

**TOWN OF GRAND ISLE
LOUISIANA**

**FINANCIAL REPORT
For the Fiscal Year Ended June 30, 2019**

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FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

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

I have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Town of Grand Isle, Louisiana (the Town), as of and for the fiscal year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town as of June 30, 2019, and the respective changes in financial position and cash flows, where applicable thereof, and the respective budgetary comparison for the General Fund and the Community Center and Playground District No. 16 Special Revenue Fund for the fiscal year then ended, in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

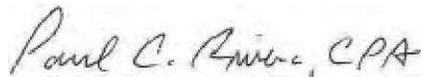
Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 3 through 17 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Government Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide assurance.

Other Information

My audit was conducted for the purposes of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The combining and individual fund statements and schedules and other information, as listed in the table of contents, are not a required part of the basic financial statements. This information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the combining and individual fund statements and schedules and other information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, I have also issued a report dated December 12, 2019 on my consideration of the Town's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and important for assessing the results of my audit.

Paul C. Rine, CPA

December 12, 2019

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Town of Grand Isle, Louisiana, we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town of Grand Isle, Louisiana for the fiscal year ended June 30, 2019.

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

FINANCIAL HIGHLIGHTS

- The auditor's opinion was "unmodified" (i.e., a clean opinion) for the year ended June 30, 2019.
- The assets of the Town exceeded its liabilities at the close of the most recent fiscal year by \$27,216 (*net position*). Of this amount, \$20,419 or 75.0 percent, is invested in capital assets, such as building, equipment, vehicles, and infrastructure, net of related debt. \$806 or 3.0 percent is restricted for debt service and the remaining balance of \$5,991 (*unrestricted net position*) or 22.0 percent may be used to meet the government's ongoing obligations to citizens and creditors.
- The Town's total net position decreased by \$(671) or 2.4 percent during the current year because total revenues (\$5,751) were less than expenses (\$6,422) by that amount. See the table below for explanations on why the change occurred. The Town's governmental activities resulted in a current year net decrease of \$(800), while the business-type activities saw an increase of \$129.
- As of the close of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$5,900, an increase of \$283 or 5.0 percent from the prior year. Of this amount, \$21 or 0.4 percent is categorized as *non-spendable*, \$46 or 0.8 percent is categorized as *restricted fund balance*, \$1,594 or 27.0 percent is categorized as *assigned fund balance* and \$4,219 or 71.8 percent is categorized as *unassigned fund balance*. Restricted and assigned fund balance is generally for a specific purpose, while unassigned fund balance is available for spending at the government's discretion (see Note D.6 for further discussion).
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$4,239 or 71.9 percent of the total governmental fund balances and 130.6 percent of current year general fund expenditures.
- The Town's Business-type Enterprise Funds ended the year with a positive \$3,462 in net position; however, the Gas Utility Fund showed a deficit in unrestricted net position of \$(26).
- The Town and the surrounding areas have been struck by hurricanes and tropical storms in 2005, 2008, 2012, and again in 2018. The Town continues to recover and rebuild. See Note E.2 in the financial statements for more details on the public assistance claims with FEMA related to these storms.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

Both of the government-wide financial statements are designed to distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The Town's governmental activities include executive, general government, public safety, public works, health and welfare and culture, recreation and tourism functions. The business-type activities of the Town include Waterworks and Gas utilities.

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

The government-wide financial statements can be found on pages 20 and 21 of this report.

Fund financial statements. A "fund" is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Town's funds are classified into three categories: governmental funds, proprietary funds, and fiduciary funds.

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

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

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

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

The basic governmental fund financial statements can be found on pages 22 to 27 of this report.

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

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

The basic proprietary fund financial statements can be found on pages 28 to 30 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government entity. The Town maintains one agency fund to account for donations received from the public for disaster relief. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the Town's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund financial statements can be found on page 31 of this report.

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

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Position may serve over time as a useful indicator of a government’s financial position. In the case of the Town, assets exceeded liabilities by \$27,216 at June 30, 2019.

A large portion of the Town’s net position (\$20,419 or 75.0 percent) reflects its investment in capital assets (e.g., land, buildings, furniture and fixtures, machinery, vehicles and equipment, and infrastructure); net of any related debt used to acquire those assets that are still outstanding. The Town used these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the Town’s investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other resources, since the capital assets themselves cannot be used to liquidate these liabilities.

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

| | Governmental Activities | | Business-type Activities | | Total | |
|-----------------------------------|-------------------------|------------------|--------------------------|-----------------|------------------|------------------|
| | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 |
| Current and other assets | \$ 6,007 | \$ 5,879 | \$ 116 | \$ 18 | \$ 6,123 | \$ 5,897 |
| Restricted assets | 0 | 0 | 866 | 654 | 866 | 654 |
| Capital assets | 17,854 | 18,937 | 9,776 | 10,147 | 27,630 | 29,084 |
| Total assets | <u>23,861</u> | <u>24,816</u> | <u>10,758</u> | <u>10,819</u> | <u>34,619</u> | <u>35,635</u> |
| Long-term liabilities outstanding | 0 | 0 | 7,237 | 7,423 | 7,237 | 7,423 |
| Payable from restricted assets | 0 | 0 | 53 | 49 | 53 | 49 |
| Other liabilities | 107 | 262 | 6 | 14 | 113 | 276 |
| Total liabilities | <u>107</u> | <u>262</u> | <u>7,296</u> | <u>7,486</u> | <u>7,403</u> | <u>7,748</u> |
| Net position: | | | | | | |
| Net investment in capital assets | 17,854 | 18,937 | 2,565 | 2,752 | 20,419 | 21,689 |
| Restricted | 0 | 0 | 806 | 703 | 806 | 703 |
| Unrestricted | 5,900 | 5,617 | 91 | (122) | 5,991 | 5,495 |
| Total net position | <u>\$ 23,754</u> | <u>\$ 24,554</u> | <u>\$ 3,462</u> | <u>\$ 3,333</u> | <u>\$ 27,216</u> | <u>\$ 27,887</u> |

The Town’s *restricted net position* totals \$806 (or 3.0 percent). These monies represent funds restricted to servicing the debt on the water revenue bonds, as well as funds held on deposit in the gas utilities fund.

The balance of *unrestricted net position* of \$5,991 (or 22.0 percent) may be used to meet the government’s ongoing obligations to citizens and creditors.

At June 30, 2019, the Town is able to report positive balances in all three categories of total net position.

The Town’s net position decreased by \$(671) or 2.4 percent, during the current fiscal year. A breakdown of the increases and decreases follows.

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

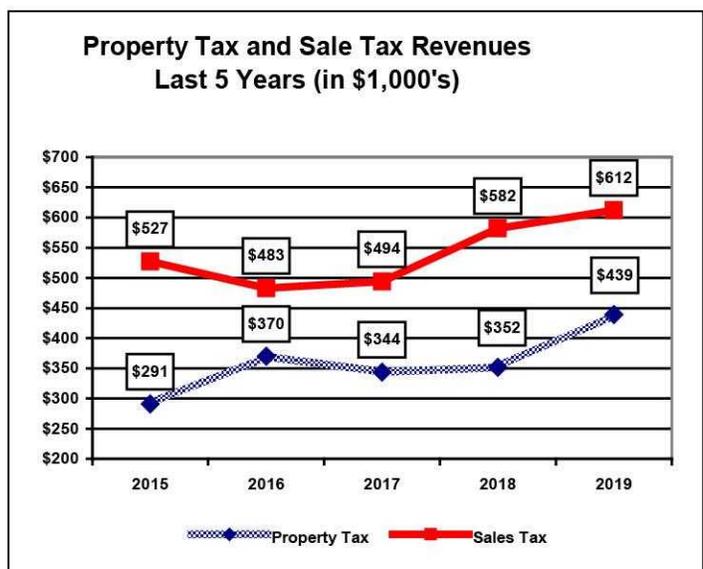
| | Governmental Activities | | Business-type Activities | | Total | |
|-------------------------------------|-------------------------|-----------|--------------------------|----------|-----------|-----------|
| | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 |
| Revenues: | | | | | | |
| Program revenues: | | | | | | |
| Charges for services | \$ 1,158 | \$ 1,208 | \$ 419 | \$ 426 | \$ 1,577 | \$ 1,634 |
| Operating grants and contributions | 651 | 736 | 541 | 541 | 1,192 | 1,277 |
| Capital grants and contributions | 385 | 2,716 | 145 | - | 530 | 2,716 |
| General revenues: | | | | | | |
| Property taxes | 439 | 352 | 328 | 262 | 767 | 614 |
| Sales taxes | 612 | 582 | - | - | 612 | 582 |
| Franchise taxes | 110 | 119 | - | - | 110 | 119 |
| Licenses and permits | 180 | 176 | - | - | 180 | 176 |
| Intergovernmental | 5 | 5 | - | - | 5 | 5 |
| Gaming fees and commissions | 390 | 393 | - | - | 390 | 393 |
| Unrestricted interest | 83 | 61 | 15 | 7 | 98 | 68 |
| Gain on sale or disposal of assets | 268 | - | - | - | 268 | - |
| Unrestricted gifts and donations | - | - | - | - | - | - |
| Miscellaneous | 21 | 21 | 1 | 1 | 22 | 22 |
| Total revenues | 4,302 | 6,369 | 1,449 | 1,237 | 5,751 | 7,606 |
| Expenses: | | | | | | |
| Public safety | | | | | | |
| Executive | 92 | 91 | - | - | 92 | 91 |
| General government | 1,220 | 1,146 | - | - | 1,220 | 1,146 |
| Public safety | 899 | 902 | - | - | 899 | 902 |
| Public works | 1,860 | 1,692 | - | - | 1,860 | 1,692 |
| Health and welfare | 185 | 139 | - | - | 185 | 139 |
| Culture, recreation and tourism | 846 | 792 | - | - | 846 | 792 |
| Interest on long-term debt | - | - | - | - | - | - |
| Water | - | - | 879 | 1,101 | 879 | 1,101 |
| Gas | - | - | 441 | 414 | 441 | 414 |
| Total expenses | 5,102 | 4,762 | 1,320 | 1,515 | 6,422 | 6,277 |
| Increase (decrease) in net position | (800) | 1,607 | 129 | (278) | (671) | 1,329 |
| Net Position - beginning of year | 24,554 | 22,947 | 3,333 | 3,611 | 27,887 | 26,558 |
| Net Position - end of year | \$ 23,754 | \$ 24,554 | \$ 3,462 | \$ 3,333 | \$ 27,216 | \$ 27,887 |

Governmental Activities. Governmental activities decreased the Town's net position by \$(800). Key elements of this increase are as follows:

- The **program revenue "charges for services"** represents money received from the public. The total amount received during 2019 was \$1,158, a decrease of \$(51). Of this amount, \$62 was received by the General Government function (\$33 from property tax collection charges, \$2 from tax research, \$0- from advertising recoveries, and \$27 from interdepartmental admin charges); \$222 from public safety (\$66 in fines, forfeitures, and costs and \$156 for golf car permits); \$613 from Public Works (sanitation fees); \$198 came from Health and Welfare (mosquito fees); and \$63 from Culture, Recreation and Tourism (\$62 from the community fair and \$1 from community center rentals). The decrease of \$(51) is net of various increases and decreases, but was mainly caused by the \$(104) drop in fines, a drop of \$(14) in mosquito fees, offset by a \$44 increase in golf cart permits, plus a \$24 increase in community fair receipts.

- **Operating grants** for governmental activities totaled \$651, a decrease of \$(85). Of this amount, \$28 is recognized in the Public Safety function (from an agreement with the JP School System for a resource officer at the local school), \$182 is recognized in the Public Works function (\$14 from a State DOTD maintenance contract and \$168 from the State “parish road fund” allocation) and \$441 was recognized by the Culture, Recreation and Tourism function (\$332 from Parish dedicated ad valorem taxes for the Community Center and Playground District No. 16 fund, \$28 from State tourism funds, \$75 from the Parish in grants for youth programs, and \$6 for the State Beach Quality Program). The decrease of \$(85) was mostly from a drop in the Parish dedicated ad valorem tax to the Community Center of \$(191), offset by increases of \$75 from the Parish for youth programs and an increase of \$28 in the JP School System resource officer revenue.
- **Capital grants** for governmental activities totaled \$385, a decrease of \$(2,331) from last year. Of this amount, \$185 was recognized in the General Government function (\$36 related to the DEQ revolving loan program on the 90 West drainage project and \$149 from FEMA for public disaster assistance related to Hurricanes Katrina, Gustav, Ike and Isaac). The Culture, Recreation and Tourism function recognized \$200 (from a Parish capital grant on the Community Center). The majority of the decrease relates to the emergency hurricane levee restoration project, which completed in 2018. The project was funded with both CPRA funds and Parish funds. This funding decreased \$(2,094) from last year. FEMA assistance also dropped \$(66) and the DEQ revolving loan program wrapped up with costs dropping \$(360). The decreases were offset by an increase of \$200 in the Community Center capital grant.

➤ **Property taxes** for governmental activities totaled \$439 for the year, an increase of \$87. This increase is primarily due to an increase in the tax roll (as new properties and subdivisions were placed on the roll). The Town’s millage rate was 6.81 mills on the 2018 tax roll (the same as last year).



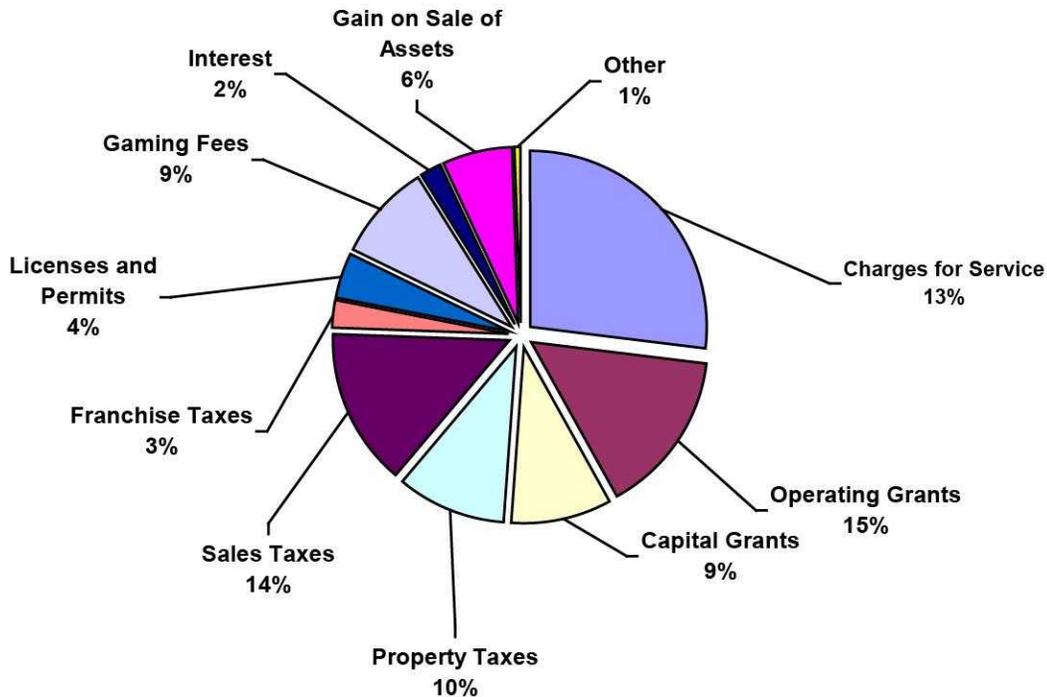
➤ **Sales taxes**, including motor vehicle taxes, totaled \$612, an increase of \$30 from last year. These taxes are collected for various reasons – general government, drainage, law enforcement, and tourism. The increase resulted from a slight increase in the local economy due to the general economic rebound seen throughout the Parish and the New Orleans metropolitan area. It also is increased by one-time audits collected by the Ex-officio Tax Collector.

- **Franchise taxes** totaled \$110 for 2019, a decrease of \$(9) from last year. This revenue comes from two sources - \$72 from the electric utility and \$39 from the cable utility. The cable franchise fees decreased \$(10).
- **Licenses and permits** for business and insurance activities within the Town totaled \$180 for 2019, up \$4 over last year.
- **Gaming fees and commissions** for governmental activities totaled \$390 for 2019, a decrease of \$(3). This amount comes from two sources - \$344 from riverboat admission fees received from the Parish for the Boomtown casino and \$46 from video poker commissions for machines located in the Town. The riverboat commissions were up \$4 and video poker decreased \$(7) from last year. Both of these revenue sources are susceptible to economic swings and the amount of disposable income in the community.

- **Unrestricted interest** totaled only \$83, up \$22 from last year. This reflects an increase in the interest rate as well as the cash balance earning interest.
- **Gain on sale of disposal of assets** totaled \$268, up \$268 from last year. This amount represents the proceeds from the sale of the old library site.
- **Miscellaneous income** was \$21, the same as last year.

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

Revenues by Source - Governmental Activities



For 2019, governmental activity expenses totaled \$5,102, an increase of \$341 over 2018.

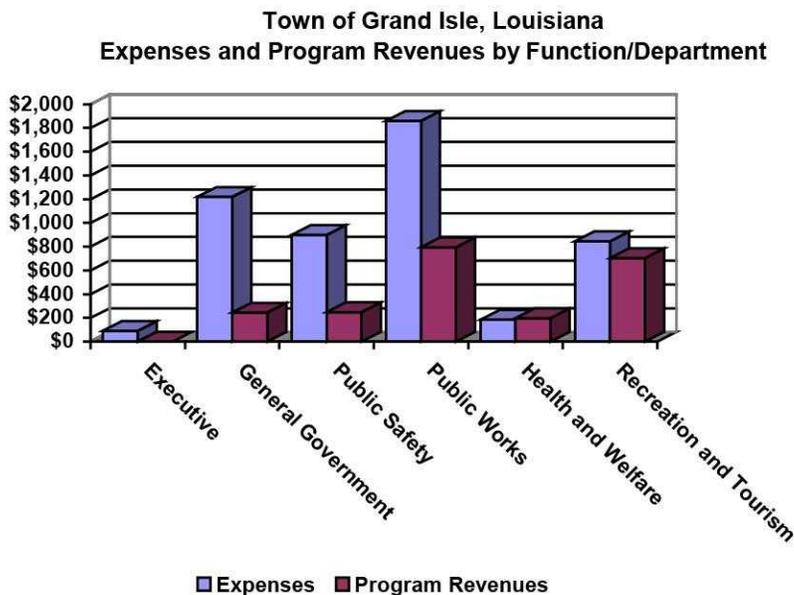
- \$92 was in the Executive function which accounts for the Mayor's office.
- \$1,220 was in General Government, which accounts for finance, tax and planning, and general government activities (including some general infrastructure and facilities, such as the Multiplex Center).
- \$899 was in Public Safety, which accounts for the Town's police and civil defense departments.
- \$1,860 was in Public Works, which accounts for the streets and sanitation departments,
- \$185 was in Health and Welfare, which accounts for the mosquito fund, and
- \$846 was in the Culture, Recreation and Tourism function, which accounts for the operations of the Community Center and Playground District No. 16, as well as the Town's tourism office.

The increase in expenses was the net of several items. Executive saw an increase of \$1, General Government function saw an increase of \$74, Public Safety saw a decrease of \$(3), Public Works increased \$168, Health and Welfare increased \$47, and Culture, Recreation and Tourism increased \$54.

The General government increase mostly had to do with increases in salaries - general (up \$6), payroll taxes (up \$4), hospitalization insurance (up \$11), legal and professional fees (up \$6) and salaries - tax and planning (up \$6). Public works increased primarily due to an increase in depreciation expense (up \$202) and a drop of \$(37) in street light repairs.

Health and Welfare increased due to an increase of \$47 in the costs for spraying and larviciding in the mosquito control fund. Culture and recreation increased \$54, primarily due to a decrease of \$(5) in depreciation expense, an increase of \$4 in Tourism Department salaries, an increase of \$18 in advertising, an increase of \$24 in operating the Community Center.

For 2019, program revenues (service charges, operating and capital grants) totaling \$2,194 (see above) were used to offset the \$5,102 in general expenses of the Town. A graph comparing the expense of each Function/Department with the program revenue generated is presented below.



