,397
Office Expenditures	7,465
Operating & Maintenance	50,740
Professional Services	124,405
Travel	11,913
Capital Outlay	1,753,178
TOTAL EXPENDITURES	1,978,098
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(57,855)
FUND BALANCE	
Beginning of year	504,471
End of year	\$ 446,616

The accompanying notes are an integral part of these statements.

**GRAND ISLE INDEPENDENT LEVEE DISTRICT
STATE OF LOUISIANA**

**Reconciliation of the Governmental Fund – General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
to the Statement of Activities
For the Year Ended June 30, 2025**

Net change in fund balance - governmental funds \$ (57,855)

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense. The following is the amount by which depreciation exceeds capital outlays.

Capital outlay	1,753,178	
Depreciation	<u>(785,640)</u>	<u>967,538</u>
Change in net position of governmental activities		<u>\$ 909,683</u>

The accompanying notes are an integral part of these statements.

**GRAND ISLE INDEPENDENT LEVEE DISTRICT
STATE OF LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2025**

NOTE 1 - INTRODUCTION

The Grand Isle Independent Levee District (the District), a component unit of the State of Louisiana, was created by the Louisiana State Legislature under the provisions of Louisiana Revised Statutes 38:291(S). The District is domiciled in Grand Isle, Louisiana and was created for the primary purpose of providing flood protection to Grand Isle and surrounding areas. The District is governed by a board of Commissioners appointed by the Governor that administer the operations and responsibilities of the District in accordance with the provisions of the Louisiana statute.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

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

For financial reporting purposes, it has been determined that District is a component unit of the State of Louisiana. Annually, the State of Louisiana (the primary government) issues general purpose financial statements which include the activity contained in the accompanying financial statements. The State's general-purpose financial statements are issued by the Louisiana Division of Administration - Office of Statewide Reporting and Accounting Policy and are audited by the Louisiana Legislative Auditor.

Government-Wide and Fund Financial Statements

The Grand Isle Independent Levee District's financial statements are prepared in conformity with governmental accounting principles generally accepted in the United States of America (GAAP). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The District's basic financial statements include both government-wide (reporting the funds maintained by the District as a whole) and fund financial statements (reporting the District's major funds).

The Governmental Fund Balance Sheet/Statement of Net Position is presented on a consolidated basis; however, the governmental fund financial statements focus on current financial resources available to pay for current-period expenditures and liabilities payable in the current period, in contrast to the government-wide statements which report all assets and liabilities. Noncurrent resources and liabilities (e.g. capital assets) are not reported in the governmental funds.

The Statement of Governmental Fund Revenues, Expenditures, and Changes in Fund Balance/Statement of Activities is presented on a consolidated basis. Expenses on long-term obligations do not require the use of current financial resources and are not reported as expenditures in the governmental funds. In addition, the cost of capital outlays is allocated over their estimated useful lives as depreciation expense. The amount of capital outlays not meeting the capitalization threshold is reported as an expense. (i.e., repairs and maintenance).

**GRAND ISLE INDEPENDENT LEVEE DISTRICT
STATE OF LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2025**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The financial transactions of the District are recorded in the general fund in the fund financial statements. A fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues, and expenditures.

The District only maintains government funds. The focus of the government funds' measurement (in the fund statements) upon determination of financial position and changes in the financial position (sources, uses, and balances of financial resources) rather than upon net income. The General Fund is the District's only government fund general operating fund of the District.

Measurement Focus and Basis of Accounting

Basis of accounting refers to revenues and expenses are recognized and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

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.

Governmental fund financial statements are reported using a current financial resources measurement focus and the modified accrual 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 District considers property taxes as available if they are collected within 60 days after year end.. Expenditures are recorded when the related fund liability is incurred.

Cash and Cash Equivalents

Cash includes amounts in interest-bearing demand deposits. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the District may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with the state banks organized under the laws of the State of Louisiana the laws of any other state in the Union, or the laws of the United States. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or similar federal security, or the pledge of securities owed by the fiscal agent bank. The fair market value of pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. Restricted cash represents amounts that are legally or contractually restricted for specific purposes and are not available for general operations

Receivables

All receivables are reported at their gross value and, where applicable, are reduced by the estimated portion that is expected to be uncollectible.

**GRAND ISLE INDEPENDENT LEVEE DISTRICT
STATE OF LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2025**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets

Capital Assets, which include property, equipment, and infrastructure (e.g., levees, rock breakwaters, etc.), are carried at historical costs. Donated capital assets are recorded at fair market value at the date of donation. Depreciation of all exhaustible fixed assets are charged as an expense against operations in the Statement of Activities. Capital assets net of accumulated depreciation are reported on the statement of Net Position. The District's policy is to capitalize items with a unit cost of \$250 and an estimated useful life of two years.

Depreciation is computed using the straight-line method over the useful lives of the assets, generally 10 to 45 years for buildings and infrastructure and 3 to 7 years for movable property.

The District evaluates capital assets for impairment whenever events or changes in circumstances indicate the service utility of a capital asset may have significantly and unexpectedly declined. During the year ended June 30, 2025, no impairment losses were recognized.

The cost of normal maintenance and repairs that do not add to the value to the asset or materially extend the asset life is not capitalized. Major outlays for capital assets and improvements are capitalized as projects constructed and are included in construction in progress. The levees and breakwaters are divided into reaches and are capitalized as such. Any major lifts or improvements to an existing levee/reach is capitalized as an addition to that levee/reach. In accordance with Office of Statement Reporting and Accounting Policy (OSRAP) guidelines, infrastructure assets are to be capitalized and depreciated over a useful life of 40 years. OSRAP has set a threshold for infrastructure assets to be capitalized at \$3,000,000 spent per entity per year.

Long-Term Liabilities

The District had no long-term liabilities outstanding at June 30, 2025. The District has not issued any bonds, notes, or entered into any capital lease agreements.

Compensated Absences and Pensions

The District's policy is to engage only part-time and per diem personnel; therefore, no compensated absence or pension liabilities are recognized.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows, liabilities, deferred inflows, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates. Significant estimates include: useful lives of capital assets, allowance for uncollectible receivables (determined to be zero), and accrued liabilities at year-end

**GRAND ISLE INDEPENDENT LEVEE DISTRICT
STATE OF LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2025**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balance

In accordance with Governmental Accounting Standards Board (GASB) Statement No. 54 - Fund Balance Reporting and Governmental Fund Type Definitions, fund balances of the governmental fund types are categorized into one of five categories as follows:

- *Nonspendable* – amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.
- *Restricted* – amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by ordinances or resolutions approved by the Board of the District.
- *Committed* – amounts that can be used only for specific purposes determined by a formal action of the Board. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the Board of the District.
- *Assigned* – includes amounts that are constrained by the District's intent to be used for specific purposes but are neither restricted nor committed.
- *Unassigned* – all other spendable amounts.

The Board of Commissioners, as the highest level of decision-making authority, can establish, modify or rescind a fund balance commitment by formal vote at a public board meeting. For classification of governmental fund balances, the District considers an expenditure to be made from the most restrictive first when more than one classification is available. The District's fund balance was classified as unassigned as of June 30, 2025.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed. When unrestricted resources are used, committed amounts are reduced first, followed by assigned amounts, and then unassigned amounts.

Net Position

In accordance with GASB Codification, net position is classified into three components - net investment in capital assets, restricted, and unrestricted. These classifications are defined as follows:

- (a) *Investment in capital assets* consists of the District's total investment in capital assets, net of accumulated depreciation and reduced by outstanding debt obligations related to acquisitions, construction, or improvements of those capital assets.
- (b) *Restricted net position* consists of net position items with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; (2) law through constitutional provisions or legislation.
- (c) *Unrestricted net position* consists of net amount of the assets, deferred outflows resources, liabilities and deferred inflows or resources that are not included in the determination of investment in capital assets. Unrestricted net position is used for transactions relating to the general operations of the District and may be used at its discretion to meet current expenses and for any purposes.

When an expenditure is incurred for purposes for which both restricted and unrestricted net position is available, the District applies restricted net position first.

**GRAND ISLE INDEPENDENT LEVEE DISTRICT
STATE OF LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2025**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Ad Valorem Tax Revenues

Ad valorem taxes are assessed on a calendar year basis, become due on November 15th of each year, and become delinquent on December 31st. Ad valorem taxes are recorded in the year the taxes are collected. If taxes were recorded when assessed, the amount recorded would not be materially different from the amount actually recorded in the financial statements.

Revenues -Exchange and Non-Exchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon thereafter to be used to pay the liabilities of the current fiscal year. For the District, available means expected to be received within 60 days of the fiscal year-end. Under the modified accrual basis, only interest is considered to be both measurable and available at fiscal year-end.

Non-exchange transactions, in which the District receives value without directly giving value in return, include grants and donations. On an accrual basis, revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when resources are required to be used; matching requirements, in which the District must provide local resources to be used for a specific purpose; and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must be available before it can be recognized.

Program Revenues: The Statement of Activities presents three categories of program revenues – (1) charges for services, (2) operating grants and contributions, and (3) capital grants and contributions. Charges for services – are revenues from exchanges or exchange like transactions with external parties that purchase, use or directly benefit from the program's goods, services, or privileges. These revenues include fees charged for specific services, and operating special assessments, and include payments from exchange transactions with other governments. Grants and contributions – whether operating or capital in nature, are revenues arising from receipts that are reserved for a specific use.

Deferred Outflows/Inflows of Resources

The statement of net position reports in a separate section deferred inflows and outflows of resources. Deferred outflow of resources is a consumption of net assets by the government that is applicable to a future reporting period while deferred inflows of resources is an acquisition of net assets by the government that is applicable to a future reporting period. As of June 30, 2025, the District has reported no deferred outflows/inflows of resources.

NOTE 3 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Accounting

Formal budgetary accounting is employed as a management control device. Not less than ninety days before the end of the fiscal year, the Board adopts the annual budget. Amendments to the budget are made by the Board from time to time as necessary. The budget is prepared on the cash basis of accounting. The basic differences arise because the accounting for budgetary purposes differ from the basis of accounting applicable to the fund type when reporting on operations in accordance with GAAP. All annual appropriations not expended lapse at year-end.

**GRAND ISLE INDEPENDENT LEVEE DISTRICT
STATE OF LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2025**

NOTE 3 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

A reconciliation of the budgetary basis to the GAAP basis is presented in the Required Supplementary Information. The budgeted amounts included in the accompanying statements represent the original budget and final amended budget as of June 30, 2025.

Budgetary Compliance

The District's actual revenues were over budget by 1% and total expenditures were under budget by 21% related to professional services and capital outlay expenditures.

NOTE 4 – CASH AND CASH EQUIVALENTS

At June 30, 2025, the District had cash and cash equivalents (book balances) totaling \$1,082,577 which were demand deposits at a local financial institution. These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must, at all times, equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

At June 30, 2025, the District had total deposits of \$1,134,939 (collected bank balances), consisting of \$1,109,939 in demand deposits and \$25,000 in certificates of deposit reported as Investments as described in Note 4. These deposits were secured from risk by \$250,000 of federal deposit insurance and \$884,939 of pledged securities held by the custodial bank in the name of the fiscal agent bank. The District's deposits were fully collateralized at June 30, 2025.

Restricted cash represents amounts that are legally or contractually restricted for specific purposes and are not available for general operations. At June 30, 2025, restricted cash of \$705,162 represents unspent grant funds from Jefferson Parish required to be used for the Orange Street Pump Station Project. These funds are not available for general District operations.

Custodial credit risk is the risk that in the event of a bank failure the District's deposits may not be recovered. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the District or the pledging bank by a holding or custodial bank that is mutually acceptable to both parties in accordance with the District's custodial credit risk policy.

NOTE 5 – INVESTMENTS

At June 30, 2025 the District held investments totaling \$210,278 as follows:

	Book Value
Louisiana Asset Management Pool	\$ 185,278
South Lafourche Bank Certificate of Deposit	25,000
	<u>\$ 210,278</u>

**GRAND ISLE INDEPENDENT LEVEE DISTRICT
STATE OF LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2025**

NOTE 5 – INVESTMENTS (CONTINUED)

Certificates of Deposit

At June 30, 2025 the District's certificate of deposits in South Lafourche Bank are secured from risk by federal deposit insurance plus pledged securities reported in Note 3.

Louisiana Asset Management Pool (LAMP)

At June 30, 2025, the District's investments in the Louisiana Asset Management Pool (LAMP) totaled \$185,278. These deposits are stated at cost. LAMP is a local government investment pool established as a cooperative effort to enable public entities of the State of Louisiana to aggregate funds for investments.