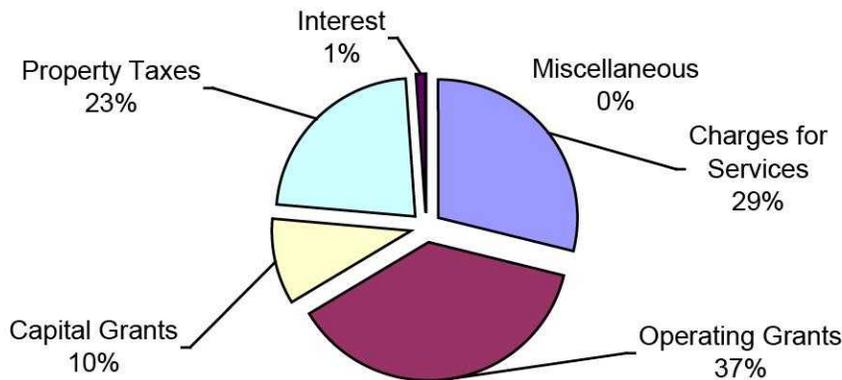
Business-type Activities. Business-type activities increased the Town’s net position by \$129. Key elements of this increase are as follows:

- The total increase in net position of \$129 was generated by a decrease in the Waterworks Department - \$(59) and an increase in the Gas Utilities Department - \$188.
- Charges for services for business-type activities totaled \$419, which is a decrease of \$(7). This decrease was in the Gas Utilities Department, as usage and collections were slightly down.
- Operating grants totaled \$541, the same as last year. \$541 of this amount represents the operating subsidy provided by the Parish’s water department as called for by the take-over agreement.
- Capital grants totaled \$145, which represented FEMA public assistance recognized in the Gas Utilities Fund.
- The net (cost) revenue of the business-type activities was \$(215) - \$(337) Waterworks, and \$122 in Gas.
- The Waterworks Utility accounts for a significant portion of this net cost - \$(337). This was a result of the take-over of the water system by the Parish of Jefferson in mid-August 2005. The Town no longer has any recurring operating costs other than some incidental utilities expense. The Waterworks Utility is left with the Grand Isle to Lafitte waterline as an asset and the related debt on the Water Revenue Bonds. The Parish Water Department provided \$541 in operating subsidies to the Town’s Waterworks Department as part of the take-over agreement. Depreciation totaled \$440 and general and administrative costs totaled \$83 (including a remittance of \$57 to the Parish of surplus funds). Interest on long-term debt totaled \$356.
- The Gas Utilities incurred expenses of \$441, up \$27 from last year. This change was caused by: 1) an increase of \$50 in salaries and benefits (due to raises given), 2) a drop of \$(15) in contracted services (due to a decrease in contracted services), 3) a decrease of \$(8) in materials and supplies (due to decreases in installation materials and labor), and 4) a decrease of \$(4) in general and administrative costs (due to decreases in storm damage costs, gas distribution repairs, and gas meter repairs and inspection fees).

- Property taxes totaled \$328 for the year, an increase of \$66. Of this amount, 80 percent or \$262 was recognized by the Waterworks fund and 20 percent or \$66 was recognized by the Gas Utilities fund as a subsidy to the operating costs. The Town's millage rate was 5.06 on the 2018 tax roll (the same as last year). The increase in revenues resulted from an increase in the tax roll as new properties and subdivisions were added by the Assessor.
- Payments on the Water Revenue Bonds of \$541 were made during the year (\$185 in principal and \$356 in interest) was paid for the year. Total revenue bonds outstanding at year-end were \$7,238.

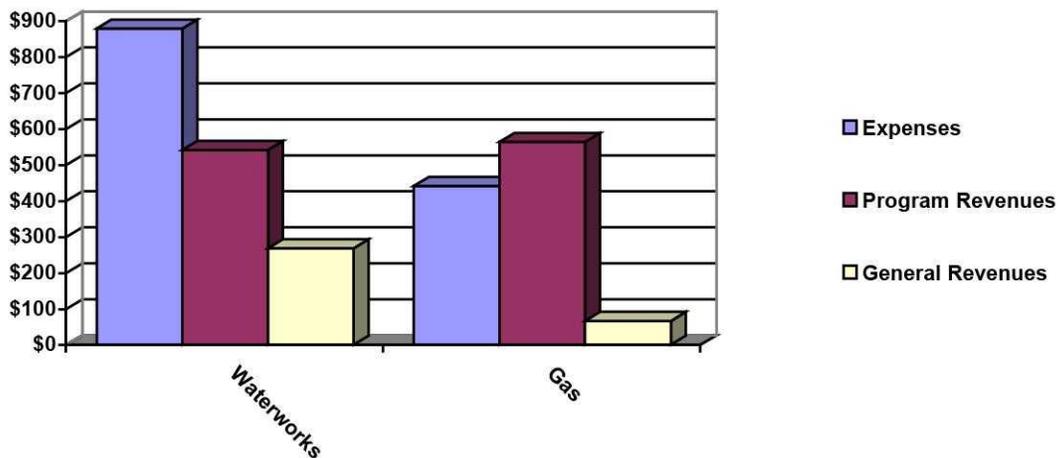
A breakdown of the revenues received by the Town's business-type activities is as follows:

Revenues by Source - Business-type Activities



As noted above, expenses totaled \$1,320, including current year depreciation of \$468. The Water Department expenses totaled \$879, while the Gas Utilities had expenses of \$441. A graph comparing the expense of each business-type expense with the program revenue generated is presented below.

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



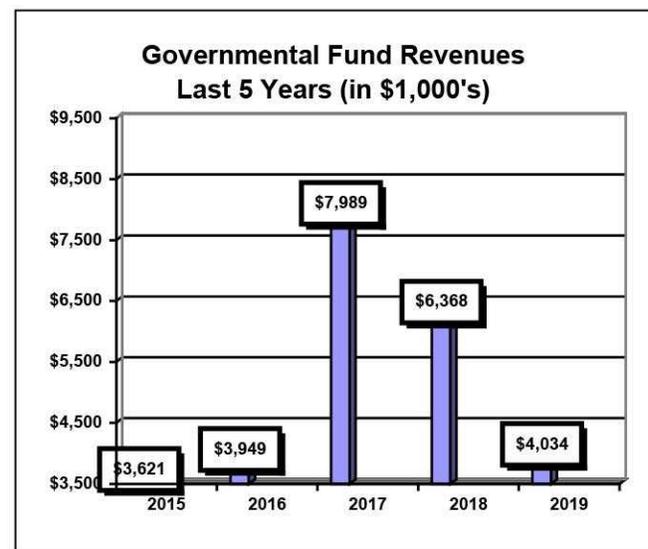
FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

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

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

As of June 30, 2019, the Town's governmental funds reported combined ending fund balances of \$5,900, an increase of \$283 or 5.0 percent over the prior year. Of this amount, \$21 or 0.4 percent is categorized as *non-spendable*, \$46 or 0.8 percent is categorized as *restricted*, \$1,594 or 27.0 percent is categorized as *assigned fund balance* and \$4,219 or 71.8 percent of this total constitutes *unassigned fund balance*, which is available for spending at the government's discretion.

As noted above, the governmental funds include the general operating funds of the Town (i.e., the General Fund, the Community Center and Playground District No. 16 Special Revenue Fund, and the other non-major Special Revenue funds). Overall, as the graph shows, revenues of the Governmental Funds have increased and decreased significantly over the past 5 years (mostly due to one-time grants – especially FEMA grants and other public works-related grants, as well as the BP Economic Loss settlement). FY 2019 was down significantly from last year (down \$2,334) because of these types of funding swings (primarily related to a drop in intergovernmental revenues – mostly from the CPRA related to the emergency hurricane levee restoration project (down \$1,200) and JP – Hurricane Levee assistance (down \$895). The Hurricane Levee emergency restoration project brought in a lot of revenue last year that did not recur in 2019.



The **General fund** is the chief operating fund of the Town. At June 30, 2019, unassigned fund balance of the General fund was \$4,239 (which is 71.9 percent of the total governmental fund balance). As a measure of the General fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance in the General Fund represent 130.6 percent of total general fund expenditures, up from 70.2 percent in the prior year.

The fund balance of the Town's General fund increased by \$147 or 3.6 percent, during the current fiscal year. Key factors in this change are as follows:

- The General Fund's revenues and other sources totaled \$3,462, while expenditure and other uses totaled \$3,315.
- Revenues and other financing sources decreased by \$(2,477) from the prior year, mainly because of:
 - Property taxes totaled \$439 – up \$87 due to higher assessed values.
 - Sales taxes totaled \$573 – up \$28 as the local economy has improved slightly.
 - Franchise taxes totaled \$110 – down \$(9), mainly due to a drop in the cable franchise fee.
 - Licenses and permits totaled \$336 – up \$47 over last year (up mainly due to golf cart permits).

- Intergovernmental revenues totaled \$388 in 2019 – a decrease of \$(2,546). The 2019 revenues were made up of \$5 from the State for beer taxes, \$168 from the State Parish Road fund allocation, \$28 from the State for tourism, \$14 from State DOTD for maintenance of highways, \$6 for beach quality programs, \$36 from a DEQ revolving loan subsidy/forgiveness on the sewer revenue bonds, and \$103 from FEMA for hurricane-related projects (mostly on projects from Hurricanes Katrina, Gustav and Ike). The decrease was primarily due to a drop of \$(360) in the DEQ 90 West Project (as this project came to a close), a drop of \$(111) in FEMA public assistance, a drop of \$(1,200) from the CPRA for last year's emergency hurricane levee restoration and a drop of \$(894) from the Parish for the same project. The emergency hurricane levee project was completed in 2018.
- Gaming fees and commissions totaled \$390 – a decrease of \$(3). \$344 came from riverboat admission fees received from the Parish for the Boomtown casino and \$46 from video poker commissions for machines located in the Town. Video poker was down \$(7).
- Fines and forfeitures totaled \$65, down \$(108) from last year (as the police force was under staffed and ticket writing fell off).
- Charges for services totaled \$615, down \$(2) from last year. Sanitation fees made up \$613 of this balance (up \$3), while tax research and advertising recoveries dropped \$(5).
- Interest totaled \$80, up \$58 from last year as available cash balances were significantly higher than last year (mainly due to reserves from the BP settlement).
- Miscellaneous income totaled \$78, which is up \$6 over last year (mainly due to an increase in the 10% tax collection charge collected from other funds).
- Other financing sources included a sale of capital assets revenue of \$267, which represents the proceeds from the sale of the old library site.
- Transfers in totaled \$85, \$24 from the Erosion Control Fund and \$61 from the closeout of the Riverboat Gaming Special Revenue Fund.

Expenditures and other financing uses totaled \$3,315, a decrease of \$(2,611) from the prior year. An analysis of the expenditures is as follows:

- Executive expenditures totaled \$87, the same as last year.
- General Government totaled \$1,278, a decrease of \$(2,277). This decrease is mostly due to 1) an increase of \$6 in salaries- general and \$6 in salaries – tax and planning (due to raises given), 2) an increase of \$4 in payroll taxes, 3) an increase of \$11 in hospitalization insurance, 4) an increase of \$6 in legal and professional fees (mostly engineering), 5) a decrease of \$(5) in utilities, 6) a drop of \$(4) in equipment repairs, 7) an increase of \$191 in capital outlay – buildings (Town Hall and Multiplex renovations), 8) an increase of \$10 in capital outlay – equipment (computer upgrades), 9) a decrease of \$(2,140) in capital outlay - hurricane levee restoration costs (the project completed in 2018), and 10) a decrease of \$(360) in capital outlay - road rehabilitation 90 West Project (as the project completed early in 2019).
- Public Safety totaled \$908, an increase of \$15 over the prior year. The increase was the result of 1) an increase of \$15 in salaries (raises and overtime), 2) a decrease of \$(13) in beach patrol salaries (due to cutbacks), 3) a decrease of \$(4) in hospitalization insurance, 4) an increase of \$5 in clerk of court fees, 5) a decrease of \$(4) in vehicle repairs, 6) a drop of \$(6) in capital outlay – guns and equipment, and 7) an increase of \$36 in capital outlay – vehicles (new vehicle).
- Public Works totaled \$890, a decrease of \$(28) from last year. Most of this decrease was in the streets department (down \$24) due to 1) an increase of \$15 in salaries (raises and overtime), 2) a decrease of \$(37) in street signs, 3) a drop of \$(4) in vehicle repairs, 4) an increase of \$10 in gas and oil, 5) a decrease of \$(11) in capital outlay – equipment (related to the LGAP grant), and 6) a drop of \$(6) in capital outlay - vehicles (due to the purchase of forks last year). The Sanitation Department also had a decrease of \$(4) due to a decrease in hauling and disposal fees.
- Culture, Recreation and Tourism totaled \$99, which is up \$20 over the prior year. Most of the increase was in salaries (up \$4) and advertising (up \$18).
- Debt Service totaled \$36 as the DEQ revolving loan principal was forgiven (i.e., paid).

- Transfers out totaled \$17, down \$(116) from last year, which included a transfer of \$127 to the Community Center Special Revenue Fund. This year's transfer was to the Drainage Fund.
- Revolving Loan Proceeds totaled \$36 as funds were drawn down on the DEQ revolving loan program for costs associated with the drainage and sewerage work on the 90 West project. This drawdown completed this project.

The Town reported one "major" funds other than the General Fund for the year ended June 30, 2019. The **Community Center and Playground District No. 16 Special Revenue Fund** had revenues of \$660, expenditures of \$464, and an ending fund balance of \$1,093. The Community Center received \$332 from Jefferson Parish for ad valorem taxes collected by the Parish and dedicated to the Town for the operations of the Community Center and Playground District. It also received a special \$200 allocation from the same funds for capital purposes (to fix the roof). Additionally, it received \$75 from the Parish for a Youth Program grant, which is up \$75 from last year (as the Town filed for reimbursements of multiple years). FEMA revenues totaled \$46, which is up \$46 from last year (related to Hurricane Katrina projects). Rental income totaled \$1, which was down \$(1) from last year. Expenditures were down \$(46) due to 1) a decrease of \$(8) in the summer worker program, 2) a drop of \$(6) in insurance, 3) an increase of \$24 in building repairs, 4) a decrease of \$(5) in beach equipment repairs, 5) an increase of \$30 in parks and playground repairs, 6) a drop of \$(7) in telephone, 7) a drop of \$(4) in utilities, 8) a decrease of \$(75) in capital outlay – beach cleaning equipment (purchases of tractors last year did not recur), and 9) an increase of \$13 in capital outlay – playground equipment (2 new scoreboards were purchased).

The **Town's other governmental funds** recorded revenue of \$300, expenditures of \$294, and other financing sources (uses) of \$(67). A major part of the revenue this year was recognized by the Mosquito Control Special Revenue Fund (which received \$198 from mosquito fees), the Drainage District No. 1 (which received sales taxes of \$39), and the Community Fair fund (which had receipts of \$62). The mosquito fees were down \$(14) from last year, the Drainage fund were up \$2 over last year, and the Community Fair revenues were up \$23. \$185 of the expenditures occurred in the Mosquito Control fund, which was spent on spraying and larviciding contracts (this was up \$46 over last year). In addition, \$49 was spent out of the Drainage Fund on operating and maintaining the Town's drainage pumps and \$59 was spent on the Community Fair.

Proprietary Funds. The Town's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. As noted above, the Town maintains two enterprise funds. For the fiscal year ended June 30, 2019, these funds reported net position of \$3.462, which is a net increase from the prior year of \$129. The two funds are the Waterworks Utilities Enterprise fund and the Gas Utilities Enterprise fund. Factors concerning the finances of these two funds have already been addressed in the discussion of the Town's business-type activities (see above).

Agency Funds. The Town maintains one agency fund in order to account for monies collected on behalf of others. The Grand Isle Relief fund is used to account for donations from the public for disaster relief to Town's citizens. At year end, \$11 was held in this fund.

GENERAL FUND BUDGETARY HIGHLIGHTS

Budgeted revenues of the General Fund were increased by \$904. The majority of the increase was seen in intergovernmental - federal and state grants. Intergovernmental increased \$954 due to 1) a decrease in FEMA Disaster revenue (up \$92), 2) an increase in Revolving Loan Forgiveness on DEQ loan (up \$36), 3) an increase in State Capital Outlay program on the Multiplex renovation project which was delayed (up \$700), 4) an increase in LGAP grants (up \$42), and 5) an increase Parish Grants for money on the EOC camera (up \$20). In addition, Taxes were raised \$72 (\$58 in property taxes and \$14 in sales taxes). Fines and forfeitures decreased \$(130) to reflect a drop in ticket revenues. Interest was increased \$20 due to more cash on hand generating additional income. Finally, Miscellaneous Revenues were decreased \$(13) primarily to reflect an increase in tax collection charges (up \$6) and a drop in miscellaneous income (down \$(20)).

Budgeted expenditures of the General Fund were increased by \$565. Note C.2 provides a breakdown of the changes in expenditures by function. The main changes were:

- The \$242 increase in the General Government's expenditures was the result of 1) an increase of \$93 in capital outlay – buildings (primarily for the Town Hall Renovation project), 2) an increase of \$37 in capital outlay – DEQ 90 West project, 3) an increase of \$25 in legal and professional fees (due to an increase in general engineering fees), 4) an increase of \$19 in retirement costs (due to a rate increase), 5) an increase of \$18 in workman's compensation (due to a rate increase), 6) an increase of \$15 in capital outlay – furniture and equipment (mainly for a computer upgrade), and 7) an increase of \$14 in salaries in the Planning and Tax Department (to reflect an increase and new employee).
- The increase of \$130 in Public Safety was made up of 1) an increase of \$35 in capital outlay - vehicles, 2) an increase of \$34 in capital outlay - guns and equipment, 3) an increase of \$30 in salaries (to reflect raises given), 4) an increase of \$12 in workman's compensation (due to rate increases), and 5) an increase of \$12 in insurance (due to increases in premiums).
- The increase of \$79 in Public Works is made up of 1) an increase of \$50 in salaries (due to raises given), 2) an increase of \$16 in capital outlay – vehicles for the purchase of a new tractor, 3) an increase of \$9 in street repairs, and 4) an increase of \$4 in limestone purchases.
- The increase of \$78 in Culture and Recreation is made up an increase in salaries of \$7 (due to raises given) and an increase in advertising of \$70 (due to a new tourism ad project).
- Debt Service went up \$36 to account for the DEQ 90 West project which was being funded with a revolving loan from LA DEQ. The costs of the project were being funded with a loan; however, a federal subsidy was used to simultaneously forgive the debt upon issuance. This increase was to account for activity on the project.

The Community Center and Playground District No. 16 Special Revenue Fund had a net increase in revenues of \$313 made up of an increase of \$200 in Parish-allocated millage funds for capital purposes, an increase of \$50 in Parish summer youth program revenues, an increase of \$55 in miscellaneous income, and an increase of \$10 in Parish – Hoops on the Isle revenues. Expenditures went up \$327 (\$248 in building repairs, \$54 in park and playground repairs, \$25 in summer youth program costs, \$10 in recreational assistance, and a drop of \$(19) in telephone costs.

General Fund revenues came in \$(837) or 21.4 percent under the final budget, expenditures were \$1,020 or 23.6 percent under the final budget, and other financing sources (uses) came in \$335 or 941.4 percent over budget. The main revenue items over (under) budget were 1) sales taxes coming in \$67 over budget (due to a larger than expected end of year allocation/accrual), and 2) intergovernmental revenues (under budget by \$(933) mostly related to the \$700 budgeted for the Multiplex renovation project not coming in (due to project delays), FEMA assistance revenues on the various hurricanes being \$(97) under budget, the \$54 budgeted for the new LGAP grant not coming in (due to delays), and various Parish grants coming under budget (under \$60 due to delays)).

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

- The Executive Function came in \$(12) under budget, mainly in salaries and capital outlay,
- The General Government Function came in \$(745) under budget, mainly in hospitalization insurance and capital outlay (related to the Multiplex renovation project),
- The Public Safety Function was \$(101) under budget, mainly in beach patrol salaries, workman's compensation, and capital outlay,
- The Public Works Function was \$(103) under budget, mainly in salaries, street repairs and capital outlay,
- The Culture, Recreation, and Tourism Function was \$(59) under budget, mostly in advertising.

The Community Center and Playground District No. 16 Special Revenue Fund had revenues come in \$(66) under budget, mainly in the parish allocated ad valorem taxes and miscellaneous income. Expenditures came in \$352 under budget, mostly in the building repairs line-item (under \$210 due to delays in fixing the roof), and the summer youth salaries line-item (under \$34 due to cutbacks in the program). Capital outlay was also under budget by \$40 due to delays in purchasing equipment.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets. The Town’s net investment in capital assets for its governmental and business-type activities as of June 30, 2019 amounts to \$20,420 (net of accumulated depreciation and related debt), a decrease of \$(1,269) or 5.9 percent. This investment in capital assets includes land, buildings, furniture and fixtures, machinery, vehicles and equipment, and infrastructure (including streets and roadways), and is shown net of any debt related to financing the assets. The governmental activities saw a decrease in its investment in capital assets of \$(1,083) or 5.7 percent, while the business-type activities saw a decrease of \$(186) or 6.8 percent.

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

| | Governmental Activities | | Business-type Activities | | Total | |
|------------------------------------|-------------------------|-----------|--------------------------|----------|-----------|-----------|
| | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 |
| Land | \$ 383 | \$ 383 | \$ - | \$ - | \$ 383 | \$ 383 |
| Construction in progress | 471 | 1,074 | - | - | 471 | 1,074 |
| Buildings | 5,957 | 6,139 | - | - | 5,957 | 6,139 |
| Furniture and fixtures | 64 | 76 | 1 | 1 | 65 | 77 |
| Heavy equipment | 274 | 343 | - | - | 274 | 343 |
| Vehicles | 193 | 196 | 6 | 8 | 199 | 204 |
| Infrastructure | 10,512 | 10,726 | 9,770 | 10,138 | 20,282 | 20,864 |
| Capital Assets Net of Depreciation | 17,854 | 18,937 | 9,777 | 10,147 | 27,631 | 29,084 |
| Add unamortized charges | - | - | 27 | 28 | 27 | 28 |
| Less capital-related debt | - | - | (7,238) | (7,423) | (7,238) | (7,423) |
| Net Investment in Capital Assets | \$ 17,854 | \$ 18,937 | \$ 2,566 | \$ 2,752 | \$ 20,420 | \$ 21,689 |

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

- \$250 was spent on construction in progress in the governmental activities, primarily on the 90 West Road Rehabilitation project being funded with a DEQ 90 West Project (\$36), the Multiplex renovations (\$33), and the Town Hall renovations project (\$182). \$853 was then capitalized from the DEQ 90 West Project into infrastructure as the project completed in 2019;
- \$13 was added to buildings and improvements (two new scoreboards were purchased);
- \$8 was spent on furniture and fixtures (\$3 on police guns and equipment and \$5 on general computers and laptops)
- \$62 was spent on vehicles (\$27 for a new Polaris for the police department and \$35 for a new Police car);
- The Gas Utilities Fund added \$95 to its transmission system (gas regulator station rehab);
- Depreciation expense totaled \$1,417 in the governmental funds and \$468 in the business-type activities.

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

Long-term Debt. At June 30, 2019, the Town had total outstanding debt of \$7,238.

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

| | Governmental Activities | | Business-type Activities | | Total | |
|--------------------------------------|-------------------------|------|--------------------------|----------|----------|----------|
| | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 |
| Sewer Revenue Bonds (Revolving Loan) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Revenue Bonds | - | - | 7,238 | 7,423 | 7,238 | 7,423 |
| Total | \$ - | \$ - | \$ 7,238 | \$ 7,423 | \$ 7,238 | \$ 7,423 |

During 2016, the Town began work on the 90 West Road Rehabilitation project which is being funded with funds from the DEQ Revolving Loan program. As the funds are spent, the Town is issuing Sewer Revenue Bonds to finance the costs and the State DEQ revolving loan "forgives" the debt simultaneously. The net cost to the Town is zero. During 2019, \$36 was spent and \$36 was received from the loan funds and ultimately forgiven.

The outstanding Water revenue bonds relate to the construction of the Grand Isle to Lafitte waterline. During 2019, principal payments on this debt totaled \$542 (\$186 principal and \$356 interest). See Note D.5 for more details.

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

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

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

- The unemployment rate for the Parish of Jefferson is currently 4.6 percent, which is 0.8 percent lower than it was a year ago. In the coastal community of Grand Isle, which is heavily dependent on offshore oil and commercial fisheries (primarily shrimping), the rate is higher.
- Inflationary trends in the region compare favorably to national indices.
- The ad valorem millage rate levied for the 2019 (next year's) tax roll was 7.39 for the general fund and 5.49 for the Water and Gas funds. The rates were "rolled-forward" due to changes in the tax roll. The Water and Gas funds continue to split the tax 80/20.
- Increased sales tax collections in the immediate aftermath of the BP oil spill response have ended; however, sales taxes continue to trend slightly upwards as the economy moves out of the recession. The long-term effects of the BP oil spill have not yet been felt in the tax collection revenue streams; however, the situation is being monitored. As noted below, there is still a great deal of uncertainty in the seafood, offshore drilling industries, and the tourism and recreational fishing industries, the cornerstones of the local economy.
- The BP Settlement Funds of \$3,000 received in 2017 have been deposited to the General Fund and are appropriated into the budget by the Council when needed for approved projects.

All of these factors were considered in preparing the Town's budget for the 2019/2020 fiscal year.

OTHER POTENTIALLY SIGNIFICANT MATTERS

- **Hurricanes Katrina, Gustav, and Ike, Hurricane Isaac, and Tropical Storm Nate** – hurricanes hit the Grand Isle area in August and September 2005, 2008, 2012 and 2017 causing tidal flood damage in the Grand Isle area. The Town has filed claims with the Federal Emergency Management Agency (FEMA) for damages. To date, eligible claims of \$13,870 have been filed. To date, \$12,605 has been approved and \$12,438 has been received on these claims. The difference of \$167 is recognized as accounts receivable. The Town continues to recover from these hurricanes and to make infrastructure improvements and repairs. The close-out phase of these projects is nearing completion. Only a handful of projects are still open and are being processed. For the remaining projects, it is anticipated that the Town will be able to substantiate most, if not all of the costs incurred to date. See Note E.3 for more details.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Town's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Mayor David Camardelle, Town of Grand Isle, PO Box 200, Ludwig Lane, Grand Isle, LA 70358.

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BASIC FINANCIAL STATEMENTS

TOWN OF GRAND ISLE, LOUISIANA

STATEMENT OF NET POSITION
JUNE 30, 2019

| | <u>GOVERNMENTAL ACTIVITIES</u> | <u>BUSINESS-TYPE ACTIVITIES</u> | <u>TOTAL</u> |
|---|------------------------------------|-------------------------------------|----------------------|
| ASSETS | | | |
| Cash and cash equivalents | \$ 1,275,108 | \$ 58,351 | \$ 1,333,459 |
| Investments | 3,414,719 | - | 3,414,719 |
| Receivables (net of allowance for uncollectibles) | 1,052,158 | 271,553 | 1,323,711 |
| Internal balances | 243,391 | (243,391) | - |
| Inventories | - | 3,575 | 3,575 |
| Unamortized charges | - | 26,735 | 26,735 |
| Prepaid items | 21,353 | - | 21,353 |
| Other assets | - | (375) | (375) |
| Restricted assets: | | | |
| Temporarily restricted: | | | |
| Cash and cash equivalents | - | 111,356 | 111,356 |
| Investments | - | 754,461 | 754,461 |
| Capital assets (net of accumulated depreciation) | 17,854,212 | 9,776,022 | 27,630,234 |
| TOTAL ASSETS | <u>23,860,941</u> | <u>10,758,287</u> | <u>34,619,228</u> |
| LIABILITIES | | | |
| Accounts payable and other current liabilities | 95,713 | 6,038 | 101,751 |
| Due to taxing bodies and others | 11,487 | - | 11,487 |
| Unearned grant revenues | - | - | - |
| Liabilities payable from restricted assets: | - | 52,957 | 52,957 |
| Noncurrent liabilities: | | | |
| Due within one year | - | 525,825 | 525,825 |
| Due in more than one year | - | 6,711,523 | 6,711,523 |
| TOTAL LIABILITIES | <u>107,200</u> | <u>7,296,343</u> | <u>7,403,543</u> |
| NET POSITION | | | |
| Net investment in capital assets | 17,854,212 | 2,565,409 | 20,419,621 |
| Restricted for: | | | |
| Debt service | - | 805,785 | 805,785 |
| Construction | - | - | - |
| Other | - | - | - |
| Unrestricted | 5,899,529 | 90,750 | 5,990,279 |
| TOTAL NET POSITION | <u>\$ 23,753,741</u> | <u>\$ 3,461,944</u> | <u>\$ 27,215,685</u> |

The accompanying notes are an integral part of this statement.

TOWN OF GRAND ISLE, LOUISIANA
 STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED JUNE 30, 2019

| FUNCTION/PROGRAM | EXPENDITURES | PROGRAM REVENUES | | | NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION | | |
|--|---------------------|-------------------------|--|--|--|-----------------------------|----------------------|
| | | CHARGES FOR SERVICES | OPERATING GRANTS AND CONTRIBUTIONS | CAPITAL GRANTS AND CONTRIBUTIONS | PRIMARY GOVERNMENT | | TOTAL |
| | | | | | GOVERNMENTAL ACTIVITIES | BUSINESS-TYPE ACTIVITIES | |
| Primary Government | | | | | | | |
| Governmental Activities: | | | | | | | |
| Executive | \$ 92,110 | \$ - | \$ - | \$ - | \$ (92,110) | \$ - | \$ (92,110) |
| General government | 1,219,923 | 61,551 | - | 184,768 | (973,604) | - | (973,604) |
| Public safety | 899,364 | 221,727 | 27,756 | - | (649,881) | - | (649,881) |
| Public works | 1,859,948 | 612,906 | 181,850 | - | (1,065,192) | - | (1,065,192) |
| Health and welfare | 185,170 | 198,200 | - | - | 13,030 | - | 13,030 |
| Culture, recreation, and tourism | 845,843 | 63,384 | 441,491 | 200,000 | (140,968) | - | (140,968) |
| Interest on long-term debt | - | - | - | - | - | - | - |
| Total governmental activities | <u>5,102,358</u> | <u>1,157,768</u> | <u>651,097</u> | <u>384,768</u> | <u>(2,908,725)</u> | <u>-</u> | <u>(2,908,725)</u> |
| Business-type activities: | | | | | | | |
| Waterworks | 878,789 | - | 541,508 | - | - | (337,281) | (337,281) |
| Gas | 440,880 | 418,664 | - | 144,668 | - | 122,452 | 122,452 |
| Total business-type activities | <u>1,319,669</u> | <u>418,664</u> | <u>541,508</u> | <u>144,668</u> | <u>-</u> | <u>(214,829)</u> | <u>(214,829)</u> |
| TOTAL PRIMARY GOVERNMENT | <u>\$ 6,422,027</u> | <u>\$ 1,576,432</u> | <u>\$ 1,192,605</u> | <u>\$ 529,436</u> | <u>(2,908,725)</u> | <u>(214,829)</u> | <u>(3,123,554)</u> |
| GENERAL REVENUES: | | | | | | | |
| Property taxes | | | | | 439,117 | 328,451 | 767,568 |
| Sales taxes: | | | | | | | |
| General | | | | | 490,711 | - | 490,711 |
| Drainage | | | | | 38,625 | - | 38,625 |
| Law enforcement | | | | | 23,991 | - | 23,991 |
| Hotel/motel | | | | | 58,723 | - | 58,723 |
| Franchise taxes | | | | | 110,459 | - | 110,459 |
| Licenses and permits | | | | | 179,649 | - | 179,649 |
| State beer tax allocation | | | | | 4,710 | - | 4,710 |
| Riverboat admission fees | | | | | 344,265 | - | 344,265 |
| Video poker allocation | | | | | 45,364 | - | 45,364 |
| Unrestricted interest | | | | | 83,325 | 15,131 | 98,456 |
| Gain (loss) on disposal of assets | | | | | 267,487 | - | 267,487 |
| Other | | | | | 20,795 | (290) | 20,505 |
| TOTAL GENERAL REVENUE AND TRANSFERS | | | | | <u>2,108,221</u> | <u>343,292</u> | <u>2,451,513</u> |
| CHANGE IN NET POSITION | | | | | <u>(800,504)</u> | <u>128,463</u> | <u>(672,041)</u> |
| NET POSITION | | | | | | | |
| Beginning of year | | | | | 24,554,245 | 3,333,481 | 27,887,726 |
| End of year | | | | | <u>\$ 23,753,741</u> | <u>\$ 3,461,944</u> | <u>\$ 27,215,685</u> |

The accompanying notes are an integral part of this statement.

The accompanying notes are an integral part of this statement.

TOWN OF GRAND ISLE, LOUISIANA

**GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2019**

| | <u>GENERAL</u> | <u>COMMUNITY CENTER AND PLAYGROUND DIST NO. 16</u> | <u>OTHER GOVERNMENTAL FUNDS</u> | <u>TOTAL GOVERNMENTAL FUNDS</u> |
|---|----------------------------|--|---|---|
| ASSETS | | | | |
| Cash and cash equivalents | \$ 515,202 | \$ 246,310 | \$ 502,704 | \$ 1,264,216 |
| Investments | 3,297,126 | 117,593 | - | 3,414,719 |
| Receivables (net of allowance for uncollectibles) | 284,340 | 756,638 | 11,180 | 1,052,158 |
| Due from other funds | 374,804 | 2,104 | 34,555 | 411,463 |
| Prepaid items | 21,353 | - | - | 21,353 |
| TOTAL ASSETS | <u><u>\$ 4,492,825</u></u> | <u><u>\$ 1,122,645</u></u> | <u><u>\$ 548,439</u></u> | <u><u>\$ 6,163,909</u></u> |
| LIABILITIES AND FUND BALANCES | | | | |
| Liabilities | | | | |
| Accounts payable | \$ 25,198 | \$ 7,842 | \$ 27,976 | \$ 61,016 |
| Accrued payroll and deductions | 30,512 | 4,185 | - | 34,697 |
| Due to other funds | 130,651 | 17,370 | 20,051 | 168,072 |
| Due to taxing bodies and others | 595 | - | - | 595 |
| Unearned grant revenues | - | - | - | - |
| TOTAL LIABILITIES | <u><u>186,956</u></u> | <u><u>29,397</u></u> | <u><u>48,027</u></u> | <u><u>264,380</u></u> |
| Fund Balances | | | | |
| Nonspendable | 21,353 | - | - | 21,353 |
| Restricted | 45,881 | - | - | 45,881 |
| Committed | - | - | - | - |
| Assigned | - | 1,093,248 | 500,412 | 1,593,660 |
| Unassigned | 4,238,635 | - | - | 4,238,635 |
| TOTAL FUND BALANCES | <u><u>4,305,869</u></u> | <u><u>1,093,248</u></u> | <u><u>500,412</u></u> | <u><u>5,899,529</u></u> |
| TOTAL LIABILITIES AND FUND BALANCES | <u><u>\$ 4,492,825</u></u> | <u><u>\$ 1,122,645</u></u> | <u><u>\$ 548,439</u></u> | <u><u>\$ 6,163,909</u></u> |

TOWN OF GRAND ISLE, LOUISIANA

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2019

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

| | | |
|--|----|-------------------|
| Total Fund Balances at June 30, 2019 - Governmental Funds (page 22) | \$ | 5,899,529 |
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets is \$40,022,780 and the accumulated depreciation is \$21,085,903. | | 17,854,212 |
| Total Net Position of Governmental Activities at June 30, 2019 (page 20) | \$ | <u>23,753,741</u> |

The accompanying notes are an integral part of this statement.

TOWN OF GRAND ISLE, LOUISIANA

GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2019

| | <u>GENERAL</u> | <u>COMMUNITY CENTER AND PLAYGROUND DIST NO. 16</u> | <u>OTHER GOVERNMENTAL FUNDS</u> | <u>TOTAL GOVERNMENTAL FUNDS</u> |
|---|---------------------|--|---|---|
| REVENUES | | | | |
| Taxes | | | | |
| Property taxes | \$ 439,117 | \$ - | \$ - | \$ 439,117 |
| Sales taxes | 573,425 | - | 38,625 | 612,050 |
| Franchise taxes | 110,459 | - | - | 110,459 |
| Licenses and permits | 335,937 | - | - | 335,937 |
| Intergovernmental | 387,663 | 652,912 | - | 1,040,575 |
| Gaming fees and commissions | 389,629 | - | - | 389,629 |
| Fines and forfeitures | 65,439 | - | - | 65,439 |
| Charges for services | 615,345 | 1,045 | 198,200 | 814,590 |
| Interest | 79,680 | 2,854 | 791 | 83,325 |
| Miscellaneous | 77,907 | 3,000 | 62,339 | 143,246 |
| TOTAL REVENUES | <u>3,074,601</u> | <u>659,811</u> | <u>299,955</u> | <u>4,034,367</u> |
| EXPENDITURES | | | | |
| Current | | | | |
| Public Safety | | | | |
| Executive | 86,732 | - | - | 86,732 |
| General government | 1,277,981 | - | - | 1,277,981 |
| Public safety | 908,430 | - | - | 908,430 |
| Public works | 890,034 | - | 49,262 | 939,296 |
| Health and welfare | - | - | 185,170 | 185,170 |
| Culture, recreation and tourism | 98,834 | 464,055 | 59,196 | 622,085 |
| Debt Service | | | | |
| Principal | 35,571 | - | - | 35,571 |
| Interest | - | - | - | - |
| TOTAL EXPENDITURES | <u>3,297,582</u> | <u>464,055</u> | <u>293,628</u> | <u>4,055,265</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | <u>(222,981)</u> | <u>195,756</u> | <u>6,327</u> | <u>(20,898)</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | 84,514 | - | 17,139 | 101,653 |
| Transfers out | (17,139) | - | (84,514) | (101,653) |
| Revolving loan proceeds - DEQ | 35,571 | - | - | 35,571 |
| Capital leases | - | - | - | - |
| Sale of capital assets | 267,488 | - | - | 267,488 |
| TOTAL OTHER FINANCING SOURCES (USES) | <u>370,434</u> | <u>-</u> | <u>(67,375)</u> | <u>303,059</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER SOURCES (USES) | 147,453 | 195,756 | (61,048) | 282,161 |
| FUND BALANCE | | | | |
| Beginning of year | 4,158,416 | 897,492 | 561,460 | 5,617,368 |
| End of year | <u>\$ 4,305,869</u> | <u>\$ 1,093,248</u> | <u>\$ 500,412</u> | <u>\$ 5,899,529</u> |

The accompanying notes are an integral part of this statement.

TOWN OF GRAND ISLE, LOUISIANA

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO
THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2019**

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

| | |
|--|------------|
| Net change in fund balances - total governmental funds (page 24) | \$ 282,161 |
|--|------------|

Reconciling items:

| | |
|---|-------------|
| Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period. | (1,082,664) |
|---|-------------|

| | |
|--|-----|
| The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase net assets. | (1) |
|--|-----|

| | |
|--|---|
| Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. | - |
|--|---|

| | |
|--|----------|
| The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the payment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas, these amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of these differences in the treatment of long-term debt and related items. | |
| Issuances of sewer revenue bonds | (35,571) |
| Forgiveness of sewer revenue bonds | 35,571 |

| | |
|---|---------------------|
| Change in net position of governmental activities (page 21) | <u>\$ (800,504)</u> |
|---|---------------------|

The accompanying notes are an integral part of this statement.

TOWN OF GRAND ISLE, LOUISIANA

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2019

| | BUDGETED AMOUNTS | | ACTUAL | VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE) |
|--|---------------------|---------------------|---------------------|---|
| | ORIGINAL | FINAL | | |
| REVENUES | | | | |
| Taxes | | | | |
| Property taxes | \$ 392,000 | \$ 449,364 | \$ 439,117 | \$ (10,247) |
| Sales taxes | 492,000 | 506,372 | 573,425 | 67,053 |
| Franchise taxes | 98,000 | 98,000 | 110,459 | 12,459 |
| Licenses and permits | 324,000 | 324,000 | 335,937 | 11,937 |
| Intergovernmental | 366,850 | 1,320,941 | 387,663 | (933,278) |
| Gaming fees and commissions | 390,000 | 390,000 | 389,629 | (371) |
| Fines and forfeitures | 193,000 | 63,000 | 65,439 | 2,439 |
| Charges for services | 606,000 | 606,000 | 615,345 | 9,345 |
| Interest | 55,000 | 76,000 | 79,680 | 3,680 |
| Miscellaneous | 91,200 | 78,100 | 77,907 | (193) |
| TOTAL REVENUES | 3,008,050 | 3,911,777 | 3,074,601 | (837,176) |
| EXPENDITURES | | | | |
| Current | | | | |
| Excutive | 96,500 | 98,500 | 86,732 | 11,768 |
| General government | 1,781,200 | 2,022,858 | 1,277,981 | 744,877 |
| Public safety | 880,350 | 1,009,860 | 908,430 | 101,430 |
| Public works | 914,200 | 993,019 | 890,034 | 102,985 |
| Health and welfare | - | - | - | - |
| Culture, recreation and tourism | 80,000 | 157,445 | 98,834 | 58,611 |
| Non-departmental | - | - | - | - |
| Debt Service | | | | |
| Principal | - | 35,571 | 35,571 | - |
| Interest | - | - | - | - |
| TOTAL EXPENDITURES | 3,752,250 | 4,317,253 | 3,297,582 | 1,019,671 |
| EXCESS (DEFICIENCY) OF REVNUES OVER EXPENDITURES | (744,200) | (405,476) | (222,981) | 182,495 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | - | - | 84,514 | 84,514 |
| Transfers out | - | - | (17,139) | (17,139) |
| Revolving Loan Proceeds - DEQ | - | 35,571 | 35,571 | - |
| Capital leases | - | - | - | - |
| Sale of capital assets | - | - | 267,488 | 267,488 |
| TOTAL OTHER FINANCING SOURCES (USES) | - | 35,571 | 370,434 | 334,863 |
| EXCESS (DEFICIENCY) OF REVNUES OVER EXPENDITURES AND OTHER SOURCES (USES) | (744,200) | (369,905) | 147,453 | 517,358 |
| FUND BALANCE | | | | |
| Beginning of year | 4,270,749 | 4,158,416 | 4,158,416 | - |
| End of year | <u>\$ 3,526,549</u> | <u>\$ 3,788,511</u> | <u>\$ 4,305,869</u> | <u>\$ 517,358</u> |

The accompanying notes are an integral part of this statement.