In accordance with GASB Codification Section 150.165, the investment in LAMP is not categorized in the three risk categories provided by GASB Codification Section 150.165 because the investment is in the pool of funds and thereby not evidenced by securities that exist in physical or book entry form. LAMP is administered by LAMP, Inc., a nonprofit corporation organized under the laws of the State of Louisiana and is governed by a board of directors comprised of representatives from various local governments and state-wide professional organizations.

Only local governments have contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high-quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest. Accordingly, LAMP investments are restricted to securities issued, guaranteed, or backed by the U.S. Treasury, the U.S. Government, or one of its agencies, enterprises, or instrumentalities, as well as repurchase agreements collateralized by those securities. The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days. LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP is rated AAAM by Standard & Poor.

LAMP issues a publicly available financial report that includes financial statements and required supplementary information. The financial report is designed to provide a general overview of LAMP's finances for those with an interest in LAMP's finances. Access to the reports can be found on the Louisiana Legislative Auditor's website, www.la.la.gov or by contacting LAMP at 228 St. Charles Ave., Suite 1123, New Orleans, LA 70130.

Interest Rate Risk is defined as the risk that changes in interest rates will adversely affect the fair value of an investment. The District does not have a formal investment policy that limits maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Custodial credit risk is the risk that in the event of the failure of the counterparty to a transaction, the District will not be able to fully recover the value of the investment. Investments in external investment pools are not exposed to custodial credit risk because of their natural diversification and the diversification required by the Securities and Exchange Commission.

GASB Statement No. 40 Deposit and Investment Risk Disclosure- An Amendment of GASB Statement No. 3 defines concentration of risk as the risk of loss attributed to the magnitude of a government's investment in a single issuer. GASB 40 further defines an at-risk investment as one that represents more than five percent (5%) of the market value of the total investment portfolio and requires disclosure of such at-risk investments. GASB 40 specifically excludes investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments from the disclosure requirement. At June 30, 2025, the District had no investments requiring a Concentration of Credit Risk disclosure.

**GRAND ISLE INDEPENDENT LEVEE DISTRICT
STATE OF LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2025**

NOTE 6 – AD VALOREM RECEIVABLE

The District levies an ad valorem (property) tax on real property within the District to finance operations. The levy is generally made as of November 15 of each year. The tax is then due, and becomes an enforceable lien on the property, on the first day of the month following the filing of the tax roll by the Jefferson Parish assessor with the Louisiana Tax Commission (usually December 1). Taxes become delinquent 30 days after the due date (December 31). Taxes are billed and collected by the Jefferson Parish Sheriff's Office (a separate entity) which receives a certain millage for its services. The taxes remitted by the Sheriff to the District are net of assessor's commission and pension fund contributions.

Ad Valorem Tax Article 6 Section 39 of the Louisiana Constitution provides for the purposes of constructing and maintaining levees, levee drainage flood protection, hurricane flood protection, and for all other purposes incidental thereto, the District may levy annually, a tax not to exceed five mills. If the District needs to raise additional funds in excess of the amount collected constitutionally, the taxes in excess of five mills must be approved by a majority vote of the electors. The number of mills levied for operations for the year ended June 30, 2025 was 4.580.

Ad valorem tax revenues are recognized in the fiscal year for which the taxes are levied, to the extent that they are collected within the availability period and are measurable in accordance with the modified accrual basis of accounting

At June 30, 2025, the District recorded an ad valorem tax receivable of \$1,174, representing 2024 calendar year tax levies assessed but not yet collected as of fiscal year-end. These taxes were levied in November 2024 and are expected to be collected within the 60-day availability period. Management has evaluated the collectability of this receivable and believes the amount is fully collectible; therefore, no allowance for doubtful accounts has been recorded.

NOTE 7 – INTERGOVERNMENTAL RECEIVABLE

At June 30, 2025, the District recorded an intergovernmental receivable, Due from Federal Government of \$27,501 related to funding provided through the National Marine Fisheries Service. The receivable represents amounts earned but not yet received for eligible project costs incurred in accordance with the terms of the grant agreement. The National Marine Fisheries Service (NMFS)—also known as NOAA Fisheries—is a federal agency within the National Oceanic and Atmospheric Administration, which is part of the U.S. Department of Commerce. Management has evaluated the collectability of this receivable and believes the amount is fully collectible; therefore, no allowance for doubtful accounts has been recorded.

NOTE 8 – ACCOUNTS PAYABLE

Accounts Payable of \$168,955 represent certain expenditures related to the Orange Street Pump Station Project have been accrued at fiscal year-end as they were incurred prior to June 30, 2025. These amounts represent obligations of the current period and will be disbursed subsequent to year-end.

NOTE 9 – DEFERRED GRANT REVENUE – PARISH GRANT

During the year ended June 30, 2025, the District received grant funding from Jefferson Parish for the Orange Street Pump Station Project totaling \$2,138,683. The funds are restricted for use in accordance with the terms and conditions of the grant agreement. Revenue is recognized as eligible project expenditures are incurred. As of June 30, 2025, the District had incurred eligible costs of \$1,433,521 related to the Orange Street Pump Station Project. The remaining \$705,162 has been recorded as a deferred inflow of resources (unspent grant funds), representing amounts received but not yet expended on allowable project costs in accordance with grant terms. The District expects to utilize the remaining funds for the Orange Street Pump Station Project in the subsequent year in accordance with grant requirements.

**GRAND ISLE INDEPENDENT LEVEE DISTRICT
STATE OF LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2025**

NOTE 10 – CAPITAL ASSETS

A summary of the District’s capital assets at June 30, 2025 follows:

	Balance July 1, 2024	Additions	Deletions	Balance June 30, 2025
Capital Assets Not Being Depreciated				
Land	\$ -	\$ -		\$ -
Construction in progress	613,916	1,632,880	-	2,246,796
Total Capital Assets Not Being Depreciated	613,916	1,632,880	-	2,246,796
Capital Assets Being Depreciated				
Equipment	356,576	105,397	-	461,973
Infrastructure	29,855,903	14,901	-	29,870,804
Total Capital Assets Being Depreciated	30,212,479	120,298	-	30,332,777
Less Accumulated Depreciation				
Equipment	269,418	38,868	-	308,286
Infrastructure	5,621,857	746,772	-	6,368,629
Total Accumulated Depreciation	5,891,275	785,640	-	6,676,915
Net Capital Assets Being Depreciated	24,321,204	(665,342)	-	23,655,862
Total Net Capital Assets	<u>\$ 24,935,120</u>	<u>\$ 967,538</u>	<u>\$ -</u>	<u>\$ 25,902,658</u>

Depreciation expense for the year ended June 30, 2025 was \$785,640.