TOWN OF GRAND ISLE, LOUISIANA

COMMUNITY CENTER AND PLAYGROUND DISTRICT NO. 16
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCES - BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2019

| | BUDGETED AMOUNTS | | ACTUAL | VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE) |
|---|-------------------|-------------------|---------------------|---|
| | ORIGINAL | FINAL | | |
| REVENUES | | | | |
| Taxes | | | | |
| Property taxes | \$ - | \$ - | \$ - | \$ - |
| Sales taxes | - | - | - | - |
| Franchise taxes | - | - | - | - |
| Licenses and permits | - | - | - | - |
| Intergovernmental | 403,000 | 663,000 | 652,912 | (10,088) |
| Gaming fees and commissions | - | - | - | - |
| Fines and forfeitures | - | - | - | - |
| Charges for services | 5,000 | 2,000 | 1,045 | (955) |
| Interest | 2,000 | 2,600 | 2,854 | 254 |
| Miscellaneous | 3,000 | 58,365 | 3,000 | (55,365) |
| TOTAL REVENUES | 413,000 | 725,965 | 659,811 | (66,154) |
| EXPENDITURES | | | | |
| Current | | | | |
| Executive | - | - | - | - |
| General government | - | - | - | - |
| Public safety | - | - | - | - |
| Public works | - | - | - | - |
| Health and welfare | - | - | - | - |
| Culture, recreation and tourism | 489,000 | 816,216 | 464,055 | 352,161 |
| Non-departmental | - | - | - | - |
| Debt Service | | | | |
| Principal | - | - | - | - |
| Interest | - | - | - | - |
| TOTAL EXPENDITURES | 489,000 | 816,216 | 464,055 | 352,161 |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | (76,000) | (90,251) | 195,756 | 286,007 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | - | - | - | - |
| Transfers out | - | - | - | - |
| Capital leases | - | - | - | - |
| Sale of capital assets | - | - | - | - |
| TOTAL OTHER FINANCING SOURCES (USES) | - | - | - | - |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER SOURCES (USES) | (76,000) | (90,251) | 195,756 | 286,007 |
| FUND BALANCE | | | | |
| Beginning of year | 744,541 | 897,492 | 897,492 | - |
| End of year | <u>\$ 668,541</u> | <u>\$ 807,241</u> | <u>\$ 1,093,248</u> | <u>\$ 286,007</u> |

The accompanying notes are an integral part of this statement.

TOWN OF GRAND ISLE, LOUISIANA

PROPRIETARY FUNDS
STATEMENT OF NET POSITION
JUNE 30, 2019

| | BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS | | |
|--|--|---------------------|---------------------|
| | WATERWORKS | GAS | TOTAL |
| | UTILITY FUND | UTILITY FUND | |
| ASSETS | | | |
| Cash and cash equivalents | \$ 11,551 | \$ 46,800 | \$ 58,351 |
| Investments | - | - | - |
| Receivables (net of allowance for uncollectibles) | 2,388 | 269,165 | 271,553 |
| Due from other funds | 104,550 | 2,702 | 107,252 |
| Inventories | - | 3,575 | 3,575 |
| Prepaid items | - | - | - |
| Other assets | - | (375) | (375) |
| Restricted assets: | | | |
| Temporarily restricted: | | | |
| Cash and cash equivalents | 51,324 | 60,032 | 111,356 |
| Investments | 754,461 | - | 754,461 |
| Capital assets (net of accumulated depreciation) | 9,253,736 | 522,286 | 9,776,022 |
| Unamortized bond issue costs (net of accumulated amortization) | 26,735 | - | 26,735 |
| TOTAL ASSETS | 10,204,745 | 904,185 | 11,108,930 |
| LIABILITIES | | | |
| Current Liabilities | | | |
| Accounts payable | - | 3,315 | 3,315 |
| Accrued payroll and deductions | - | 2,723 | 2,723 |
| Due to other funds | 1,871 | 341,697 | 343,568 |
| Liabilities payable from restricted assets: | | | |
| Customer deposits | - | 52,957 | 52,957 |
| Due to other funds | - | 7,075 | 7,075 |
| Noncurrent liabilities: | | | |
| Water revenue bonds payable | 7,237,348 | - | 7,237,348 |
| TOTAL LIABILITIES | 7,239,219 | 407,767 | 7,646,986 |
| NET POSITION | | | |
| Invested in capital assets, net of related debt | 2,043,123 | 522,286 | 2,565,409 |
| Restricted for: | | | |
| Debt service | 805,785 | - | 805,785 |
| Construction | - | - | - |
| Unrestricted | 116,618 | (25,868) | 90,750 |
| TOTAL NET POSITION | \$ 2,965,526 | \$ 496,418 | \$ 3,461,944 |

The accompanying notes are an integral part of this statement.

TOWN OF GRAND ISLE, LOUISIANA

PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN
FUND NET POSITION
FOR THE YEAR ENDED JUNE 30, 2019

| | BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS | | |
|---|--|-----------------------------|---------------------|
| | WATERWORKS UTILITY FUND | GAS UTILITY FUND | TOTAL |
| OPERATING REVENUES | | | |
| Sales | \$ - | \$ 388,380 | \$ 388,380 |
| Service charges | - | 2,700 | 2,700 |
| Installation charges | - | 10,862 | 10,862 |
| Penalties | - | 16,722 | 16,722 |
| Intergovernmental transfers | 541,508 | - | 541,508 |
| Miscellaneous | - | (290) | (290) |
| TOTAL OPERATING REVENUES | <u>541,508</u> | <u>418,374</u> | <u>959,882</u> |
| OPERATING EXPENSES | | | |
| Personal services | - | 208,055 | 208,055 |
| Contracted services | - | 60,962 | 60,962 |
| Materials and supplies | - | 6,942 | 6,942 |
| General and administrative | 83,170 | 137,224 | 220,394 |
| Depreciation and amortization | 439,963 | 27,697 | 467,660 |
| TOTAL OPERATING EXPENSES | <u>523,133</u> | <u>440,880</u> | <u>964,013</u> |
| OPERATING INCOME (LOSS) | <u>18,375</u> | <u>(22,506)</u> | <u>(4,131)</u> |
| NONOPERATING REVENUES (EXPENSES) | | | |
| Interest income | 14,889 | 242 | 15,131 |
| Interest expense | (355,656) | - | (355,656) |
| Ad valorem taxes | 262,762 | 65,689 | 328,451 |
| Intergovernmental | | | |
| Federal - FEMA - Public Disaster Assistance | - | 144,668 | 144,668 |
| TOTAL NONOPERATING REVENUES (EXPENSES) | <u>(78,005)</u> | <u>210,599</u> | <u>132,594</u> |
| INCOME (LOSS) BEFORE TRANSFERS | <u>(59,630)</u> | <u>188,093</u> | <u>128,463</u> |
| OPERATING TRANSFERS | | | |
| Operating transfers in | - | - | - |
| Operating transfers out | - | - | - |
| NET OPERATING TRANSFERS | <u>-</u> | <u>-</u> | <u>-</u> |
| CHANGE IN NET POSITION | (59,630) | 188,093 | 128,463 |
| NET POSITION | | | |
| Beginning of year | 3,025,156 | 308,325 | 3,333,481 |
| End of year | <u>\$ 2,965,526</u> | <u>\$ 496,418</u> | <u>\$ 3,461,944</u> |

The accompanying notes are an integral part of this statement.

TOWN OF GRAND ISLE, LOUISIANA

PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2019

| | BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS | | |
|---|---|-------------------|-------------------|
| | WATERWORKS | GAS | TOTAL |
| | UTILITY FUND | UTILITY FUND | |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Receipts from (Refunds to) customers and others | \$ - | \$ 395,119 | \$ 395,119 |
| Receipts from interfund services provided | - | 20,729 | 20,729 |
| Receipts from Jefferson Parish Water - operating subsidy | 541,508 | - | 541,508 |
| Payments to suppliers | (26,170) | (214,350) | (240,520) |
| Payments to Jefferson Parish (surplus funds) | (57,000) | - | (57,000) |
| Payments to employees | - | (207,432) | (207,432) |
| Payments for interfund services used | (1,062) | - | (1,062) |
| NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES | <u>457,276</u> | <u>(5,934)</u> | <u>451,342</u> |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | | |
| Ad valorem taxes | 262,762 | 65,689 | 328,451 |
| Receipts under FEMA Public Disaster Assistance grants | - | 69,480 | 69,480 |
| NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES | <u>262,762</u> | <u>135,169</u> | <u>397,931</u> |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | | |
| Principal paid on Water Revenue Bonds, Series 2000 | (185,853) | - | (185,853) |
| Interest paid on Water Revenue Bonds, Series 2000 | (355,656) | - | (355,656) |
| Purchase of property and equipment | - | (94,834) | (94,834) |
| NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES | <u>(541,509)</u> | <u>(94,834)</u> | <u>(636,343)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Interest received | 14,889 | 242 | 15,131 |
| NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES | <u>14,889</u> | <u>242</u> | <u>15,131</u> |
| INCREASE IN CASH AND CASH EQUIVALENTS | | | |
| | 193,418 | 34,643 | 228,061 |
| CASH AND CASH EQUIVALENTS | | | |
| Beginning of year | 623,918 | 72,189 | 696,107 |
| End of year | <u>\$ 817,336</u> | <u>\$ 106,832</u> | <u>\$ 924,168</u> |
| RECONCILIATION TO BALANCE SHEET | | | |
| Current Assets | | | |
| Cash and cash equivalents | \$ 11,551 | \$ 46,800 | \$ 58,351 |
| Restricted Assets | | | |
| Cash and cash equivalents | 51,324 | 60,032 | 111,356 |
| Investments | 754,461 | - | 754,461 |
| TOTAL | <u>\$ 817,336</u> | <u>\$ 106,832</u> | <u>\$ 924,168</u> |
| RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES | | | |
| Operating income (loss) | \$ 18,375 | \$ (22,506) | \$ (4,131) |
| Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities: | | | |
| Depreciation and amortization | 439,963 | 27,697 | 467,660 |
| (Increase) decrease in assets: | | | |
| accounts receivable | - | (27,112) | (27,112) |
| due from other funds | (1,062) | 47 | (1,015) |
| inventory | - | (740) | (740) |
| other assets | - | 3 | 3 |
| Increase (decrease) in liabilities: | | | |
| accounts payable | - | (8,485) | (8,485) |
| accrued payroll and deductions | - | 623 | 623 |
| customer deposits | - | 3,857 | 3,857 |
| due to other funds | - | 20,682 | 20,682 |
| Net adjustments | <u>438,901</u> | <u>16,572</u> | <u>455,473</u> |
| Net cash provided (used) by operating activities | <u>\$ 457,276</u> | <u>\$ (5,934)</u> | <u>\$ 451,342</u> |

The accompanying notes are an integral part of this statement.

TOWN OF GRAND ISLE, LOUISIANA

**FIDUCIARY FUNDS
STATEMENT OF NET POSITION
JUNE 30, 2019**

| | <u>AGENCY FUNDS</u> |
|---------------------------------|-------------------------|
| ASSETS | |
| Cash and cash equivalents | \$ 10,892 |
| TOTAL ASSETS | <u>10,892</u> |
| LIABILITIES | |
| Due to taxing bodies and others | 10,892 |
| TOTAL LIABILITIES | <u>10,892</u> |
| NET POSITION | <u>\$ -</u> |

The accompanying notes are an integral part of this statement.

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TOWN OF GRAND ISLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the TOWN OF GRAND ISLE, LOUISIANA (the "Town") have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Town's significant accounting policies are described below.

1. Reporting Entity

Under GASB's Codification of Governmental Accounting and Financial Reporting Standards Section 2100, the financial reporting entity consists of the primary government (the "Town") and its component units. Component units are defined as legally separate organizations for which the elected officials of the primary government are financially accountable. The criteria used in determining whether financial accountability exists include the appointment of a voting majority of an organization's governing body, and 1) the ability of the primary government to impose its will on that organization, or 2) whether the potential exists for the organization to provide specific financial benefits or burdens to the primary government. Fiscal dependency may also play a part in determining financial accountability. Additionally, a component unit can be an organization for which the nature and significance of its relationship with the primary government is such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

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

Community Center and Playground District No. 16 of Jefferson Parish

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

2. Description of Activities

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

3. Government-wide and Fund Financial Statements

Government-wide Financial Statements

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

TOWN OF GRAND ISLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Fund Financial Statements

Separate financial statements are provided for the governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements of the Town. Funds are used by the Town to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. The funds of the Town are classified into three categories: *governmental, proprietary and fiduciary*. Each category, in turn, is divided into separate "fund types".

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

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

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

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

TOWN OF GRAND ISLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

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

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

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

TOWN OF GRAND ISLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

5. Assets, Liabilities, and Net Position or Equity

A. Cash and Investments

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

In accordance with GASB Codification Section 150, investments are generally stated at fair value, unless the Town invests in "money market" securities which have a maturity date of less than 90 days at the balance sheet date. If the investments mature within 90 days, they are stated at cost or amortized cost. Louisiana Revised Statutes (LSA-RS 33:2955) authorize the Town to invest in (1) direct obligations of the United States Treasury, the principal and interest of which are fully guaranteed by the federal government, (2) bonds, debentures, notes, or other evidence of indebtedness issued or guaranteed by federal agencies or U.S. government instrumentalities, (3) direct security repurchase agreements of any federal book entry only securities, (4) time certificates of deposits of state banks organized under the laws of Louisiana and national banks having their principal offices in the state of Louisiana, savings accounts or shares of savings and loan associations, (5) in mutual or trust fund institutions, which are registered with the Securities and Exchange Commission under the Securities Act of 1933 and the Investment Act of 1940, and which have underlying investments consisting solely of and limited to securities of the U.S. government or its agencies, or (6) guaranteed investment contracts issued by a bank, financial institution, insurance company, or other entity having one of the two highest short-term rating categories of either Standard & Poor's Corporation or Moody's Investors Service, provided that no such investment may be made except in connection with a financing program approved by the State Bond Commission.

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

B. Interfund Receivables/Payables and Transfers

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

TOWN OF GRAND ISLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

C. Inventories

The cost of material and supplies acquired by governmental funds are recorded as expenditures at the time of purchase. The inventory of such materials and supplies at June 30, 2019 would not be material to the financial statements. The inventory of the Proprietary Fund is stated at the lower of cost or market, determined by a first-in, first-out method.

D. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2019 are recorded as prepaid items.

E. Unamortized Charges

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

F. Restricted Assets

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

G. Capital Assets

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

TOWN OF GRAND ISLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed and are included in construction in progress.

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

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

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

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

H. Compensated Absences

In both the governmental and proprietary fund types, annual and sick leave are expensed when claimed by the employee rather than when earned. In the opinion of management, the liability due at June 30, 2019 would not be material to the financial statements.

I. Long-Term Obligations

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

TOWN OF GRAND ISLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

J. Fund Equity

In accordance with Government Accounting Standards Board (GASB) Codification Section 1800.142-162, in the fund financial statements, fund balances of the governmental fund types are categorized into one of five categories - Non-spendable, Restricted, Committed, Assigned, or Unassigned.

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

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

K. Use of Estimates

In preparation of financial statements in accordance with generally accepted accounting principles requires the Town to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses/expenditures. Actual results could differ from the estimates that were used.

L. Subsequent Events

The Town has evaluated subsequent events through December 12, 2019, the date the financial statements were available to be issued.

TOWN OF GRAND ISLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

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

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

The governmental fund statement of revenues, expenditures, and changes in fund balances includes reconciliation between *net changes in fund balances - total governmental funds* and *changes in net position of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that "Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense." The details of this \$(1,082,664) difference are as follows:

| | |
|---|----------------|
| Capital outlay | \$ 332,001 |
| Depreciation expense | (1,414,665) |
| Net adjustment to increase <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net position - governmental activities</i> | \$ (1,082,664) |

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

| | |
|--|-----------|
| Long-term debt issued - Sewer Revenue Bonds/Revolving Loan Proceeds | \$ 35,571 |
| Payments on long-term debt - Sewer Revenue Bonds/Revolving Loan Forgiveness | (35,571) |
| Net adjustment to increase (decrease) <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net position - governmental activities</i> | \$ - |

NOTE C - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

1. Budgetary Information

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

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

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

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

TOWN OF GRAND ISLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

NOTE C - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

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

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

2. Amendments to the Budget

The Town made several supplemental budgetary appropriations throughout the year, the final being made on April 9, 2019 via Ordinance 988. The most significant of the changes made are described below:

Budgeted revenues of the General Fund were increased by \$903,757. The majority of the increase was seen in intergovernmental - federal and state grants. Intergovernmental increased \$954,091 due to 1) an increase in FEMA Disaster revenue (up \$92,000), 2) an increase in Revolving Loan Forgiveness on DEQ loan (up \$35,571), 3) an increase in State Capital Outlay program on the Multiplex renovation project which was delayed (up \$700,000), 4) an increase in LGAP grants (up \$42,500), and 5) an increase in Parish Grants for money on the EOC camera (up \$20,098). In addition, Taxes were raised \$71,736 (\$57,364 in property taxes and \$14,372 in sales taxes). Fines and Forfeitures were decreased \$(130,000) to reflect a drop off in ticket revenues. Interest was increased \$20,000 due to more cash on hand generating additional income. Finally, Miscellaneous Revenues were decreased \$(13,100) primarily to reflect an increase in tax collection charges (up \$5,700) and a drop in miscellaneous income (down \$20,000).

Budgeted expenditures of the General Fund were increased by \$565,003. A breakdown by function follows:

| Fund/Function | Original Budget | Amendments | Final Budget |
|---------------------------------|------------------------|-------------------|---------------------|
| General Fund | | | |
| Executive | \$ 96,500 | \$ 2,000 | \$ 98,500 |
| General Government | 1,781,200 | 241,658 | 2,022,858 |
| Public Safety | 880,350 | 129,510 | 1,009,860 |
| Public Works | 914,200 | 78,819 | 993,019 |
| Culture, Recreation and Tourism | 80,000 | 77,445 | 157,445 |
| Debt Service | - | 35,571 | 35,571 |
| Total | \$ 3,752,250 | \$ 565,003 | \$ 4,317,253 |

The \$241,658 increase in the General Government's expenditures was the result of 1) an increase of \$93,000 in capital outlay – buildings (primarily for the Town Hall Renovation project), 2) an increase of \$36,557 in capital outlay – DEQ 90 West project, 3) an increase of \$25,000 in legal and professional fees (due to an increase in general engineering fees), 4) an increase of \$19,000 in retirement costs (due to a rate increase), 5) an increase of \$18,000 in workman's compensation (due to a rate increase), 6) an increase of \$15,000 in capital outlay – furniture and equipment (mainly for a computer upgrade), and 7) an increase of \$14,000 in salaries in the Planning and Tax Department (to reflect an increase and new employee).

TOWN OF GRAND ISLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

NOTE C - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

The increase of \$129,510 in Public Safety was made up of 1) an increase of \$35,000 in capital outlay - vehicles, 2) an increase of \$34,310 in capital outlay - guns and equipment, 3) an increase of \$30,000 in salaries (to reflect raises given), 4) an increase of \$12,000 in workman’s compensation (due to rate increases), and 5) an increase of \$12,000 in insurance (due to increases in premiums).

The increase of \$78,819 in Public Works is made up of 1) an increase of \$50,000 in salaries (due to raises given), 2) an increase of \$15,720 in capital outlay – vehicles for the purchase of a new tractor, 3) an increase of \$8,599 in street repairs, and 4) an increase of \$4,000 in limestone purchases.

The increase of \$77,445 in Culture and Recreation is made up an increase in salaries of \$7,325 (due to raises given) and an increase in advertising of \$70,000 (due to a new tourism ad project).

Debt Service went up \$35,571 to account for the DEQ 90 West project which was being funded with a revolving loan from LA DEQ. The costs of the project were being funded with a loan; however, a federal subsidy was used to simultaneously forgive the debt upon issuance. This increase was to account for activity on the project.

The Community Center and Playground District No. 16 Special Revenue Fund had a net increase in revenues of \$312,965 made up of an increase of \$200,000 in Parish-allocated millage funds for capital purposes, an increase of \$50,000 in Parish summer youth program revenues, an increase of \$55,365 in miscellaneous income, and an increase of \$10,000 in Parish – Hoops on the Isle revenues. Expenditures went up \$327,216 (\$247,800 in building repairs, \$54,000 in park and playground repairs, \$25,000 in summer youth program costs, \$10,000 in recreational assistance, and a drop of \$(19,000) in telephone costs.

3. Expenditures in Excess of Appropriations

The following funds had expenditures on a budgetary basis in excess of appropriations for the fiscal year ended June 30, 2019:

| Fund/Function | Expenditures | Budget | Excess |
|-------------------------|---------------------|---------------|---------------|
| Special Revenue | | | |
| Drainage District No. 1 | 49,262 | 40,000 | (9,262) |
| Community Fair | 59,196 | 5,800 | (53,396) |

Expenditures exceeded appropriations in for the following reasons: the Drainage District was over budget due to the expenditure of costs associated with the rental of a pump that were not anticipated. The Community Fair was over budget due to more than anticipated costs associated with the fair (which were offset by increased revenues). All of the above overages were absorbed by available revenues/fund balances.

4. Deficit Fund Balances/Net Position

The Business-type Activities - Enterprise Funds ended the year with total net position of \$3,461,944; however, this number includes a deficit in the unrestricted net position of \$(25,868) in the Gas Utilities Fund.

The Gas Utilities Enterprise Fund had been experiencing cash flow problems for the past several years. Several steps have been taken to alleviate this problem, including raising service charges; however, a deficit net position remained at year-end despite a current year surplus in operations. It is anticipated that this deficit will be made up in 2020. During 2019, the Gas Utilities Fund had a surplus of \$188,093 and decreased its unrestricted net position by \$(120,956).