NOTE 11 – FUND BALANCE

Fund balance of the governmental fund types is categorized into one of five categories – Non-spendable, Restricted, Committed, Assigned, or Unassigned. This amount represents funds that have been assigned to other funds and have not been restricted, committed, or assigned to a specific purpose within the General Fund. This is residual classification for the General Fund. As of June 30, 2025, the District’s entire fund balance is Unassigned.

NOTE 12 – ECONOMIC DEPENDENCY

The District’s operations are substantially dependent upon ad valorem taxes and grant funding from federal and local governmental sources. During fiscal year 2025, grant revenues represented 86.7% of total revenues. Reduction or elimination of grant funding could materially impact the District’s ability to complete capital projects.

NOTE 13 – COMMITMENTS AND CONTINGENCIES

Risk Management

This District is exposed to various risks of loss resulting from personal injury; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. To protect against these risks of loss, the District maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the District.

**GRAND ISLE INDEPENDENT LEVEE DISTRICT
STATE OF LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2025**

NOTE 13 – COMMITMENTS AND CONTINGENCIES (CONTINUED)

Litigation

There was no pending litigation against the District as of June 30, 2025.

Capital Project Commitments

The District has committed to complete the Orange Street Pump Station Project funded by Jefferson Parish. As of June 30, 2025, the District had \$705,162 in unspent grant funds restricted for this project and recorded as deferred revenue (Note 9). The project is expected to be completed in fiscal year 2026. The District also has ongoing design work for the Fifi Island Project funded by the National Marine Fisheries Service. As of June 30, 2025, construction in progress related to this project totaled approximately \$199,359.

NOTE 14 – RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

Pronouncements Implemented During Fiscal Year 2025

The District implemented the following accounting pronouncements issued by the Governmental Accounting Standards Board (GASB) during the fiscal year ended June 30, 2025:

GASB Statement No. 100, Accounting Changes and Error Corrections - Effective for fiscal years beginning after June 15, 2023, this Statement improves the clarity of accounting and financial reporting requirements for accounting changes and error corrections, which results in greater consistency in application in practice. The implementation of this Statement did not have a material effect on the District's financial statements.

GASB Statement No. 101, Compensated Absences - Effective for fiscal years beginning after December 15, 2023, this Statement updates the recognition and measurement guidance for compensated absences and supersedes GASB Statement No. 16. The key requirements include: Recognition of a liability for leave only if it accumulates, is attributable to past service, and is more likely than not to be used or paid, Measurement at current salary rates as of the balance sheet date, Classification between amounts expected to be liquidated with current resources (current liability) and amounts not expected to be liquidated with current resources (long-term liability) implementation of this Statement did not have a material effect on the District's financial statements.

Pronouncements Issued But Not Yet Effective

The GASB has issued several Statements that will become effective in future fiscal years:

GASB Statement No. 102, Certain Risk Disclosures - This Statement requires governments to assess whether they have concentrations or constraints that meet specific criteria and, if so, to disclose information about those concentrations or constraints. Concentrations are situations where lack of sufficient diversity related to a particular aspect of a government presents vulnerability. The Statement is effective for fiscal years beginning after June 15, 2024 (the District's fiscal year ending June 30, 2026). Early implementation is permitted. The District has not yet determined the effect this Statement will have on its financial statement disclosures.

GASB Statement No. 103, Financial Reporting Model Improvements - This Statement replaces the financial reporting model established by GASB Statement No. 34 and makes significant changes to financial statement presentation and note disclosures. Major changes include: Elimination of reconciliations between fund and government-wide statements, New expense classifications in the statement of activities, Enhanced note disclosure requirements, Modified budgetary comparison presentation, The Statement is effective for fiscal years beginning after June 15, 2025 (the District's fiscal year ending June 30, 2027). Early implementation is permitted. The District is currently evaluating how this Statement will change the presentation of its financial statements.

**GRAND ISLE INDEPENDENT LEVEE DISTRICT
STATE OF LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2025**

NOTE 14 - SUBSEQUENT EVENTS

Management has evaluated events and transactions occurring subsequent to the balance sheet date of June 30, 2025, through March 31, 2026, which is the date the financial statements were available to be issued. The following material transactions and activities were authorized and approved by the Board of Commissioners subsequent to year-end:

- a) The District completed construction of the Orange Lane Pump Station in September 2025. Subsequent to year-end, the Board approved payment applications #6 through #11 to Sealevel Construction totaling approximately \$900,000 and Change Order #1 in the amount of \$174,048. These payments satisfied all outstanding fiscal year 2025 contractual commitments related to this project.
- b) On October 22, 2025, the District acquired a tractor from M&L Industries, LLC under state contract for \$97,724.
- c) The Board approved the sale of an Army surplus truck via resolution dated September 12, 2025.
- d) The District issued bid solicitations for the Landry's Hole Pump Station and Cypress Pump Station projects. FEMA-related bid processes are imminent for the Reach 2 Levee improvements and breakwater renourishment projects. The District is pursuing reimbursements through the Facility Planning & Control program for engineering services, surveys, and culvert installations. No construction or land acquisition expenditures have been made under this program as of the financial statement issuance date.

The subsequent events described above represent activities consistent with the District's ongoing levee protection mission and operations. These events do not represent adverse changes to conditions existing at June 30, 2025, and do not require adjustment to the financial statements or additional disclosure beyond that provided herein.

REQUIRED SUPPLEMENTAL INFORMATION (PART II)
BUDGETARY COMPARISON INFORMATION

**GRAND ISLE INDEPENDENT LEVEE DISTRICT
STATE OF LOUISIANA**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL – GENERAL FUND
For the Year Ended June 30, 2025**

	Budgeted Amounts		Actual Budgetary Basis	\$ Variance with Final Budget Over (Under)	% Variance with Final Budget Over (Under)
	Original	Final		Over (Under)	Over (Under)
REVENUES					
Property taxes	\$ 240,000	\$ 242,600	\$ 244,582	\$ 1,982	1%
Federal Grants	800,000	285,000	306,342	21,342	7%
State Capital Outlay	1,000,000	-	-	-	-
Jefferson Parish Grants	2,500,000	2,138,683	2,138,683	-	0%
Interest Income	750	1,750	10,366	8,616	492%
Total revenues	4,540,750	2,668,033	2,699,973	31,940	1%
EXPENDITURES					
Public Works					
Personnel Services	40,250	32,220	30,773	(1,447)	-4%
Office Expenditures	9,050	7,532	7,465	(67)	-1%
Operating & Maintenance	66,000	59,487	50,740	(8,747)	-15%
Professional Services	104,935	300,908	120,663	(180,245)	-60%
Travel	12,000	8,500	11,913	3,413	40%
Capital Outlay	4,300,000	2,253,280	1,894,633	(358,647)	-16%
Total expenditures	4,532,235	2,661,927	2,116,187	(545,740)	-21%
Net change in fund balance	8,515	6,106	583,786	(63,961)	-1048%
Fund balance, beginning of year	692,393	419,279	432,167	12,888	3%
Fund balance, end of year	\$ 700,908	\$ 425,385	\$ 1,015,953	\$ (51,073)	-12%

RECONCILIATION TO BUDGETARY BASIS

The District prepares its budget on the cash basis. An explanation of the differences between revenues and expenditures for the General Fund on a budgetary basis (cash basis) and General Fund GAAP basis follows.

REVENUES

Actual revenues - budgetary basis (cash basis)	\$ 2,699,973
Accruals for receivables in GAAP reporting	(779,730)
Total revenues as reported on statement of revenues, expenditures and changes in fund balance - governmental fund - general fund	\$ 1,920,243

EXPENDITURES

Actual expenditures - budgetary basis (cash basis)	\$ 2,116,187
Accruals for liabilities in GAAP reporting	(138,089)
Total expenditures as reported on statement of revenues, expenditures and changes in fund balance - governmental fund - general fund	\$ 1,978,098

OTHER SUPPLEMENTAL INFORMATION

**GRAND ISLE INDEPENDENT LEVEE DISTRICT
STATE OF LOUISIANA**

**SCHEDULE OF PER DIEM PAID TO BOARD MEMBERS
For the Year Ended June 30, 2025**

<u>Board Members</u>	<u>Amount</u>
Kelly Besson, Sr.	\$ 5,469
Michael Scioneaux	4,375
	<hr/>
	\$ 9,844
	<hr/> <hr/>

**GRAND ISLE INDEPENDENT LEVEE DISTRICT
STATE OF LOUISIANA**

**SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS
TO AGENCY HEAD
For the Year Ended June 30, 2025**

Agency Head - Name/Title

David Camardelle, Board President

<u>Purpose</u>	<u>Amount</u>	
Salary	\$ 12,000	(1)
Benefits- Payroll Taxes (social security & medicare)	918	
Fuel	1,172	
Cell Phone	804	
Total	<u>\$ 14,894</u>	

Note to the Schedule

(1) The President receives a salary of \$1,000 per month in lieu of per diem.

**ANNUAL FISCAL REPORT (AFR)
FOR 2025**

AGENCY: 20-14-22 - Grand Isle Independent Levee District

PREPARED BY: Jamie Rogers

PHONE NUMBER: 504-362-2544

EMAIL ADDRESS: JamieRogers@camcocpa.com

SUBMITTAL DATE: 08/28/2025 05:18 PM

STATEMENT OF NET POSITION

ASSETS

CURRENT ASSETS:

CASH AND CASH EQUIVALENTS	377,415.00
RESTRICTED CASH AND CASH EQUIVALENTS	705,162.00
INVESTMENTS	210,278.00
RESTRICTED INVESTMENTS	0.00
DERIVATIVE INSTRUMENTS	0.00
OTHER DERIVATIVE INSTRUMENTS	0.00
RECEIVABLES (NET)	1,174.00
PLEDGES RECEIVABLE (NET)	0.00
LEASES RECEIVABLE (NET)	0.00
P3 RECEIVABLE (NET) (Only relates to Transferor)	0.00
AMOUNTS DUE FROM PRIMARY GOVERNMENT	0.00
DUE FROM FEDERAL GOVERNMENT	27,500.00
INVENTORIES	0.00
PREPAYMENTS	0.00
NOTES RECEIVABLE	0.00
OTHER CURRENT ASSETS	0.00
TOTAL CURRENT ASSETS	\$1,321,529.00

NONCURRENT ASSETS:

RESTRICTED ASSETS:

CASH	0.00
INVESTMENTS	0.00
RECEIVABLES (NET)	0.00
NOTES RECEIVABLE	0.00
OTHER	0.00
INVESTMENTS	0.00
RECEIVABLES (NET)	0.00
NOTES RECEIVABLE	0.00
PLEDGES RECEIVABLE (NET)	0.00
LEASES RECEIVABLE (NET)	0.00
P3 RECEIVABLE (NET) (Only relates to Transferor)	0.00
CAPITAL ASSETS (NET OF DEPRECIATION & AMORTIZATION)	
LAND	0.00
BUILDINGS AND IMPROVEMENTS	0.00
MACHINERY AND EQUIPMENT	154,876.00
INFRASTRUCTURE	23,502,175.00
OTHER INTANGIBLE ASSETS	0.00
CONSTRUCTION IN PROGRESS	2,246,796.00
INTANGIBLE RIGHT-TO-USE ASSETS:	
LEASED LAND	0.00
LEASED BUILDING & OFFICE SPACE	0.00
LEASED MACHINERY & EQUIPMENT	0.00
SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS (SBITA)	0.00
PUBLIC-PRIVATE AND PUBLIC-PUBLIC PARTNERSHIP ARRANGEMENTS (P3) (Only relates to Operator)	0.00
OTHER NONCURRENT ASSETS	0.00
TOTAL NONCURRENT ASSETS	\$25,903,847.00
TOTAL ASSETS	\$27,225,376.00