TOWN OF GRAND ISLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

NOTE D - DETAILED NOTES ON ALL ACTIVITIES AND FUNDS

1. Deposits with Financial Institutions and Investments

Deposits with Financial Institutions

At June 30, 2019, deposits with financial institutions consisted of the following:

| | Cash | Certificates of Deposit | Other | Total |
|--|--------------|----------------------------|--------|--------------|
| Deposits in Bank Accounts per Balance Sheet | \$ 1,444,515 | \$ - | \$ 300 | \$ 1,444,815 |
| Bank Balances of Deposits Exposed to Custodial Credit Risk: | | | | |
| A. Uninsured and uncollateralized | \$ - | \$ - | \$ - | \$ - |
| B. Uninsured and collateralized with securities held by the pledging institution | - | - | - | - |
| C. Uninsured and collateralized with securities held by the pledging institution's trust department or agent but not in the Town's name. | - | - | - | - |
| Total Bank Balances Exposed to Custodial Credit Risk | \$ - | \$ - | \$ - | \$ - |
| Total Bank Balances - All Deposits | \$ 1,664,928 | \$ - | \$ - | \$ 1,664,928 |

Petty cash is not required to be reported in the note disclosure; however, to aid in reconciling amounts reported on the balance sheet to the amounts reported in this note, the Town held \$300 in petty cash at June 30, 2019 (\$200 in the General Fund and \$100 in the Gas Utilities Fund) which is shown as other above.

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

| Fund | Cash and Cash Equivalents | Investments | Total |
|---|------------------------------|--------------|--------------|
| Major Funds | | | |
| General Fund | \$ 515,202 | \$ 3,297,126 | \$ 3,812,328 |
| Community Center and Playground District No. 16 | 246,310 | 117,593 | 363,903 |
| Non-major Governmental Funds | | | |
| Special Revenue Funds | 502,704 | - | 502,704 |
| Proprietary Funds (Unrestricted and Restricted) | | | |
| Waterworks Utilities Enterprise Fund | 62,875 | 754,461 | 817,336 |
| Gas Utilities Enterprise Fund | 106,832 | - | 106,832 |
| Fiduciary Funds - Agency | 10,892 | - | 10,892 |
| Total (See Footnote D.1) | \$ 1,444,815 | \$ 4,169,180 | \$ 5,613,995 |

TOWN OF GRAND ISLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

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

Investments

Custodial Credit Risk

Investments can be exposed to custodial credit risk if the securities underlying the investment are uninsured, not registered in the name of the entity, and are either held by the counter-party or the counter-party's trust department or agent but not in the entity's name. The Town's investments consist of shares in the Louisiana Asset Management Pool (LAMP). The balance as of June 30, 2019 for all funds is \$4,169,180. Because this investment is not evidenced by securities that exist in physical or book entry form, it is not categorized for the purposes of this note.

Credit Risk of Investments

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

| <u>S&P or Moody's Rating</u> | <u>Fair Value</u> |
|----------------------------------|---------------------|
| AAAm | \$ 4,169,180 |
| | <u>\$ 4,169,180</u> |

Interest Rate Risk

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

Concentrations of Credit Risk

The Town does not limit how much can be invested in a particular issuer as long as the limits set forth in State Statutes are met. At June 30, 2019, 100 percent of the Town's investments of \$4,169,180 were invested with the Louisiana Asset Management Pool (LAMP).

TOWN OF GRAND ISLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS
June 30, 2019

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

2. Receivables

Receivables at June 30, 2019 consist of the following:

| | General | Community Center and Playground District No. 16 Special Revenue | Other Governmental Funds | Proprietary Funds | Total |
|--------------------------------------|------------|--|--------------------------------|----------------------|--------------|
| Receivables: | | | | | |
| Accounts | | | | | |
| Utilities | \$ - | \$ - | \$ - | \$ 193,712 | \$ 193,712 |
| Franchise taxes | 30,226 | - | - | - | 30,226 |
| Intergovernmental | | | | | |
| Sales taxes | 167,654 | - | 11,180 | - | 178,834 |
| Beer taxes | 1,510 | - | - | - | 1,510 |
| Gaming fees and commissions | 22,661 | - | - | - | 22,661 |
| Playground Dist No 16 taxes | - | 696,023 | - | - | 696,023 |
| Parish Transportation Funds | 18,785 | - | - | - | 18,785 |
| DEQ Revolving Loan 90 West | - | - | - | - | - |
| Federal, state, and local grants | 31,734 | 60,615 | - | 75,188 | 167,537 |
| State Park sanitation fees | - | - | - | - | - |
| State DOTD highway maint fees | 6,925 | - | - | - | 6,925 |
| State Beach water quality fees | 2,000 | - | - | - | 2,000 |
| Other | 2,845 | - | - | 3,653 | 6,498 |
| Subtotal | 284,340 | 756,638 | 11,180 | 272,553 | 1,324,711 |
| Less: Allowance for uncollectibles | - | - | - | (1,000) | (1,000) |
| Net Receivables - Governmental Funds | \$ 284,340 | \$ 756,638 | \$ 11,180 | \$ 271,553 | \$ 1,323,711 |

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

Sales taxes are collected by the Jefferson Parish Sheriff's Office (the ex-officio tax collector of the Parish). Sales taxes collected by vendors are remitted to the Sheriff in the month following the sale and the Sheriff then remits the taxes to the taxing agencies (i.e., the Town) by the 10th of the following month. These amounts represent sales taxes due from the Sheriff for May and June 2019, which were received in July and August 2019.

The General Fund receivables include normal recurring remittances for taxes and intergovernmental fees that were received after year end. Other than sales taxes, the largest receivables has to do with the accrual of \$30,226 in franchise taxes (related to the cable and electric utility franchise agreements). The \$167,537 for Federal, State and Local Grants is made up of claims filed with FEMA for Hurricanes Katrina and Gustav (see Note E.3). The gaming fees and commissions are due from the Parish and the State for Boomtown Casino boarding fees and video poker commissions. The Parish Transportation Funds are due from the State's annual allocation.

TOWN OF GRAND ISLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

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

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

The \$756,638 shown in the Playground District No. 16 Special Revenue fund relates to 1) the balance of parish dedicated ad valorem taxes collected by the Parish on the Town's behalf under a local cooperative agreement in the amount of \$696,023, and 2) \$60,615 in claims to FEMA related to Hurricane Isaac and Katrina (See Note E.3). The ad valorem tax amounts are remitted to the Town by the Parish on a monthly basis. The Parish typically withholds a percentage of the annual tax collection for contingencies. The amount held by the Parish is accrued into the Town's fund.

Finally, the Waterworks Utilities Enterprise Fund includes \$5 for utility billings to customers for gas, penalties and sanitation fees, while the Gas Utilities Enterprise Fund includes \$193,707 for these types of billings. Included within the gas receivable amount is \$17,974 for un-billed receivables. This amount represents approximately one-half of the July 31, 2019 gas bills which are for the actual usage of gas in the last half of June 2019. The Gas Utilities Fund also has a receivable from FEMA of \$75,188 related to Hurricane Katrina (See Note E.3). This amount is net of a \$69,480 advance on FEMA claims received from the General Fund.

3. Capital Assets

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

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

TOWN OF GRAND ISLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

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

| | Balance July 1, 2018 | Additions | Deletions | Reclasses & Transfers | Balance June 30, 2019 |
|--|-------------------------|-----------------------|---------------|--------------------------|--------------------------|
| Governmental Activities: | | | | | |
| Capital Assets Not Being Depreciated | | | | | |
| Land | \$ 382,831 | \$ - | \$ (1) | \$ - | \$ 382,830 |
| Construction in progress | 1,074,392 | 249,877 | - | (852,988) | 471,281 |
| Total Capital Assets Not Being Depreciated | <u>\$ 1,457,223</u> | <u>\$ 249,877</u> | <u>\$ (1)</u> | <u>\$ (852,988)</u> | <u>\$ 854,111</u> |
| Capital Assets Being Depreciated: | | | | | |
| Buildings and improvements | \$ 7,803,797 | \$ 12,984 | \$ - | \$ - | \$ 7,816,781 |
| Furniture and fixtures | 755,811 | 7,594 | - | - | 763,405 |
| Heavy Equipment | 3,603,971 | - | - | - | 3,603,971 |
| Vehicles | 424,214 | 61,546 | - | - | 485,760 |
| Infrastructure | 25,977,764 | - | - | 852,988 | 26,830,752 |
| Total Capital Assets Being Depreciated | <u>38,565,557</u> | <u>82,124</u> | <u>-</u> | <u>852,988</u> | <u>39,500,669</u> |
| Less Accumulated Depreciation: | | | | | |
| Buildings and improvements | (1,664,780) | (195,284) | - | - | (1,860,064) |
| Furniture and fixtures | (679,960) | (18,902) | - | - | (698,862) |
| Heavy Equipment | (3,260,683) | (69,528) | - | - | (3,330,211) |
| Vehicles | (228,651) | (64,002) | - | - | (292,653) |
| Infrastructure | (15,251,829) | (1,066,949) | - | - | (16,318,778) |
| Total Accumulated Depreciation | <u>(21,085,903)</u> | <u>(1,414,665)</u> | <u>-</u> | <u>-</u> | <u>(22,500,568)</u> |
| Net Capital Assets Being Depreciated | | | | | |
| Buildings and improvements | 6,139,017 | (182,300) | - | - | 5,956,717 |
| Furniture and fixtures | 75,851 | (11,308) | - | - | 64,543 |
| Heavy Equipment | 343,288 | (69,528) | - | - | 273,760 |
| Vehicles | 195,563 | (2,456) | - | - | 193,107 |
| Infrastructure | 10,725,935 | (1,066,949) | - | 852,988 | 10,511,974 |
| Total Net Capital Assets Being Depreciated | <u>\$ 17,479,654</u> | <u>\$ (1,332,541)</u> | <u>\$ -</u> | <u>\$ 852,988</u> | <u>\$ 17,000,101</u> |
| Total Net Capital Assets - Governmental Activities | <u>\$ 18,936,877</u> | <u>\$ (1,082,664)</u> | <u>\$ (1)</u> | <u>\$ -</u> | <u>\$ 17,854,212</u> |

TOWN OF GRAND ISLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

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

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

| | Balance July 1, 2018 | Additions | Deletions | Reclasses & Transfers | Balance June 30, 2019 |
|--|-------------------------|---------------------|-------------|--------------------------|--------------------------|
| Business-type Activities: | | | | | |
| Capital Assets Not Being Depreciated | | | | | |
| Land | \$ - | \$ - | \$ - | \$ - | \$ - |
| Construction in progress | - | - | - | - | - |
| Total Capital Assets Not Being Depreciated | \$ - | \$ - | \$ - | \$ - | \$ - |
| Capital Assets Being Depreciated: | | | | | |
| Buildings and improvements | \$ - | \$ - | \$ - | \$ - | \$ - |
| Furniture and equipment | 4,432 | - | - | - | 4,432 |
| Heavy Equipment | 4,186 | - | - | - | 4,186 |
| Vehicles | 56,348 | - | - | - | 56,348 |
| Transmission and distribution systems | 18,593,571 | 94,834 | - | - | 18,688,405 |
| Total Capital Assets Being Depreciated | 18,658,537 | 94,834 | - | - | 18,753,371 |
| Less Accumulated Depreciation: | | | | | |
| Buildings and improvements | - | - | - | - | - |
| Furniture and equipment | (2,913) | (304) | - | - | (3,217) |
| Heavy Equipment | (4,186) | - | - | - | (4,186) |
| Vehicles | (48,488) | (1,572) | - | - | (50,060) |
| Transmission and distribution systems | (8,455,396) | (464,490) | - | - | (8,919,886) |
| Total Accumulated Depreciation | (8,510,983) | (466,366) | - | - | (8,977,349) |
| Net Capital Assets Being Depreciated | | | | | |
| Buildings and improvements | - | - | - | - | - |
| Furniture and equipment | 1,519 | (304) | - | - | 1,215 |
| Heavy Equipment | - | - | - | - | - |
| Vehicles | 7,860 | (1,572) | - | - | 6,288 |
| Transmission and distribution systems | 10,138,175 | (369,656) | - | - | 9,768,519 |
| Total Net Capital Assets Being Depreciated | \$ 10,147,554 | \$ (371,532) | \$ - | \$ - | \$ 9,776,022 |
| Total Net Capital Assets - Business-type Activities | \$ 10,147,554 | \$ (371,532) | \$ - | \$ - | \$ 9,776,022 |

TOWN OF GRAND ISLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

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

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

| | Depreciation Expense |
|---|---------------------------------|
| Governmental Activities | |
| Executive | \$ 5,378 |
| General Government | 159,052 |
| Public Safety | 57,270 |
| Public Works | 956,223 |
| Health and Welfare | - |
| Culture, Recreation and Tourism | 238,742 |
| Total Depreciation Expenses - Governmental Activities | \$ 1,416,665 |
| Business-type Activities | |
| Waterworks Utilities | \$ 439,963 |
| Gas Utilities | 27,697 |
| Total Depreciation Expenses - Governmental Activities | \$ 467,660 |

The Construction in Progress of \$471,271 in the Governmental Activities relates to the following ongoing project(s):

| Project | Construction In Progress | Required Future Financing | Expended During Year |
|-----------------------------------|-----------------------------|------------------------------|-------------------------|
| Town Hall Renovations | \$ 360,240 | \$ 74,601 | \$ 181,749 |
| Gymnasium Renovations | 58,399 | 638,268 | - |
| Road Rehabilitation - DEQ 90 West | - | - | 35,571 |
| Multiplex Renovations | 52,632 | 1,132,040 | 32,557 |
| Total Construction in Progress | \$ 471,271 | \$ 1,844,909 | \$ 249,877 |

The Town Hall Renovations project is nearing the bid phase. The Parish provided \$150,000 to the Town for engineering fees to study and design this project. During 2019, the Town spent \$181,749 bringing the total to date cost to \$360,240. The work on the project has been delayed but continues. FEMA is paying for some architectural costs via a project worksheet written under Hurricane Gustav (See Note E.3).

The Gymnasium renovations are being funded with a \$740,000 State Capital Outlay grant (Project No. 50-MB1-12-01). The State is providing \$100,000 in cash for engineering and design work. The balance of \$640,000 is in a non-cash line of credit. During 2019, the Town spent \$0-, bringing the total to date cost to \$58,399. The work on the project has been delayed but continues.

In 2019, \$35,571 was spent on the Municipal Facilities Revolving Loan Program (Non-point Source Run-Off - Road Rehabilitation DEQ 90 West) - see Note D.5. This closed out the project and \$852,998 was capitalized.

TOWN OF GRAND ISLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

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

The Town is looking to renovate the Multiplex Center to provide the Police Department with offices and holding cells. Incidental architectural costs have been incurred in drawing up the plans. \$52,632 has been spent to date. Subsequent to year end, the Town accepted a construction bid in the amount of \$1,132,040. It is anticipated that this project will be funded with State Capital Outlay funds, funds from the Parish, and some local funds. The Town is working on placing the final funding formula in place.

Water District Takeover

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

4. Restricted Assets

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

| <u>Fund/Restricted Asset Account</u> | |
|--|-------------------|
| Waterworks Utilities Enterprise Fund | |
| Water Pipeline Debt Service - Sinking Fund | \$ 51,324 |
| Water Pipeline Debt Service - Reserve Fund | 378,567 |
| Water Pipeline Debt Service - Depreciation & Contingencies Reserve | <u>375,894</u> |
| Total Waterworks Utilities | <u>805,785</u> |
| Gas Utilities Enterprise Fund | |
| Meter Deposits | <u>60,032</u> |
| Total Waterworks Utilities | <u>60,032</u> |
| Total Restricted Assets | <u>\$ 865,817</u> |

TOWN OF GRAND ISLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

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

5. Long-Term Debt

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

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

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

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

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

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

During 2019 the Town incurred costs on this project totaling \$35,571. As of June 30, 2019, bond/loan proceeds of \$35,571 have been received, with the balance of \$-0- being accrued as receivable at year-end and the \$35,571 being recognized as revenue during the year. This amount is shown as an Other Financing Source in the General Fund. The simultaneous forgiveness portion of the transaction is being recognized as Intergovernmental Revenues - Federal grant in the General Fund in the amount of \$35,571. This same amount is recognized as an expenditure in the General Fund for Debt Service - Principal. Thus, at year end, there is no outstanding liability under these Sewer Revenue Bonds. This activity closed the project out and brought the total amount recognized under this program to \$852,998.

There are a number of limitations and restrictions contained in the bond indenture and Loan and Pledge Agreements, which the Town was in compliance with during the fiscal year ended June 30, 2019.

TOWN OF GRAND ISLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

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

Water Revenue Bonds, Series 2000

The Waterworks Utilities Enterprise Fund issued Water Revenue Bonds, Series 2000 on February 25, 2000, totaling \$9,225,000, with interest of 4.75% per annum. The proceeds of the bonds were used to pay off the 2000 Bond Anticipation Notes issued by the Louisiana Facilities Planning Department. The Water Revenue Bonds are secured and payable solely by a pledge of the income and revenues of the Waterworks Utility System after provision for the payment of reasonable and necessary costs and expenses of operating and maintaining the system. Beginning March 25, 2002, and continuing each month through February 25, 2040, payments of \$43,819, representing principal and interest, are due each month. Payments totaling \$541,509 (\$185,853 principal and \$355,656 interest) were made during the current fiscal year.

Revenue bond debt service requirements to maturity, including interest of \$3,980,251, are as follows:

| Year Ending June 30, | Water Revenue Bonds R-1 | Water Revenue Bonds R-2 | Total |
|-----------------------------------|------------------------------------|------------------------------------|---------------------|
| 2020 | \$ 399,000 | \$ 126,825 | \$ 525,825 |
| 2021 | 399,000 | 126,825 | 525,825 |
| 2022 | 399,000 | 126,825 | 525,825 |
| 2023 | 399,000 | 126,825 | 525,825 |
| 2024 | 399,000 | 126,825 | 525,825 |
| Thereafter | 6,516,999 | 2,071,475 | 8,588,474 |
| Total minimum payments | \$ 8,511,999 | \$ 2,705,600 | \$ 11,217,599 |
| Less amount representing interest | (3,033,502) | (946,749) | (3,980,251) |
| Principal Due | <u>\$ 5,478,497</u> | <u>\$ 1,758,851</u> | <u>\$ 7,237,348</u> |

There are a number of limitations and restrictions contained in the bond indenture which the Town was in compliance with during the fiscal year ended June 30, 2019, except for the following:

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

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

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

TOWN OF GRAND ISLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

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

Changes in General Long-Term Liabilities

The following is a summary of the changes in long-term debt related to governmental activities for the fiscal year ended June 30, 2019:

| <u>Type of Debt</u> | <u>Balance July 1, 2018</u> | <u>Additions</u> | <u>Deletions</u> | <u>Balance June 30, 2019</u> | <u>Due Within One Year</u> |
|--------------------------------------|---------------------------------|------------------|---------------------|----------------------------------|--------------------------------|
| Governmental Activities: | | | | | |
| Sewer Revenue Bonds (Revolving Loan) | \$ - | \$ 35,571 | \$ (35,571) | \$ - | \$ - |
| Total | <u>\$ -</u> | <u>\$ 35,571</u> | <u>\$ (35,571)</u> | <u>\$ -</u> | <u>\$ -</u> |
| Business-type Activities: | | | | | |
| Water Revenue Bonds (R-1 & R-2) | \$ 7,423,201 | \$ - | \$ (185,853) | \$ 7,237,348 | \$ 525,825 |
| Total | <u>\$ 7,423,201</u> | <u>\$ -</u> | <u>\$ (185,853)</u> | <u>\$ 7,237,348</u> | <u>\$ 525,825</u> |

6. Restrictions of Net Position and Fund Balance Components

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

Net Position - Restricted for Debt Service

This restriction of \$805,785 reflects the balance in the Water Utility fund set aside for paying principal and interest on the Water Revenue Bonds, as well as amounts held under the bond indenture for on Reserves and for Depreciation and Contingencies.

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

Fund Balance – Non-spendable

This \$21,353 amount represents resources that are not in a spendable form. The non-spendable category would include items such as inventories, prepaid items, and amounts that are legally required to remain intact.

Fund Balance - Restricted for Parish Lighting Project

This \$45,881 represents the balance of funds received from the Parish of Jefferson for a lighting improvement project (\$64,000 received less \$18,119 expended to date).