DEFERRED OUTFLOWS OF RESOURCES

ACCUMULATED DECREASE IN FAIR VALUE OF HEDGING DERIVATIVE INSTRUMENTS	0.00
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DEFERRED AMOUNTS ON DEBT REFUNDING	0.00
LEASE RELATED	0.00
P3-RELATED (Only relates to Operator)	0.00
GRANTS PAID PRIOR TO MEETING TIME REQUIREMENTS	0.00
INTRA-ENTITY TRANSFER OF FUTURE REVENUES (TRANSFEREE)	0.00
LOSSES FROM SALE-LEASEBACK TRANSACTIONS	0.00
DIRECT LOAN ORIGATION COSTS FOR MORTGAGE LOANS HELD FOR SALE	0.00
ASSET RETIREMENT OBLIGATIONS	0.00
OPEB-RELATED	0.00
PENSION-RELATED	0.00
TOTAL DEFERRED OUTFLOWS OF RESOURCES	\$0.00

TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES **\$27,225,376.00**

LIABILITIES

CURRENT LIABILITIES:

ACCOUNTS PAYABLE AND ACCRUALS	169,752.00
ACCRUED INTEREST	0.00
DERIVATIVE INSTRUMENTS	0.00
OTHER DERIVATIVE INSTRUMENTS	0.00
AMOUNTS DUE TO PRIMARY GOVERNMENT	0.00
DUE TO FEDERAL GOVERNMENT	0.00
AMOUNTS HELD IN CUSTODY FOR OTHERS	0.00
UNEARNED REVENUES	705,162.00
OTHER CURRENT LIABILITIES	0.00

CURRENT PORTION OF LONG-TERM LIABILITIES:

CONTRACTS PAYABLE	0.00
COMPENSATED ABSENCES PAYABLE	0.00
LEASE LIABILITY	0.00
SBITA LIABILITY	0.00
P3 LIABILITY (Only relates to Operator)	0.00
ESTIMATED LIABILITY FOR CLAIMS	0.00
NOTES PAYABLE	0.00
BONDS PAYABLE	0.00
OPEB LIABILITY	0.00
POLLUTION REMEDIATION OBLIGATIONS	0.00
OTHER LONG-TERM LIABILITIES	0.00
TOTAL CURRENT LIABILITIES	\$874,914.00

NONCURRENT PORTION OF LONG-TERM LIABILITIES:

CONTRACTS PAYABLE	0.00
COMPENSATED ABSENCES PAYABLE	0.00
LEASE LIABILITY	0.00
SBITA LIABILITY	0.00
P3 LIABILITY (Only relates to Operator)	0.00
ESTIMATED LIABILITY FOR CLAIMS	0.00
NOTES PAYABLE	0.00
BONDS PAYABLE	0.00
OPEB LIABILITY	0.00
NET PENSION LIABILITY	0.00
POLLUTION REMEDIATION OBLIGATIONS	0.00
OTHER LONG-TERM LIABILITIES	0.00
UNEARNED REVENUE	0.00
TOTAL NONCURRENT LIABILITIES	\$0.00

**ANNUAL FISCAL REPORT (AFR)
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TOTAL LIABILITIES	\$874,914.00
DEFERRED INFLOWS OF RESOURCES	
ACCUMULATED INCREASE IN FAIR VALUE OF HEDGING DERIVATIVE INSTRUMENTS	0.00
DEFERRED AMOUNTS ON DEBT REFUNDING	0.00
LEASE RELATED	0.00
P3-RELATED (Only relates to Transferor)	0.00
GRANTS RECEIVED PRIOR TO MEETING TIME REQUIREMENTS	0.00
SALES/INTRA-ENTITY TRANSFER OF FUTURE REVENUES (TRANSFEROR)	0.00
GAINS FROM SALE-LEASEBACK TRANSACTIONS	0.00
SPLIT INTEREST AGREEMENTS	0.00
POINTS RECEIVED ON LOAN ORIGINATION	0.00
LOAN ORIGINATION FEES RECEIVED FOR MORTGAGE LOANS HELD FOR SALE	0.00
OPEB-RELATED	0.00
PENSION-RELATED	0.00
TOTAL DEFERRED INFLOWS OF RESOURCES	\$0.00
NET POSITION:	
NET INVESTMENT IN CAPITAL ASSETS	25,704,488.00
RESTRICTED FOR:	
CAPITAL PROJECTS	0.00
DEBT SERVICE	0.00
NONEXPENDABLE	0.00
EXPENDABLE	0.00
OTHER PURPOSES	0.00
UNRESTRICTED	\$645,974.00
TOTAL NET POSITION	\$26,350,462.00

**ANNUAL FISCAL REPORT (AFR)
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STATEMENT OF ACTIVITIES

PROGRAM REVENUES

EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	NET (EXPENSE) REVENUE
1,009,372.00	0.00	230,600.00	1,433,521.00	\$654,749.00

GENERAL REVENUES

PAYMENTS FROM PRIMARY GOVERNMENT	0.00
OTHER	256,122.00
ADDITIONS TO PERMANENT ENDOWMENTS	0.00
CHANGE IN NET POSITION	\$910,871.00
NET POSITION - BEGINNING	\$24,825,998.90
NET POSITION - RESTATEMENT - ERROR CORRECTION	613,592.10
NET POSITION - RESTATEMENT - CHANGE IN ACCOUNTING PRINCIPLE	0.00
NET POSITION - RESTATEMENT - CHANGE IN REPORTING ENTITY	0.00
NET POSITION - ENDING	\$26,350,462.00

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SCHEDULE OF BONDS PAYABLE

Series Issue	Date of Issue	Original Issue Amount	Principal Outstanding PFY	Issue (Redeemed)	Principal Outstanding CFY	Interest Outstanding CFY
		0.00	0.00	0.00	\$ 0.00	0.00
		Totals	\$0.00	\$0.00	\$0.00	\$0.00

Series - Unamortized Premiums:

Series Issue	Date of Issue	Principal Outstanding PFY	Issue (Redeemed)	Principal Outstanding CFY
		0.00	0.00	\$ 0.00
		Totals	\$0.00	\$0.00

Series - Unamortized Discounts:

Series Issue	Date of Issue	Principal Outstanding PFY	Issue (Redeemed)	Principal Outstanding CFY
		0.00	0.00	\$ 0.00
		Totals	\$0.00	\$0.00

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SCHEDULE OF BONDS PAYABLE AMORTIZATION

Fiscal Year Ending:	Principal	Interest
2026	0.00	0.00
2027	0.00	0.00
2028	0.00	0.00
2029	0.00	0.00
2030	0.00	0.00
2031	0.00	0.00
2032	0.00	0.00
2033	0.00	0.00
2034	0.00	0.00
2035	0.00	0.00
2036	0.00	0.00
2037	0.00	0.00
2038	0.00	0.00
2039	0.00	0.00
2040	0.00	0.00
2041	0.00	0.00
2042	0.00	0.00
2043	0.00	0.00
2044	0.00	0.00
2045	0.00	0.00
2046	0.00	0.00
2047	0.00	0.00
2048	0.00	0.00
2049	0.00	0.00
2050	0.00	0.00
2051	0.00	0.00
2052	0.00	0.00
2053	0.00	0.00
2054	0.00	0.00
2055	0.00	0.00
2056	0.00	0.00
2057	0.00	0.00
2058	0.00	0.00
2059	0.00	0.00
2060	0.00	0.00
Premiums and Discounts	\$0.00	
Total	\$0.00	\$0.00

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Other Postemployment Benefits (OPEB)

If your agency has active or retired employees who are members of the Office of Group Benefits (OGB) Health Plan, please provide the following information: (Note: OGB has a 6/30/2024 measurement date for their OPEB valuation)

Benefit payments made subsequent to the measurement date of the **OGB** Actuarial Valuation Report until the employer's fiscal year end. (Benefit payments are defined as the employer payments for retirees' health and life insurance premiums). For agencies with a 6/30 year end this covers the current fiscal year being reported. For calendar year end agencies, it covers the period 7/1 to 12/31 for the current year being reported. 0.00

Covered Employee Payroll for the **PRIOR** fiscal year (not including related benefits) 0.00

For calendar year-end agencies only: Benefit payments or employer payments for retirees' health and life insurance premiums made for the next year's valuation reporting period (7/1/2024 - 6/30/2025). This information will be provided to the actuary for the valuation report early next year. 0.00

For agencies that have employees that participate in the **LSU Health Plan**, provide the following information: (Note: The LSU Health Plan has a measurement date of 6/30/2025 for their OPEB valuation report.)

Covered Employee Payroll for the **CURRENT** fiscal year (not including related benefits) 0.00

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CERTAIN RISK DISCLOSURES (GASB 102)

A concentration or constraint must meet the following criteria before disclosure is required:

- a. The concentration or constraint is known prior to the issuance of the financial statements.
 - b. The concentration or constraint makes the reporting unit vulnerable to the risk of a substantial impact.
 - c. An event associated with the concentration or constraint that could cause a substantial impact has occurred, has begun to occur, or is more likely than not to begin to occur within 12 months of the date the financial statements are issued.
- Note: The State's financial statements are issued December 31 for the fiscal year ended June 30.

If the concentration or constraint meets all the criteria above, disclose the following for each concentration or constraint.

Note: If the agency has taken mitigation action that causes any of the disclosure criteria not to be met, no disclosure is required.

Do you have any concentrations or constraints to disclose that meet the criteria described above?

No

List each event associated with the concentration or constraint that could cause a substantial impact if the event has occurred, has begun to occur, or is more likely than not to begin to occur prior to December 31, 2026.

Disclose the actions taken by the entity to mitigate the risk.

List the concentration or constraint:

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FUND BALANCE/NET POSITION RESTATEMENT

ERROR CORRECTIONS

For each beginning net position restatement resulting from a correction of an error, select the SNP account and the SOA account affected by the error. Only material errors should be restated. Immaterial errors should be corrected through current period revenue or expenses, as applicable. In the description field, explain the nature of the error, and its correction, including periods affected by the error.

Account Name/Description	Beginning Net Position Restatement Amount
SNP NONCURRENT ASSETS - CONSTRUCTION IN PROGRESS	
SOA OTHER Description: Construction in Progress not reported on prior AFR	613,592.10
Total Restatement - Error Corrections	\$613,592.10

CHANGES IN ACCOUNTING PRINCIPLE

For each beginning net position restatement resulting from the application of a new accounting principle, select the SNP account and the SOA account that are affected by the change in accounting principle. In the description field explain the nature of the change in accounting principle and the reason for the change. If the change is due to the implementation of a new GASB pronouncement, identify the pronouncement that was implemented.

Account Name/Description	Beginning Net Position Restatement Amount
Total Restatement - Changes in Accounting Principle	\$0.00

CHANGES IN REPORTING ENTITY

Describe the nature and reason for the change to or within the financial reporting entity and list the effect (amount) on beginning net position.

Description	Effect on Beginning Net Position
	0.00
Total Restatement - Changes in Reporting Entity	\$0.00

COMPLIANCE AND INTERNAL CONTROL SECTION

Camnetar & Co., CPAs

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Orfelinda G. Richard, CPA

Jamie G. Rogers, CPA

Members: American Institute of Certified Public Accountants

Society of Louisiana Certified Public Accountants

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

To the Board of Commissioners of
Grand Isle Independent Levee District
State of Louisiana
Grand Isle, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the general fund of the Grand Isle Independent Levee District (the "District"), a component unit of the State of Louisiana, as of and for the year ended June 30, 2025 and the related notes to the financial statements, which collectively comprise Grand Isle Independent Levee District's basic financial statements and have issued our report thereon dated March 31, 2026.

Report on Internal Control over Financial Reporting

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

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

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

However, as described in the accompanying schedule of findings and responses we identified certain deficiencies in internal control that we consider to be significant deficiencies. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of findings and responses as items 2025-1, 2025-2, and 2025-3 to be a significant deficiencies.

Report on Compliance and Other Matters

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

Grand Isle Independent Levee District’s Response to Findings

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

Purpose of This Report

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

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

Camnetar & Co.

Camnetar & Co., CPAs
a professional accounting corporation

Gretna, Louisiana
March 31, 2026

**GRAND ISLE INDEPENDENT LEVEE DISTRICT
STATE OF LOUISIANA**

**SCHEDULE OF FINDINGS AND RESPONSES
For the Year Ended June 30, 2025**

SECTION I - SUMMARY OF AUDITOR'S REPORTS

A. Financial Statements

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

B. Federal Awards

The Grand Isle Independent Levee District did not expend federal awards exceeding \$750,000 during the year ended June 30, 2025 and therefore is exempt from the audit requirements under the Uniform Guidance.