Fund Balance - Assigned to Community Center & Playgrounds

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

Fund Balance - Assigned to Public Safety Functions

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

TOWN OF GRAND ISLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

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

Fund Balance - Assigned to Public Works Functions

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

Fund Balance - Assigned to Mosquito Control

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

Fund Balance - Assigned to General Purposes

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

Fund Balance - Unassigned

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

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

| | General | Major Governmental Funds | Other Governmental Funds | Total |
|----------------------------------|--------------|--------------------------------|--------------------------------|--------------|
| Non-spendable | \$ 21,353 | \$ - | \$ - | \$ 21,353 |
| Restricted to: | | | | |
| Parish Lighting project | 45,881 | - | - | 45,881 |
| | 45,881 | - | - | 45,881 |
| Committed | - | - | - | - |
| Assigned to: | | | | |
| Community Center and Playgrounds | - | 1,093,248 | - | 1,093,248 |
| Public Safety | - | - | 9,367 | 9,367 |
| Public Works | - | - | 58,335 | 58,335 |
| Mosquito Control | - | - | 399,284 | 399,284 |
| General Purposes | - | - | 33,426 | 33,426 |
| | - | 1,093,248 | 500,412 | 1,593,660 |
| Unassigned | 4,238,635 | - | - | 4,238,635 |
| Total Fund Balance | \$ 4,305,869 | \$ 1,093,248 | \$ 500,412 | \$ 5,899,529 |

TOWN OF GRAND ISLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

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

7. Taxes

Sales Taxes

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

Of the 3 percent levied by the Parish, 1/2 percent is remitted to the Jefferson Parish Public School System and 2 1/2 percent is remitted to the Town (as in incorporated municipality). Of this 2 1/2 percent, 1/6 percent is recognized in the Drainage District No. 1 Special Revenue Fund (generating \$38,625 for 2019). The balance goes to the Town's General Fund (generating \$573,425 for 2019). Included in this amount is the 1/4 percent levied by the Sheriff's Office that is remitted directly to the Town for law enforcement purposes and is recognized in the General Fund (\$23,991 for 2019).

Ad Valorem Taxes

The Town levies an ad valorem tax on real property within the city limits. Ad valorem taxes are recognized in the fiscal year in which the taxes are levied. The levy is generally made as of November 15 of each year. The tax is due, and becomes an enforceable lien on the property, on the first day of the month following the filing of the tax roll by the Parish Assessor with the Louisiana Tax Commission (usually December 1). The tax is considered delinquent on March 1 in the year after the levy. The taxes are billed and collected by the Town.

Ad valorem taxes are levied based on property values determined by the Jefferson Parish Assessor's Office (a separate entity). All land and residential improvements are assessed at 10 percent of its fair market value, and other property at 15 percent of its fair market value. Ad valorem taxes are levied (per \$1,000 assessed value) in varying amounts for maintenance and operation of the Town.

The number of mills levied on the 2018 tax rolls was 6.81 for the General Fund and 5.06 for the Waterworks and Gas Utility funds. The Utility funds split the 5.06 mills, with 80 percent going to the Waterworks Utility Fund and 20 percent going to the Gas Utility Fund. Assessed values for the 2018 totaled \$66,326,153 (an increase of \$12,491,321 or 23.2%), resulting in a current year tax levy of \$787,292 (\$451,682 for the General Fund and \$335,610 for the Water and Gas Utility Funds). After refunds, changes and write-offs, the General Fund recognized \$439,446 in current year taxes plus \$(329) in back taxes, for a net total of \$439,117. The Water and Gas Utility Funds recognized \$328,451 in current year taxes (\$262,762 in the Water Utilities Fund and \$65,689 in the Gas Utilities Fund).

As part of the agreement with the Parish to have them take over the water department operations, the Town is required to remit any surplus funds remaining in the Water Utilities Fund after all operating and debt service expenses have been made. For 2019, the Water Utilities Fund was able to remit \$57,000 to the Parish's Water Department.

TOWN OF GRAND ISLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

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

8. Interfund Transactions

Interfund Receivables and Payables

Individual balances due from/to other funds at June 30, 2019 are as follows:

| Fund | Interfund Receivable | Interfund Payable |
|---|---------------------------------|------------------------------|
| General Fund | \$ 374,804 | \$ 130,651 |
| Major Funds | | |
| Community Center and Playground Dist No. 16 | 2,104 | 17,370 |
| | <u>2,104</u> | <u>17,370</u> |
| Other Governmental Funds | | |
| Drainage District No. 1 | 33,058 | - |
| Mosquito Control Fund | 1,497 | 20,051 |
| | <u>34,555</u> | <u>20,051</u> |
| Total Governmental Funds | <u>411,463</u> | <u>168,072</u> |
| Proprietary Funds | | |
| Waterworks Utilities Enterprise Fund | | |
| Unrestricted | 104,550 | 1,871 |
| Gas Utilities Enterprise Fund | | |
| Unrestricted | 2,702 | 341,697 |
| Restricted | - | 7,075 |
| Total Proprietary Funds | <u>107,252</u> | <u>350,643</u> |
| Total All Funds | <u>\$ 518,715</u> | <u>\$ 518,715</u> |

Interfund Administrative Fee

The Town's General Fund processes all of the transactions of the various funds of the Town. For certain funds, it charges an administrative fee to help cover the costs of operations. For 2019, it collected \$26,400 under this allocation - \$5,400 from the Mosquito Control Special Revenue Fund, \$15,000 from the Community Center and Playground District No. 16 Special Revenue Fund, and \$6,000 from the Gas Utility Fund.

TOWN OF GRAND ISLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

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

Operating Transfers

A summary of operating transfers by fund type for the fiscal year ended June 30, 2019 is as follows:

| Fund | Transfers In | Transfer Out |
|---|---------------------|---------------------|
| General Fund | \$ 84,514 | \$ 17,139 |
| Other Governmental Funds | | |
| Drainage District No. 1 General Fund | 17,139 | - |
| Erosion Control General Fund | - | 24,015 |
| Riverboat Gambling Admission Fees General Fund | - | 60,499 |
| | <u>17,139</u> | <u>84,514</u> |
| Total Governmental Funds | <u>\$ 101,653</u> | <u>\$ 101,653</u> |

The \$17,139 transfer represents the difference between the funds expended on drainage-related costs and the sales tax generated by the drainage tax. Each year, the General Fund subsidizes this cost, depending on receipts and expenditures. For the current year, the General Fund sent excess funds to the Drainage District. The \$24,015 transfer was made from the Erosion Control Fund to the General Fund to help cover costs related to the levee issues. The \$60,499 transfer from the Riverboat Gambling Admission Fees fund was to close that fund out and move the funds to the General Fund for future use.

NOTE E - CONTINGENCIES

1. Risk Management and Litigation

The Town is exposed to various risks of loss from personal injury; torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. To protect itself from these losses, the Town purchases various types of commercial insurance. The Town pays premiums for coverage on general liability, auto, and excess liability. Coverage limits per occurrence is \$500,000, with an aggregate limit of \$500,000 on general liability claims and \$500,000 on excess liability claims.

Town’s management and its attorney have reviewed these claims and lawsuits in order to evaluate the likelihood of an unfavorable outcome to the Town in excess of insurance coverages and to arrive at an estimate, if any, of the amount or range of potential loss to the Town in accordance with Governmental Accounting Standards Board Codification Section C50 – Claims and Judgments. As a result of such review, loss contingencies on the various claims and lawsuits have been categorized into “probable”, “reasonably possible”, and “remote”. For 2019, there were two claims pending that were categorized as “remote”, thus, no liability is expected.

The Town also carries commercial insurance for other risks of loss, including law enforcement officer’s liability, public officials’ errors and omission, workers’ compensation, employee health and accident insurance, fire damage, etc. In each policy, the Town is responsible for the deductible. Settled claims resulting from these risks have not exceeded commercial coverage in any of the past three fiscal years.

TOWN OF GRAND ISLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

NOTE E - CONTINGENCIES (CONTINUED)

During 2019, the Parish of Jefferson renewed its insurance coverage for damage to the waterline. The Town is required to have this coverage in place under the requirements of Section (C) of Ordinance 701, which authorized the sale of the Water Revenue Bonds, Series 2000. The Town has been unable to secure coverage on the waterline due to its size; however, the Parish has been able to obtain coverage on its behalf.

2. Federal Financial Assistance

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

Hurricane Katrina

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

To date, the Town has filed claims (i.e., project worksheets) totaling \$7,465,610. Additional claims are pending as the repair work continues, particularly with the infrastructure areas. The Federal Emergency Management Agency (FEMA) is reimbursing the Town at 100% for all categories under this disaster. Funds are paid via a pass-through grant from the Governor's Office of Homeland Security and Emergency Protection (GOHSEP). As of June 30, 2019, the Town has incurred eligible expenditures totaling \$7,507,325 and has received \$7,316,941 in payments and "applied credits". The difference of \$190,384 is shown on the balance sheet as accounts receivable at year end (see Note D.2). During 2019, the Town closed a few more project worksheets with FEMA. The result was the recognition of \$10,624 in cash receipts and \$39,025 in "applied credits". Applied credits are funds recaptured by FEMA/GOHSEP from other disasters/project worksheets that may have had overpayments on them. For 2019, the Town recognized total revenues related to this disaster of \$210,782 (\$21,398 in the General Fund, \$45,716 in the Community Center and Playground District No. 16 Special Revenue Fund, and \$144,668 in the Gas Utilities Enterprise Fund). The Town continued the process of closing out some of the project worksheets with FEMA (only two PWs remain open at year end). As this process continues, the Town may owe additional funds back to FEMA or may be due additional funds. It is anticipated that most of the unspent money will be supported by expenditures and remain with the Town.

Hurricanes Gustav and Ike

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

TOWN OF GRAND ISLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

NOTE E - CONTINGENCIES (CONTINUED)

To date, the Town has filed claims (i.e., project worksheets) totaling \$3,127,731. FEMA is reimbursing the Town for Gustav-related claims at a 90% level for all eligible costs. As of June 30, 2019, the Town has incurred eligible expenditures totaling \$2,732,374. Of this amount, \$2,458,545 is eligible for federal reimbursement and \$2,458,545 has been received in payments and "applied credits", with the balance of \$-0- being reflected on the balance sheet as a receivable of \$-0- (See Note D.2). During 2019, the Town received \$-0- on this disaster; however, previous overpayments of \$(76,769) were taken in as "applied credits" against other disasters/project worksheets. As such, the Town recognized previously unearned revenue of \$140,930, less the applied credits of \$(76,769), for a net revenue of \$64,161 in 2019. These revenues are recognized in the General Fund.

On September 11, 2008, Hurricane Ike passed just south of the coast of Louisiana and struck the State of Texas. While the State was spared a direct hit, the southern parts of the Parish, including the communities of Grand Isle, Lafitte, Barataria, and Crown Point suffered significant damage from storm and tidal surges. Again, the Town's facilities were spared any significant damage; however, the Town was once again evacuated. The Town provided emergency services before, during and after the Hurricane. To date, the Town has filed claims (i.e., project worksheets) totaling \$2,919,267, with the largest projects relating to the Cheniere and Grand Isle Fishing Piers. Ike-related claims were paid at 100% for Category B claims (i.e., emergency labor and equipment) and at 90% for all other categories. As of June 30, 2019, the Town has incurred costs of \$2,834,820, after adjusting for ineligible costs and administrative fees. Of this amount, \$2,591,527 is eligible for reimbursement and \$2,591,527 has been received in payments and "applied payments". The difference of \$-0- is reflected on the balance sheet as a receivable (See Note D.2). During 2019, the Town received \$-0- on this disaster; however, previous overpayments of \$(18,922) were from other disasters/project worksheets were taken in as "applied payments". Thus, the Town recognized previously deferred grant revenues of \$18,922 in 2019. This revenue is recognized in the General Fund.

Hurricane Isaac

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

The Town provided emergency services before, during and after the storm. Most of these costs are considered eligible for reimbursement through the Federal Emergency Management Agency's (FEMA) Public Disaster Assistance program. To date, the Town has filed claims (i.e., project worksheets) totaling \$123,184, with the largest projects relating to the parks and playgrounds. FEMA is reimbursing the Town for 75% of eligible costs. As of June 30, 2019, the Town has incurred eligible expenditures totaling \$57,850, after adjusting for ineligible items and administrative fees. Of this, \$47,166 is eligible for reimbursement and \$32,267 has been received. The difference of \$14,899 is reflected on the balance sheet as a receivable (See Note D.2) of the Community Center Fund. For 2019, the Town recognized revenues of \$-0- in the General Fund and \$-0- in the Community Center Special Revenue Fund.

TOWN OF GRAND ISLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

NOTE E - CONTINGENCIES (CONTINUED)

Tropical Storm Nate

On October 7, 2018, Tropical Storm Nate brushed the mouth of the Mississippi River just east of the Town of Grand Isle. While the area was spared a direct hit, the southern parts of Jefferson Parish, including Grand Isle, suffered high tides and water damage from storm and tidal surges. The Town's facilities were largely spared any significant damage; however, recreational facilities (beaches, parks and playgrounds) were damaged. In addition, the Town provided emergency services before, during and after the Tropical Storm. Most of these costs are considered eligible for reimbursement through the Federal Emergency Management Agency's (FEMA) Public Disaster Assistance program.

To date, the Town has filed claims (i.e., project worksheets) totaling \$204,520; however, none of the claims have yet been approved or obligated by FEMA. If eligible, FEMA will reimburse the Town for 75% of eligible costs. For 2019, the Town recognized revenues of S-0- in the General Fund and S-0- in the Community Center Special Revenue Fund related to this disaster. The Town continues to work with GOHSEP and FEMA to have the projects approved and obligated.

NOTE F - OTHER INFORMATION

1. Retirement Plan

The Town provides a Savings Incentive Match Plan for employees (i.e., a SIMPLE IRA Plan). The plan allows all full-time employees to make pre-tax salary deferrals of up to \$6,000 annually. The Town is required to make either a dollar-for-dollar match up to 3% of compensation or a 2% non-elective contribution to all eligible participants. The funds are held by a third-party trustee in accounts for each employee. Total contributions to the plan for the year ended June 30, 2019 totaled \$94,327 (\$64,941 employee and \$29,387 employer). The Town paid two of the monthly contributions early, therefore, \$21,353 has been set up as a prepaid item at year end.

2. Restructuring of Water District

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

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

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

TOWN OF GRAND ISLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

NOTE F - OTHER INFORMATION (CONTINUED)

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

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

During the current fiscal year, the Parish' Water Department provided \$541,508 in operating subsidies to the Town's Waterworks Utility Fund to help cover debt service payments due under the Water Revenue Bonds and the Town was able to remit \$57,000 of surplus local ad valorem tax funds back to the Parish.

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**COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES**

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*COMBINING STATEMENTS
NON-MAJOR GOVERNMENTAL FUNDS*

SPECIAL REVENUE FUNDS

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

SEIZURE AND FORFEITURE

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

DRAINAGE DISTRICT NO. 1

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

EROSION CONTROL FUND

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

MOSQUITO CONTROL FUND

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

RIVERBOAT GAMBLING AND ADMISSIONS FEES

Used to account for the Town's 5 percent share of boarding fees received by Jefferson Parish from the Boomtown Belle Casino. This fund was closed by the end of 2019.

COMMUNITY FAIR

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

TOWN OF GRAND ISLE, LOUISIANA

NON-MAJOR GOVERNMENTAL FUNDS
 COMBINING BALANCE SHEET
 JUNE 30, 2019

| | SPECIAL REVENUE FUNDS | | |
|---|---------------------------------------|--|-------------------------------------|
| | SEIZURE AND FORFEITURE | DRAINAGE DISTRICT NO. 1 | EROSION CONTROL FUND |
| ASSETS | | | |
| Cash and cash equivalents | \$ 9,367 | \$ - | \$ 14,097 |
| Investments | - | - | - |
| Receivables (net of allowance for uncollectibles) | | | |
| Accounts | - | - | - |
| Intergovernmental | - | 11,180 | - |
| Gaming fees and commissions | - | - | - |
| Due from other funds | - | 33,058 | - |
| TOTAL ASSETS | \$ 9,367 | \$ 44,238 | \$ 14,097 |
| LIABILITIES AND FUND BALANCES | | | |
| Liabilities | | | |
| Accounts payable | \$ - | \$ - | \$ - |
| Accrued payroll and deductions | - | - | - |
| Due to other funds | - | - | - |
| Unearned grant revenues | - | - | - |
| TOTAL LIABILITIES | - | - | - |
| Fund Balances | | | |
| Nonspendable | | | |
| Restricted | - | - | - |
| Committed | - | - | - |
| Assigned | 9,367 | 44,238 | 14,097 |
| Unassigned | - | - | - |
| TOTAL FUND BALANCES | 9,367 | 44,238 | 14,097 |
| TOTAL LIABILITIES AND FUND BALANCES | \$ 9,367 | \$ 44,238 | \$ 14,097 |

| <u>MOSQUITO CONTROL FUND</u> | <u>RIVERBOAT GAMBLING ADMISSION FEES</u> | <u>COMMUNITY FAIR</u> | <u>TOTAL</u> |
|--------------------------------------|--|---------------------------|-------------------|
| \$ 445,814 | \$ - | \$ 33,426 | \$ 502,704 |
| - | - | - | - |
| - | - | - | - |
| - | - | - | 11,180 |
| 1,497 | - | - | 34,555 |
| <u>\$ 447,311</u> | <u>\$ -</u> | <u>\$ 33,426</u> | <u>\$ 548,439</u> |
| | | | |
| \$ 27,976 | \$ - | \$ - | \$ 27,976 |
| - | - | - | - |
| 20,051 | - | - | 20,051 |
| - | - | - | - |
| <u>48,027</u> | <u>-</u> | <u>-</u> | <u>48,027</u> |
| | | | |
| - | - | - | - |
| - | - | - | - |
| 399,284 | - | 33,426 | 500,412 |
| - | - | - | - |
| <u>399,284</u> | <u>-</u> | <u>33,426</u> | <u>500,412</u> |
| | | | |
| <u>\$ 447,311</u> | <u>\$ -</u> | <u>\$ 33,426</u> | <u>\$ 548,439</u> |

TOWN OF GRAND ISLE, LOUISIANA

NON-MAJOR GOVERNMENTAL FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCES
 FOR THE YEAR ENDD JUNE 30, 2019

| | <u>SPECIAL REVENUE FUNDS</u> | | |
|---|---------------------------------------|--|-------------------------------------|
| | <u>SEIZURE AND FORFEITURE</u> | <u>DRAINAGE DISTRICT NO. 1</u> | <u>EROSION CONTROL FUND</u> |
| REVENUES | | | |
| Taxes | | | |
| Property taxes | \$ - | \$ - | \$ - |
| Sales taxes | - | 38,625 | - |
| Franchise taxes | - | - | - |
| Licenses and permits | - | - | - |
| Intergovernmental | - | - | - |
| Gaming fees and commissions | - | - | - |
| Fines and forfeitures | - | - | - |
| Charges for services | - | - | - |
| Interest | - | - | 46 |
| Miscellaneous | - | - | - |
| TOTAL REVENUES | <u>-</u> | <u>38,625</u> | <u>46</u> |
| EXPENDITURES | | | |
| Current | | | |
| Public Safety | | | |
| Executive | - | - | - |
| General government | - | - | - |
| Public safety | - | - | - |
| Public works | - | 49,262 | - |
| Health and welfare | - | - | - |
| Culture, recreation and tourism | - | - | - |
| TOTAL EXPENDITURES | <u>-</u> | <u>49,262</u> | <u>-</u> |
| EXCESS (DEFICIENCY) OF REVNUES OVER EXPENDITURES | <u>-</u> | <u>(10,637)</u> | <u>46</u> |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers in | - | 17,139 | - |
| Transfers out | - | - | (24,015) |
| TOTAL OTHER FINANCING SOURCES (USES) | <u>-</u> | <u>17,139</u> | <u>(24,015)</u> |
| EXCESS (DEFICIENCY) OF REVNUES OVER EXPENDITURES AND OTHER SOURCES (USES) | <u>-</u> | <u>6,502</u> | <u>(23,969)</u> |
| FUND BALANCE | | | |
| Beginning of year | 9,367 | 37,736 | 38,066 |
| End of year | <u>\$ 9,367</u> | <u>\$ 44,238</u> | <u>\$ 14,097</u> |

| <u>MOSQUITO CONTROL FUND</u> | <u>RIVERBOAT GAMBLING ADMISSION FEES</u> | <u>COMMUNITY FAIR</u> | <u>TOTAL</u> |
|--------------------------------------|--|---------------------------|-------------------|
| \$ - | \$ - | \$ - | \$ - |
| - | - | - | 38,625 |
| - | - | - | - |
| - | - | - | - |
| - | - | - | - |
| 198,200 | - | - | 198,200 |
| 609 | 84 | 52 | 791 |
| - | - | 62,339 | 62,339 |
| <u>198,809</u> | <u>84</u> | <u>62,391</u> | <u>299,955</u> |
| - | - | - | - |
| - | - | - | - |
| - | - | - | 49,262 |
| 185,170 | - | - | 185,170 |
| - | - | 59,196 | 59,196 |
| <u>185,170</u> | <u>-</u> | <u>59,196</u> | <u>293,628</u> |
| <u>13,639</u> | <u>84</u> | <u>3,195</u> | <u>6,327</u> |
| - | - | - | 17,139 |
| - | (60,499) | - | (84,514) |
| <u>-</u> | <u>(60,499)</u> | <u>-</u> | <u>(67,375)</u> |
| 13,639 | (60,415) | 3,195 | (61,048) |
| 385,645 | 60,415 | 30,231 | 561,460 |
| <u>\$ 399,284</u> | <u>\$ -</u> | <u>\$ 33,426</u> | <u>\$ 500,412</u> |