SECTION II – FINANCIAL STATEMENT FINDINGS

A. Internal Control Findings - Material Weakness

None

B. Internal Control Findings – Significant deficiencies

2025-1 Inadequate Segregation of duties

Criteria - The Committee of Sponsoring Organizations of the Treadway Commission (COSO) Internal Control–Integrated Framework and Government Auditing Standards (the Yellow Book), issued by the Comptroller General of the United States, require that key accounting duties be adequately segregated among different individuals. These duties include authorization, custody of assets, recordkeeping, and reconciliation functions to reduce the risk of error or fraud. Louisiana Legislative Auditor best practices recommend that no single individual have control over two or more phases of a transaction..

Condition - Due to the limited size of the District's operations and staffing constraints, adequate segregation of duties is not achievable. Substantially all accounting functions, including transaction processing, recordkeeping, and certain reconciliation activities, are performed by the District's bookkeeper.

Cause - The condition results from the inherent limitations of a small organization with limited personnel resources, combined with the absence of formally designed compensating controls sufficient to fully mitigate the risks associated with lack of segregation.

Effect - The lack of segregation of duties increases the risk that errors or irregularities, including misappropriation of assets, could occur and not be prevented or detected and corrected in a timely manner by employees in the normal course of performing their assigned functions. This condition represents a significant deficiency in internal control over financial reporting

**GRAND ISLE INDEPENDENT LEVEE DISTRICT
STATE OF LOUISIANA**

**SCHEDULE OF FINDINGS AND RESPONSES
For the Year Ended June 30, 2025**

SECTION II – FINANCIAL STATEMENT FINDINGS (CONTINUED)

B. Internal Control Findings – Significant deficiencies (continued)

2025-1 Inadequate Segregation of duties (continued)

Recommendation - While recognizing the constraints of a small organization, management should continue to evaluate the cost-benefit of enhancing segregation of duties. Where full segregation is not feasible, management should strengthen and formalize compensating controls, including increased oversight, independent reviews, and documented supervisory approvals.

Views of Responsible Officials and Planned Corrective Actions - Management acknowledges the segregation of duties limitation and has implemented compensating controls to mitigate associated risks. These controls include the following:

- (a) Independent Board Oversight: The Board of Commissioners performs a monthly review of bank statements and related financial activity, providing independent monitoring of cash transactions.
- (b) Financial Reporting Review: A profit and loss statement is presented to the Board at its regular monthly meeting for review and discussion.
- (c) Disbursement Approval Process: The Board reviews and approves invoices at bi-weekly meetings prior to payment.
- (d) Dual Signature Requirement: All checks require the signatures of two authorized Board members, providing an additional level of authorization and control over disbursements.

Management believes these compensating controls provide reasonable assurance that financial transactions are appropriately reviewed and monitored given the size and nature of the District's operations.

2025-2 Preparation of Financial Statements by Auditor

Criteria – Management is responsible for establishing and maintaining internal controls, including monitoring, and for the preparation and fair presentation of the financial statements in accordance with generally accepted accounting principles (GAAP). A component of internal control over safeguarding of assets and financial reporting is the District's ability to prepare GAAP-based financial statements.

Condition - The District does not maintain internal controls sufficient to independently prepare financial statements in accordance with GAAP. As is common in small organizations, the District has elected to engage its independent auditor to assist with the preparation of the annual financial statements. This condition is intentional and reflects management's cost-benefit considerations.

Cause - Due to limited staffing and financial resources, management has determined that it is not cost effective to maintain the internal expertise necessary to prepare GAAP-compliant financial statements.

Effect - AU-C Section 265 of the AICPA Professional Standards requires that we report the above condition as a significant deficiency in internal control over financial reporting. AU-C Section 265 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.

**GRAND ISLE INDEPENDENT LEVEE DISTRICT
STATE OF LOUISIANA**

**SCHEDULE OF FINDINGS AND RESPONSES
For the Year Ended June 30, 2025**

SECTION II – FINANCIAL STATEMENT FINDINGS (CONTINUED)

B. Internal Control Findings – Significant deficiencies (continued)

2025-2 Preparation of Financial Statements by Auditor

Recommendation - Whether or not it would be cost effective to cure a control deficiency is not a factor in applying AU-C Section 265'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 deficiencies identified under AU-C Section 265. In this case, we do not believe that remedying the significant deficiency described in this finding would be cost effective or practical. Accordingly, we do not believe corrective action is necessary.

Views of Responsible Officials and Planned Corrective Actions - The District'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.

2025-3 Maintaining property fixed asset records

Criteria - GASB Statement No. 34, Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments, requires governmental entities to maintain complete and accurate records of capital assets, including acquisition cost, description, location, and accumulated depreciation. Sound internal control, as described in the COSO Internal Control—Integrated Framework, requires entities to implement control activities to ensure capital assets are properly safeguarded and accurately reported in the financial statements. The Louisiana Legislative Auditor recommends governmental entities maintain a subsidiary ledger for capital assets that reconciles to the general ledger.

Condition - The District does not maintain a formal fixed asset ledger within its accounting system. The District relies on a schedule prepared by the external auditor and updated annually during the audit process. Depreciation is not recorded throughout the year and is instead calculated at year-end.

Cause - The District's accounting system (Quicken) lacks the capability to record and depreciate fixed assets, and management has not implemented alternative compensating procedures or systems.

Effect - The absence of a formal fixed asset system increases the risk of loss, theft, or misuse of assets and may result in untimely or inaccurate financial reporting. Additionally, errors or irregularities related to capital assets may not be prevented or detected in a timely manner.

Recommendation - Management should implement and maintain a complete and accurate fixed asset ledger. At a minimum, the ledger should include asset descriptions, acquisition dates, costs, locations, and accumulated depreciation. Depreciation should be recorded periodically. If system limitations exist, management should implement supplemental tracking procedures or alternative systems to ensure proper asset accountability.

Views of Responsible Officials and Planned Corrective Actions - Management acknowledges the deficiency and will evaluate available options to implement a formal fixed asset tracking system or supplemental procedures to improve the accuracy and timeliness of capital asset reporting.

**GRAND ISLE INDEPENDENT LEVEE DISTRICT
STATE OF LOUISIANA**

**SCHEDULE OF FINDINGS AND RESPONSES
For the Year Ended June 30, 2025**

SECTION II – FINANCIAL STATEMENT FINDINGS (CONTINUED)

C. Compliance Findings

None

D. Management Letter

None

SECTION III FEDERAL AWARD FINDINGS AND QUESTIONS COSTS

None