TOWN OF GRAND ISLE, LOUISIANA

NON-MAJOR SPECIAL REVENUE FUNDS
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCES - BUDGET AND ACTUAL
 FOR THE YEAR ENDD JUNE 30, 2019

| | TOTALS BY FUNCTION | | | VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE) |
|---|--------------------|-------------------|-------------------|--|
| | BUDGETS | | ACTUAL | |
| | ORIGINAL | FINAL | | |
| REVENUES | | | | |
| Taxes | | | | |
| Property taxes | \$ - | \$ - | \$ - | \$ - |
| Sales taxes | 40,000 | 40,000 | 38,625 | (1,375) |
| Intergovernmental | - | - | - | - |
| Gaming fees and commissions | - | - | - | - |
| Fines and forfeitures | 1,000 | 1,000 | - | (1,000) |
| Charges for services | 188,000 | 189,100 | 198,200 | 9,100 |
| Interest | 1,540 | 1,540 | 791 | (749) |
| Miscellaneous | 5,500 | 8,200 | 62,339 | 54,139 |
| TOTAL REVENUES | 236,040 | 239,840 | 299,955 | 60,115 |
| EXPENDITURES | | | | |
| Current | | | | |
| Public Safety | 1,040 | 1,040 | - | 1,040 |
| Public Works | 40,000 | 40,000 | 49,262 | (9,262) |
| Health and Welfare | 188,500 | 190,040 | 185,170 | 4,870 |
| Culture and Recreation | 3,300 | 5,800 | 59,196 | (53,396) |
| TOTAL EXPENDITURES | 232,840 | 236,880 | 293,628 | (56,748) |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | 3,200 | 2,960 | 6,327 | 3,367 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | - | - | 17,139 | 17,139 |
| Transfers out | - | - | (84,514) | (84,514) |
| TOTAL OTHER FINANCING SOURCES (USES) | - | - | (67,375) | (67,375) |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER SOURCES (USES) | 3,200 | 2,960 | (61,048) | (64,008) |
| FUND BALANCE | | | | |
| Beginning of year | 486,421 | 561,460 | 561,460 | - |
| End of year | <u>\$ 489,621</u> | <u>\$ 564,420</u> | <u>\$ 500,412</u> | <u>\$ (64,008)</u> |

TOWN OF GRAND ISLE, LOUISIANA

NON-MAJOR SPECIAL REVENUE FUNDS
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCES - BUDGET AND ACTUAL
 FOR THE YEAR ENDD JUNE 30, 2019

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

TOWN OF GRAND ISLE, LOUISIANA

NON-MAJOR SPECIAL REVENUE FUNDS
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCES - BUDGET AND ACTUAL
 FOR THE YEAR ENDD JUNE 30, 2019

| DRAINAGE DISTRICT NO. 1 | | | | VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE) |
|---|------------------|------------------|------------------|--|
| BUDGETS | | | | |
| ORIGINAL | FINAL | ACTUAL | | |
| REVENUES | | | | |
| Taxes | | | | |
| Sales taxes | \$ 40,000 | \$ 40,000 | \$ 38,625 | \$ (1,375) |
| Franchise taxes | - | - | - | - |
| Licenses and permits | - | - | - | - |
| Intergovernmental | - | - | - | - |
| Gaming fees and commissions | - | - | - | - |
| Fines and forfeitures | - | - | - | - |
| Charges for services | - | - | - | - |
| Interest | - | - | - | - |
| Miscellaneous | - | - | - | - |
| TOTAL REVENUES | <u>40,000</u> | <u>40,000</u> | <u>38,625</u> | <u>(1,375)</u> |
| EXPENDITURES | | | | |
| Current | | | | |
| Public Works | | | | |
| Culverts and gates | 3,845 | 4,188 | 5,058 | (870) |
| Lease and rental payments | - | - | - | - |
| Miscellaneous | - | - | - | - |
| Repairs and maintenance - pump stations | 16,155 | 16,155 | 28,314 | (12,159) |
| Repairs and maintenance - vehicles | - | - | - | - |
| Utilities | 20,000 | 19,657 | 15,890 | 3,767 |
| Capital outlay | | | | |
| Pump stations | - | - | - | - |
| TOTAL EXPENDITURES | <u>40,000</u> | <u>40,000</u> | <u>49,262</u> | <u>(9,262)</u> |
| EXCESS (DEFICIENCY) OF REVNUES OVER EXPENDITURES | <u>-</u> | <u>-</u> | <u>(10,637)</u> | <u>(10,637)</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | - | - | 17,139 | 17,139 |
| Transfers out | - | - | - | - |
| TOTAL OTHER FINANCING SOURCES (USES) | <u>-</u> | <u>-</u> | <u>17,139</u> | <u>17,139</u> |
| EXCESS (DEFICIENCY) OF REVNUES OVER EXPENDITURES AND OTHER SOURCES (USES) | <u>-</u> | <u>-</u> | <u>6,502</u> | <u>6,502</u> |
| FUND BALANCE | | | | |
| Beginning of year | 40,708 | 37,736 | 37,736 | - |
| End of year | <u>\$ 40,708</u> | <u>\$ 37,736</u> | <u>\$ 44,238</u> | <u>\$ 6,502</u> |

TOWN OF GRAND ISLE, LOUISIANA

NON-MAJOR SPECIAL REVENUE FUNDS
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCES - BUDGET AND ACTUAL
 FOR THE YEAR ENDD JUNE 30, 2019

| | EROSION CONTROL FUND | | | VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE) |
|---|----------------------|------------------|------------------|--|
| | BUDGETS | | ACTUAL | |
| | ORIGINAL | FINAL | | |
| REVENUES | | | | |
| Interest | \$ 400 | \$ 400 | \$ 46 | \$ (354) |
| TOTAL REVENUES | <u>400</u> | <u>400</u> | <u>46</u> | <u>(354)</u> |
| EXPENDITURES | | | | |
| Current | | | | |
| Public Works | | | | |
| Engineering fees | - | - | - | - |
| Miscellaneous | - | - | - | - |
| TOTAL EXPENDITURES | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| EXCESS (DEFICIENCY) OF REVNUES OVER EXPENDITURES | <u>400</u> | <u>400</u> | <u>46</u> | <u>(354)</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | - | - | - | - |
| Transfers out | - | - | (24,015) | (24,015) |
| TOTAL OTHER FINANCING SOURCES (USES) | <u>-</u> | <u>-</u> | <u>(24,015)</u> | <u>(24,015)</u> |
| EXCESS (DEFICIENCY) OF REVNUES OVER EXPENDITURES AND OTHER SOURCES (USES) | <u>400</u> | <u>400</u> | <u>(23,969)</u> | <u>(24,369)</u> |
| FUND BALANCE | | | | |
| Beginning of year | 38,066 | 38,066 | 38,066 | - |
| End of year | <u>\$ 38,466</u> | <u>\$ 38,466</u> | <u>\$ 14,097</u> | <u>\$ (24,369)</u> |

TOWN OF GRAND ISLE, LOUISIANA

NON-MAJOR SPECIAL REVENUE FUNDS
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCES - BUDGET AND ACTUAL
 FOR THE YEAR ENDD JUNE 30, 2019

| | MOSQUITO CONTROL FUND | | | VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE) |
|---|-----------------------|-------------------|-------------------|--|
| | BUDGETS | | ACTUAL | |
| | ORIGINAL | FINAL | | |
| REVENUES | | | | |
| Charges for services | | | | |
| Mosquito fees | \$ 188,000 | \$ 189,100 | \$ 198,200 | \$ 9,100 |
| Grass cutting fees | - | - | - | - |
| Interest | 500 | 500 | 609 | 109 |
| TOTAL REVENUES | <u>188,500</u> | <u>189,600</u> | <u>198,809</u> | <u>9,209</u> |
| EXPENDITURES | | | | |
| Current | | | | |
| Health and Welfare | | | | |
| Audit | 1,500 | 3,000 | 1,500 | 1,500 |
| Interdepartmental administrative fee | 5,400 | 5,400 | 5,400 | - |
| Miscellaneous | - | 40 | 40 | - |
| Spraying and larviciding | 181,600 | 181,600 | 178,230 | 3,370 |
| Capital outlay | - | - | - | - |
| TOTAL EXPENDITURES | <u>188,500</u> | <u>190,040</u> | <u>185,170</u> | <u>4,870</u> |
| EXCESS (DEFICIENCY) OF REVNUES OVER EXPENDITURES | <u>-</u> | <u>(440)</u> | <u>13,639</u> | <u>14,079</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | - | - | - | - |
| Transfers out | - | - | - | - |
| TOTAL OTHER FINANCING SOURCES (USES) | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| EXCESS (DEFICIENCY) OF REVNUES OVER EXPENDITURES AND OTHER SOURCES (USES) | <u>-</u> | <u>(440)</u> | <u>13,639</u> | <u>14,079</u> |
| FUND BALANCE | | | | |
| Beginning of year | 311,717 | 385,645 | 385,645 | - |
| End of year | <u>\$ 311,717</u> | <u>\$ 385,205</u> | <u>\$ 399,284</u> | <u>\$ 14,079</u> |

TOWN OF GRAND ISLE, LOUISIANA

NON-MAJOR SPECIAL REVENUE FUNDS
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCES - BUDGET AND ACTUAL
 FOR THE YEAR ENDD JUNE 30, 2019

| | RIVERBOAT GAMBLING FEES | | | VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE) |
|---|-------------------------|------------------|-----------------|--|
| | BUDGETS | | ACTUAL | |
| | ORIGINAL | FINAL | | |
| REVENUES | | | | |
| Gaming fees and commissions | | | | |
| Riverboat admission fees | \$ - | \$ - | \$ - | \$ - |
| Interest | 500 | 500 | 84 | (416) |
| TOTAL REVENUES | <u>500</u> | <u>500</u> | <u>84</u> | <u>(416)</u> |
| EXPENDITURES | | | | |
| Current | | | | |
| Public Works | | | | |
| Christmas lights | - | - | - | - |
| Other special projects | - | - | - | - |
| Capital outlay - equipment | - | - | - | - |
| TOTAL EXPENDITURES | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| EXCESS (DEFICIENCY) OF REVNUES OVER EXPENDITURES | <u>500</u> | <u>500</u> | <u>84</u> | <u>(416)</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | - | - | - | - |
| Transfers out | - | - | (60,499) | (60,499) |
| TOTAL OTHER FINANCING SOURCES (USES) | <u>-</u> | <u>-</u> | <u>(60,499)</u> | <u>(60,499)</u> |
| EXCESS (DEFICIENCY) OF REVNUES OVER EXPENDITURES AND OTHER SOURCES (USES) | 500 | 500 | (60,415) | (60,915) |
| FUND BALANCE | | | | |
| Beginning of year | 60,016 | 60,415 | 60,415 | - |
| End of year | <u>\$ 60,516</u> | <u>\$ 60,915</u> | <u>\$ -</u> | <u>\$ (60,915)</u> |

TOWN OF GRAND ISLE, LOUISIANA

NON-MAJOR SPECIAL REVENUE FUNDS
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCES - BUDGET AND ACTUAL
 FOR THE YEAR ENDD JUNE 30, 2019

| | COMMUNITY FAIR | | | VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE) |
|---|------------------|------------------|------------------|--|
| | BUDGETS | | ACTUAL | |
| | ORIGINAL | FINAL | | |
| REVENUES | | | | |
| Interest | \$ 100 | \$ 100 | \$ 52 | \$ (48) |
| Miscellaneous | | | | |
| Fair receipts | 5,000 | 5,000 | 59,839 | 54,839 |
| Fair donations | 500 | 3,200 | 2,500 | (700) |
| TOTAL REVENUES | <u>5,600</u> | <u>8,300</u> | <u>62,391</u> | <u>54,091</u> |
| EXPENDITURES | | | | |
| Current | | | | |
| Culture and Recreation | | | | |
| Advertising | 300 | 300 | - | 300 |
| Bank charges | - | - | 12 | (12) |
| Fair supplies | 3,000 | 5,500 | 59,184 | (53,684) |
| TOTAL EXPENDITURES | <u>3,300</u> | <u>5,800</u> | <u>59,196</u> | <u>(53,396)</u> |
| EXCESS (DEFICIENCY) OF REVNUES OVER EXPENDITURES | <u>2,300</u> | <u>2,500</u> | <u>3,195</u> | <u>695</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | - | - | - | - |
| Transfers out | - | - | - | - |
| TOTAL OTHER FINANCING SOURCES (USES) | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| EXCESS (DEFICIENCY) OF REVNUES OVER EXPENDITURES AND OTHER SOURCES (USES) | <u>2,300</u> | <u>2,500</u> | <u>3,195</u> | <u>695</u> |
| FUND BALANCE | | | | |
| Beginning of year | 26,547 | 30,231 | 30,231 | - |
| End of year | <u>\$ 28,847</u> | <u>\$ 32,731</u> | <u>\$ 33,426</u> | <u>\$ 695</u> |

*INDIVIDUAL FUND
STATEMENTS AND SCHEDULES*

TOWN OF GRAND ISLE, LOUISIANA

GENERAL FUND
 SCHEDULE OF REVENUES - BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2019

| REVENUES | BUDGETED AMOUNTS | | ACTUAL | VARIANCE WITH |
|--------------------------------------|---------------------|------------------|---------------------|------------------------|
| | ORIGINAL | FINAL | | FINAL BUDGET |
| | | | | POSITIVE (NEGATIVE) |
| Taxes | | | | |
| Property taxes | \$ 392,000 | 449,364 | \$ 439,117 | \$ (10,247) |
| Sales taxes | | | | |
| General | 422,000 | 437,070 | 490,711 | 53,641 |
| Law Enforcement | 20,000 | 19,302 | 23,991 | 4,689 |
| Hotel/Motel | 50,000 | 50,000 | 58,723 | 8,723 |
| Franchise taxes | | | | |
| Electric - Entergy | 68,000 | 68,000 | 71,667 | 3,667 |
| Cable - Vision Communications | 30,000 | 30,000 | 38,792 | 8,792 |
| | <u>982,000</u> | <u>1,053,726</u> | <u>1,123,001</u> | <u>69,265</u> |
| Licenses and permits | | | | |
| Business | | | | |
| Occupational | 127,000 | 127,000 | 91,911 | (35,089) |
| Liquor and beer | 6,500 | 6,500 | 5,665 | (835) |
| Non-business | | | | |
| Building | 90,000 | 90,000 | 81,873 | (8,127) |
| Zoning and adjustments | 500 | 500 | 200 | (300) |
| Golf cart permits | 100,000 | 100,000 | 156,288 | 56,288 |
| | <u>324,000</u> | <u>324,000</u> | <u>335,937</u> | <u>11,937</u> |
| Intergovernmental | | | | |
| Federal | | | | |
| FEMA - Disaster Assistance | 108,000 | 200,000 | 103,481 | (96,519) |
| DEQ - Revolving Loan Forgiveness | - | 35,571 | 35,571 | - |
| COE - Hurricane Levee Inspections | - | 20,000 | - | (20,000) |
| State | | | | |
| Boat tax | 6,500 | 6,500 | 4,710 | (1,790) |
| Tobacco tax | - | - | - | - |
| Parish road fund | 168,000 | 168,000 | 168,000 | - |
| Tourism funds | 53,000 | 53,000 | 28,295 | (24,705) |
| I.C.I.E./C.J.C.C grants | - | 3,542 | - | (3,542) |
| DOTD - Highway maintenance | 13,850 | 13,850 | 13,850 | - |
| Beach Water Quality Program | 6,000 | 6,000 | 6,000 | - |
| LGAP equipment grants | 11,500 | 54,000 | - | (54,000) |
| Facility Planning - Multiplex | - | 700,000 | - | (700,000) |
| Local | | | | |
| Jeff Parish - Police Car Grant | - | 35,000 | - | (35,000) |
| Jeff Parish - Police Vest Grant | - | 5,380 | - | (5,380) |
| Jeff Parish - EOC Camera | - | 20,098 | - | (20,098) |
| Jeff Parish Schools - Police Grant | - | - | 27,756 | 27,756 |
| | <u>366,850</u> | <u>1,320,941</u> | <u>387,663</u> | <u>(933,278)</u> |
| Gaming fees and commissions | | | | |
| Riverboat admission fees | 330,000 | 330,000 | 344,265 | 14,265 |
| Video poker allocation | 60,000 | 60,000 | 45,364 | (14,636) |
| | <u>390,000</u> | <u>390,000</u> | <u>389,629</u> | <u>(371)</u> |
| Fines and forfeitures | | | | |
| Fines and court costs | 190,000 | 60,000 | 65,439 | 5,439 |
| Bond fees | 3,000 | 3,000 | - | (3,000) |
| | <u>193,000</u> | <u>63,000</u> | <u>65,439</u> | <u>2,439</u> |
| Charges for services and fees | | | | |
| Sanitation fees | 600,000 | 600,000 | 612,906 | 12,906 |
| Tax research and notices | 6,000 | 6,000 | 2,079 | (3,921) |
| Inspection fees | - | - | - | - |
| Advertising recoveries | - | - | 360 | 360 |
| | <u>606,000</u> | <u>606,000</u> | <u>615,345</u> | <u>9,345</u> |
| Interest | <u>55,000</u> | <u>76,000</u> | <u>79,680</u> | <u>3,680</u> |
| Miscellaneous | | | | |
| Interdepartmental administrative fee | 26,500 | 26,500 | 26,400 | (100) |
| 10% tax collection charge | 26,000 | 31,700 | 32,712 | 1,012 |
| Donations | - | 1,200 | 1,000 | (200) |
| Other | 38,700 | 18,700 | 17,795 | (905) |
| | <u>91,200</u> | <u>78,100</u> | <u>77,907</u> | <u>(193)</u> |
| TOTAL REVENUES | \$ 3,008,050 | 3,911,777 | \$ 3,074,601 | \$ (837,176) |

TOWN OF GRAND ISLE, LOUISIANA

GENERAL FUND
 SCHEDULE OF EXPENDITURES BY DEPARTMENT - BUDGET AND ACTUAL
 EXECUTIVE FUNCTION
 FOR THE YEAR ENDED JUNE 30, 2019

| | BUDGETED AMOUNTS | | ACTUAL | VARIANCE WITH |
|--------------------------------|------------------|------------------|------------------|------------------------|
| | ORIGINAL | FINAL | | FINAL BUDGET |
| | | | | POSITIVE (NEGATIVE) |
| MAYOR'S DEPARTMENT | | | | |
| Current | | | | |
| Salaries | \$ 85,000 | \$ 85,000 | \$ 81,895 | \$ 3,105 |
| Local and special costs | 1,000 | 1,000 | - | 1,000 |
| Office supplies | 1,000 | 1,000 | 817 | 183 |
| Legal and professional fees | 1,000 | 1,000 | - | 1,000 |
| Repairs - vehicles | 1,500 | 1,500 | 361 | 1,139 |
| Gas and oil | 2,000 | 3,000 | 1,984 | 1,016 |
| Travel and other | 3,000 | 3,000 | 1,675 | 1,325 |
| Capital outlay | | | | |
| Office furniture and equipment | 2,000 | 3,000 | - | 3,000 |
| TOTAL DEPARTMENT | \$ 96,500 | \$ 98,500 | \$ 86,732 | \$ 11,768 |
| TOTAL EXECUTIVE | \$ 96,500 | \$ 98,500 | \$ 86,732 | \$ 11,768 |

TOWN OF GRAND ISLE, LOUISIANA

GENERAL FUND
 SCHEDULE OF EXPENDITURES BY DEPARTMENT - BUDGET AND ACTUAL
 GENERAL GOVERNMENT FUNCTION
 FOR THE YEAR ENDED JUNE 30, 2019

| | BUDGETED AMOUNTS | | ACTUAL | VARIANCE WITH |
|--|---------------------|---------------------|---------------------|-------------------|
| | ORIGINAL | FINAL | | FINAL BUDGET |
| | | | | POSITIVE |
| | | | | (NEGATIVE) |
| GENERAL AND ADMINISTRATIVE | | | | |
| Current | | | | |
| Salaries | \$ 170,000 | \$ 170,000 | \$ 165,987 | \$ 4,013 |
| Payroll taxes | 86,000 | 90,000 | 90,819 | (819) |
| Unemployment taxes | 1,600 | 1,800 | 1,698 | 102 |
| Insurance - hospitalization | 220,000 | 224,000 | 224,303 | (303) |
| Insurance - workman's compensation | 42,000 | 60,000 | 41,674 | 18,326 |
| Retirement - employer contributions | 16,000 | 35,000 | 29,387 | 5,613 |
| Aldermen - per diems | 31,200 | 31,200 | 31,186 | 14 |
| Aldermen - expenses | 9,000 | 9,000 | 4,197 | 4,803 |
| Audit | 16,000 | 17,750 | 17,750 | - |
| Legal and professional fees | 7,500 | 32,500 | 37,399 | (4,899) |
| Office supplies | 9,500 | 10,150 | 10,068 | 82 |
| Coffee supplies | 7,500 | 8,000 | 7,628 | 372 |
| Janitorial supplies | 2,000 | 2,300 | 2,320 | (20) |
| Advertising | 7,500 | 7,500 | 7,398 | 102 |
| Bank charges | 500 | 500 | 610 | (110) |
| Signs and insignias | 2,500 | 1,000 | 196 | 804 |
| LMA - dues | 300 | 400 | 366 | 34 |
| LMA - expenses | 2,000 | 5,376 | 3,263 | 2,113 |
| Dues and subscriptions | 3,200 | 3,200 | 987 | 2,213 |
| Insurance - general and auto | 90,000 | 90,000 | 86,605 | 3,395 |
| Utilities | 18,000 | 18,000 | 14,129 | 3,871 |
| Postage | 4,000 | 4,000 | 3,922 | 78 |
| Telephone | 16,000 | 18,000 | 19,801 | (1,801) |
| Repairs - buildings | 16,000 | 16,000 | 17,220 | (1,220) |
| Repairs - office equipment | 14,000 | 13,500 | 10,180 | 3,320 |
| Repairs - vehicles | 3,000 | 7,000 | 5,064 | 1,936 |
| Repairs - storm damage | - | 325 | 325 | - |
| Gas and oil | 5,000 | 7,000 | 6,373 | 627 |
| Public assistance | 500 | 500 | - | 500 |
| Physicals | 1,600 | 1,000 | 745 | 255 |
| Uniforms | 1,500 | 2,000 | 1,482 | 518 |
| Travel and other | 500 | 500 | - | 500 |
| Miscellaneous | 1,000 | 1,000 | (1,401) | 2,401 |
| Capital outlay | | | | |
| Buildings and structures | 809,500 | 902,500 | 217,684 | 684,816 |
| Office furniture and equipment | 5,000 | 20,000 | 12,761 | 7,239 |
| Vehicles | - | - | - | - |
| Christmas decorations | 1,000 | 1,000 | 1,344 | (344) |
| Hurricane Levee inspection/restoration | 20,000 | 20,000 | 25,000 | (5,000) |
| Road Rehabilitation - DEQ 90 West | - | 36,557 | 35,571 | 986 |
| TOTAL DEPARTMENT | \$ 1,641,900 | \$ 1,869,558 | \$ 1,134,041 | \$ 735,517 |

TOWN OF GRAND ISLE, LOUISIANA

GENERAL FUND
 SCHEDULE OF EXPENDITURES BY DEPARTMENT - BUDGET AND ACTUAL
 GENERAL GOVERNMENT FUNCTION (CONTINUED)
 FOR THE YEAR ENDED JUNE 30, 2019

| | <u>BUDGETED AMOUNTS</u> | | <u>ACTUAL</u> | <u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u> |
|---|-------------------------|---------------------|---------------------|---|
| | <u>ORIGINAL</u> | <u>FINAL</u> | | |
| PLANNING COMMISSION AND TAX DEPARTMENT | | | | |
| Current | | | | |
| Salaries | \$ 125,000 | \$ 139,000 | \$ 132,224 | \$ 6,776 |
| Office supplies | 2,000 | 2,000 | 2,019 | (19) |
| Printing - tax bills | 3,200 | 3,200 | 3,170 | 30 |
| Advertising | 1,100 | 1,100 | 550 | 550 |
| Recordation | 4,500 | 4,500 | 4,615 | (115) |
| Travel and other | 500 | 500 | - | 500 |
| Miscellaneous | 500 | 500 | 379 | 121 |
| Capital outlay | | | | |
| Office furniture and equipment | 2,500 | 2,500 | 983 | 1,517 |
| TOTAL DEPARTMENT | <u>\$ 139,300</u> | <u>\$ 153,300</u> | <u>\$ 143,940</u> | <u>\$ 9,360</u> |
| TOTAL GENERAL GOVERNMENT | <u>\$ 1,781,200</u> | <u>\$ 2,022,858</u> | <u>\$ 1,277,981</u> | <u>\$ 744,877</u> |

TOWN OF GRAND ISLE, LOUISIANA

GENERAL FUND
 SCHEDULE OF EXPENDITURES BY DEPARTMENT - BUDGET AND ACTUAL
 PUBLIC SAFETY FUNCTION
 FOR THE YEAR ENDED JUNE 30, 2019

| | BUDGETED AMOUNTS | | ACTUAL | VARIANCE WITH |
|------------------------------------|-------------------|---------------------|-------------------|------------------------|
| | ORIGINAL | FINAL | | FINAL BUDGET |
| | | | | POSITIVE (NEGATIVE) |
| POLICE DEPARTMENT | | | | |
| Current | | | | |
| Salaries | \$ 450,000 | \$ 480,000 | \$ 495,836 | \$ (15,836) |
| Salaries - beach patrol | 55,000 | 55,000 | 21,352 | 33,648 |
| Insurance - hospitalization | 138,000 | 138,000 | 137,828 | 172 |
| Insurance - workman's compensation | 44,000 | 56,000 | 39,892 | 16,108 |
| Chief of Police - expenscs | 1,000 | 1,000 | 1,153 | (153) |
| Clerk of Court fees | 20,500 | 20,500 | 16,572 | 3,928 |
| Decals | 1,500 | 1,500 | 410 | 1,090 |
| Dues and subscriptions | 1,000 | 1,000 | 309 | 691 |
| Food and lodging - deputies | 1,000 | 1,000 | 316 | 684 |
| Food - prisoners | 500 | 500 | - | 500 |
| Legal and professional fees | 4,500 | 4,500 | 2,817 | 1,683 |
| Office supplies | 4,500 | 4,500 | 3,157 | 1,343 |
| Coffee supplies | 500 | 1,200 | 995 | 205 |
| Janitorial supplies | 1,400 | 1,400 | 967 | 433 |
| Ammunition | 2,500 | 2,500 | - | 2,500 |
| Chemicals | 500 | 500 | - | 500 |
| Insurance - general and auto | 35,000 | 47,000 | 49,096 | (2,096) |
| Utilities | 3,000 | 5,000 | 4,337 | 663 |
| Postage | 250 | 250 | 119 | 131 |
| Telephone | 15,000 | 17,000 | 20,799 | (3,799) |
| Repairs - buildings | - | - | - | - |
| Repairs - office equipment | 1,200 | 1,200 | - | 1,200 |
| Repairs - vehicles | 10,000 | 10,000 | 7,216 | 2,784 |
| Gas and oil | 28,000 | 28,000 | 24,898 | 3,102 |
| Physicals | - | - | - | - |
| School training | 2,500 | 2,500 | (1,325) | 3,825 |
| Uniforms | 5,000 | 5,000 | 3,793 | 1,207 |
| Travel and other | 2,500 | 2,500 | 235 | 2,265 |
| Miscellaneous | 1,500 | 3,000 | 2,200 | 800 |
| Capital outlay | | | | |
| Buildings and structures | - | - | - | - |
| Office furniture and equipment | 1,500 | 1,500 | 1,712 | (212) |
| Guns and equipment | 2,500 | 36,810 | 3,306 | 33,504 |
| Vehicles | 41,000 | 76,000 | 69,228 | 6,772 |
| TOTAL DEPARTMENT | \$ 875,350 | \$ 1,004,860 | \$ 908,291 | \$ 96,569 |
| CIVIL DEFENSE | | | | |
| Current | | | | |
| Salaries | \$ - | \$ - | \$ - | \$ - |
| Emergency supplies | 5,000 | 5,000 | 139 | 4,861 |
| Travel and other | - | - | - | - |
| Miscellaneous | - | - | - | - |
| Capital outlay | | | | |
| Office furniture and equipment | - | - | - | - |
| TOTAL DEPARTMENT | \$ 5,000 | \$ 5,000 | \$ 139 | \$ 4,861 |
| TOTAL PUBLIC SAFETY | \$ 880,350 | \$ 1,009,860 | \$ 908,430 | \$ 101,430 |

TOWN OF GRAND ISLE, LOUISIANA

GENERAL FUND
 SCHEDULE OF EXPENDITURES BY DEPARTMENT - BUDGET AND ACTUAL
 PUBLIC WORKS FUNCTION
 FOR THE YEAR ENDED JUNE 30, 2019

| | BUDGETED AMOUNTS | | ACTUAL | VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE) |
|------------------------------------|-------------------|-------------------|-------------------|---|
| | ORIGINAL | FINAL | | |
| STREETS DEPARTMENT | | | | |
| Current | | | | |
| Salaries | \$ 250,000 | \$ 300,000 | \$ 276,237 | \$ 23,763 |
| Chemicals | 8,000 | 8,000 | 1,275 | 6,725 |
| Street repairs | 8,500 | 17,099 | 6,669 | 10,430 |
| Street signs | 8,000 | 8,000 | 2,694 | 5,306 |
| Limestone | 5,000 | 9,000 | 6,449 | 2,551 |
| Small tools and equipment | 3,500 | 3,500 | 2,943 | 557 |
| Repairs - vehicles | 35,000 | 35,000 | 26,959 | 8,041 |
| Gas and oil | 30,000 | 30,000 | 33,237 | (3,237) |
| Equipment rental | 5,000 | 5,000 | - | 5,000 |
| Uniforms | 1,500 | 1,500 | 1,489 | 11 |
| Miscellaneous | 3,000 | 3,500 | 3,695 | (195) |
| Capital outlay | | | | |
| Buildings and structures | - | - | - | - |
| Office furniture and equipment | 11,500 | 11,500 | - | 11,500 |
| Vehicles | 5,000 | 20,720 | 1,533 | 19,187 |
| TOTAL DEPARTMENT | \$ 374,000 | \$ 452,819 | \$ 363,180 | \$ 89,639 |
| SANITATION DEPARTMENT | | | | |
| Current | | | | |
| Contracted services - hauling fees | \$ 470,000 | \$ 470,000 | \$ 461,500 | \$ 8,500 |
| Disposal charges | 70,000 | 70,000 | 65,134 | 4,866 |
| Utilities | 200 | 200 | 220 | (20) |
| TOTAL DEPARTMENT | \$ 540,200 | \$ 540,200 | \$ 526,854 | \$ 13,346 |
| TOTAL PUBLIC WORKS | \$ 914,200 | \$ 993,019 | \$ 890,034 | \$ 102,985 |

TOWN OF GRAND ISLE, LOUISIANA

GENERAL FUND
 SCHEDULE OF EXPENDITURES BY DEPARTMENT - BUDGET AND ACTUAL
 CULTURE, RECREATION AND TOURISM
 FOR THE YEAR ENDED JUNE 30, 2019

| | BUDGETED AMOUNTS | | ACTUAL | VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE) |
|---|------------------|-------------------|------------------|---|
| | ORIGINAL | FINAL | | |
| TOURISM DEPARTMENT | | | | |
| Current | | | | |
| Salaries | \$ 25,000 | \$ 32,325 | \$ 28,559 | \$ 3,766 |
| Advertising | 45,000 | 115,000 | 67,381 | 47,619 |
| Dues and subscriptions | 1,000 | 1,000 | - | 1,000 |
| Office supplies | 1,500 | 1,500 | 1,371 | 129 |
| Telephone | 1,500 | 1,500 | 1,171 | 329 |
| Postage | - | 120 | 120 | - |
| Travel and other | 3,000 | 3,000 | 132 | 2,868 |
| Miscellaneous | 1,500 | 1,500 | 100 | 1,400 |
| Capital outlay | | | | |
| Office furniture and equipment | 1,500 | 1,500 | - | 1,500 |
| TOTAL DEPARTMENT | \$ 80,000 | \$ 157,445 | \$ 98,834 | \$ 58,611 |
| TOTAL CULTURE, RECREATION, AND TOURISM | \$ 80,000 | \$ 157,445 | \$ 98,834 | \$ 58,611 |

TOWN OF GRAND ISLE, LOUISIANA

COMMUNITY CENTER AND PLAYGROUND DISTRICT NO. 16
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCES - BUDGET AND ACTUAL
 FOR THE YEAR ENDD JUNE 30, 2019

| | BUDGETS | | | VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE) |
|--|-----------------|-----------------|----------------|--|
| | ORIGINAL | FINAL | ACTUAL | |
| REVENUES | | | | |
| Intergovernmental | | | | |
| Parish dedicated ad valorem taxes - operation | \$ 378,000 | \$ 378,000 | \$ 332,196 | \$ (45,804) |
| Parish dedicated ad valorem taxes - capital | - | 200,000 | 200,000 | - |
| Federal Grants - FEMA | - | - | 45,716 | 45,716 |
| Parish - Special Funds | 25,000 | 75,000 | 75,000 | - |
| Parish - Hoops on the Isle | - | 10,000 | - | (10,000) |
| Charges for services | | | | |
| Rental income | 5,000 | 2,000 | 1,045 | (955) |
| Interest | 2,000 | 2,600 | 2,854 | 254 |
| Miscellaneous | 3,000 | 58,365 | 3,000 | (55,365) |
| TOTAL REVENUES | 413,000 | 725,965 | 659,811 | (66,154) |
| EXPENDITURES | | | | |
| Current | | | | |
| Culture and Recreation | | | | |
| Salaries | 58,000 | 55,000 | 54,411 | 589 |
| Salaries - beach sweep | 48,000 | 48,000 | 39,426 | 8,574 |
| Salaries - summer program | 25,000 | 50,000 | 16,127 | 33,873 |
| Payroll taxes | 9,000 | 9,200 | 8,004 | 1,196 |
| Unemployment taxes | 500 | 500 | 566 | (66) |
| Insurance | | | | |
| Hospitalization | 30,200 | 30,200 | 29,464 | 736 |
| Workman's compensation | 4,800 | 7,000 | 4,855 | 2,145 |
| General and auto | 73,000 | 73,000 | 53,928 | 19,072 |
| Audit | 7,500 | 7,500 | 7,500 | - |
| Gas and oil - beach equipment | 10,000 | 10,000 | 8,133 | 1,867 |
| Janitorial supplies | 5,000 | 5,000 | 2,546 | 2,454 |
| Legal and professional fees | 500 | 500 | 350 | 150 |
| Office supplies and costs | 500 | 250 | 200 | 50 |
| Recreational assistance | 2,500 | 12,500 | 5,575 | 6,925 |
| Repairs and maintenance | | | | |
| Building | 35,500 | 283,300 | 73,725 | 209,575 |
| Office equipment | 2,000 | 2,000 | 382 | 1,618 |
| Beach cleaning equipment | 8,000 | 8,000 | 2,179 | 5,821 |
| Tennis courts | 500 | 500 | - | 500 |
| Parks and playgrounds | 36,000 | 90,000 | 79,537 | 10,463 |
| Small tools and equipment | 500 | - | 4,288 | (4,288) |
| Telephone | 22,000 | 3,000 | 2,316 | 684 |
| Utilities | 48,000 | 45,000 | 36,826 | 8,174 |
| Interdepartmental administrative fee | 15,000 | 15,000 | 15,000 | - |
| Miscellaneous | - | - | 324 | (324) |
| Capital outlays | | | | |
| Office furniture and equipment | 3,000 | 1,000 | 95 | 905 |
| Beach cleaning equipment | 11,500 | 11,500 | 275 | 11,225 |
| Christmas decorations | 7,500 | 5,460 | 4,739 | 721 |
| Playground equipment | 25,000 | 42,806 | 12,984 | 29,822 |
| TOTAL EXPENDITURES | 489,000 | 816,216 | 464,055 | 352,161 |
| EXCESS (DEFICIENCY) OF REVNUES OVER EXPENDITURES | (76,000) | (90,251) | 195,756 | 286,007 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | - | - | - | - |
| TOTAL OTHER FINANCING SOURCES (USES) | - | - | - | - |
| EXCESS (DEFICIENCY) OF REVNUES OVER EXPENDITURES AND OTHER SOURCES (USES) | (76,000) | (90,251) | 195,756 | 286,007 |
| FUND BALANCE | | | | |
| Beginning of year | 744,541 | 897,492 | 897,492 | - |
| End of year | \$ 668,541 | \$ 807,241 | \$ 1,093,248 | \$ 286,007 |

TOWN OF GRAND ISLE, LOUISIANA

WATERWORKS UTILITY FUND
SCHEDULE OF OPERATING EXPENSES
FOR THE YEAR ENDED JUNE 30, 2019

| | |
|--|-------------------|
| GENERAL AND ADMINISTRATIVE | |
| Audit | \$ - |
| Bank charges | - |
| Grant expenses - Rural Development | - |
| Insurance - general and auto | - |
| Interdepartmental administrative fee | - |
| Intergovernmental - Excess Millage to JP | 57,000 |
| Legal and professional fees | - |
| Miscellaneous | - |
| Office and janitorial supplies | - |
| One call service | - |
| Physicals and drug testing | - |
| Postage | - |
| Repairs and maintenance | - |
| Tax collection commission | 26,170 |
| Telephone | - |
| Training school | - |
| Travel and other | - |
| Uniforms | - |
| Utilities | - |
| Water master plan | - |
| Waterline survey | - |
| Total General and Administrative | <u>83,170</u> |
| DEPRECIATION | |
| Depreciation and amortization | <u>439,963</u> |
| Total Depreciation | <u>439,963</u> |
| TOTAL OPERATING EXPENSES | <u>\$ 523,133</u> |

TOWN OF GRAND ISLE, LOUISIANA

**WATERWORKS UTILITY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS OF
RESTRICTED ASSET FUNDS
FOR THE YEAR ENDED JUNE 30, 2019**

WATER PIPELINE DEBT SERVICE - SINKING FUND

| | |
|---|------------------|
| Cash and cash equivalents at June 30, 2018 | \$ 51,226 |
| Receipts | |
| Transfers from Water Pipeline Construction Fund | - |
| Intergovernmental subsidy - JP Water | 541,508 |
| Interest and bank charges | 98 |
| Total Receipts | <u>541,606</u> |
| Disbursements | |
| Payments of principal on Water Revenue Bonds, Series 2000 | 185,853 |
| Payments of interest on Water Revenue Bonds, Series 2000 | 355,655 |
| Bank Charges | - |
| Total Disbursements | <u>541,508</u> |
| Cash and cash equivalents at June 30, 2019 | <u>\$ 51,324</u> |

WATER PIPELINE DEBT SERVICE - RESERVE FUND

| | |
|---|-------------------|
| Cash and cash equivalents at June 30, 2018 | \$ 248,567 |
| Receipts | |
| Transfers from Waterworks Utility Fund | 96,500 |
| Transfer from Depreciation and Contingencies Fund | 26,292 |
| Interest and bank charges | 7,208 |
| Total Receipts | <u>130,000</u> |
| Cash and cash equivalents at June 30, 2019 | <u>\$ 378,567</u> |

TOWN OF GRAND ISLE, LOUISIANA

WATERWORKS UTILITY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS OF
RESTRICTED ASSET FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

WATER PIPELINE - RESERVE FOR DEPRECIATION AND CONTINGENCIES FUND

| | |
|--|-------------------|
| Cash and cash equivalents at June 30, 2018 | \$ 298,152 |
| Receipts | |
| Transfers from Waterworks Utility Fund | 96,500 |
| Interest and bank charges | 7,534 |
| Total Receipts | <u>104,034</u> |
| Disbursements | |
| Transfer to Debt Service Reserve Fund | 26,292 |
| Payments of interest on Water Revenue Bonds, Series 2000 | - |
| Total Disbursements | <u>26,292</u> |
| Cash and cash equivalents at June 30, 2019 | <u>\$ 375,894</u> |

SUMMARY OF CASH AND CASH EQUIVALENTS - RESTRICTED ASSETS

| | |
|--|-------------------|
| Water Pipeline - Debt Service - Sinking Fund | \$ 51,324 |
| Water Pipeline - Debt Service - Reserve Fund | 378,567 |
| Water Pipeline - Reserve for Depreciation and Contingencies Fund | 375,894 |
| | <u>\$ 805,785</u> |

Reported on Balance Sheet as:

| | |
|---------------------------|-------------------|
| Restricted Assets | |
| Cash and cash equivalents | \$ 51,324 |
| Investments | 754,461 |
| | <u>\$ 805,785</u> |

TOWN OF GRAND ISLE, LOUISIANA

GAS UTILITY FUND
 SCHEDULE OF OPERATING EXPENSES
 FOR THE YEAR ENDED JUNE 30, 2019

PERSONAL SERVICES

| | |
|---------------------------------------|----------------|
| Salaries | \$ 144,467 |
| Payroll taxes | 10,212 |
| Unemployment tax | 566 |
| Insurance - workmen's compensation | 4,422 |
| Insurance - hospitalization and other | 48,388 |
| Total Personal Services | <u>208,055</u> |

CONTRACTED SERVICES

| | |
|---------------------------|---------------|
| Gas purchases | 55,768 |
| Contracted services | 5,194 |
| Total Contracted Services | <u>60,962</u> |

MATERIALS AND SUPPLIES

| | |
|----------------------------------|--------------|
| installation materials and labor | 663 |
| Gas and oil | 3,485 |
| Small tools and equipment | 2,794 |
| Equipment rental | - |
| Total Materials and Supplies | <u>6,942</u> |

GENERAL AND ADMINISTRATIVE

| | |
|--------------------------------------|----------------|
| Audit | 2,000 |
| Bank charges | 422 |
| Dues and subscriptions | 125 |
| Insurance - general and auto | 46,200 |
| Inspection and surveys | 1,600 |
| Interdepartmental administrative fee | 6,000 |
| Miscellaneous | 2,340 |
| Office and janitorial supplies | 3,463 |
| One call service | 688 |
| Physicals and drug testing | 504 |
| Postage | 7,955 |
| Repairs and maintenance | |
| Buildings | 548 |
| Office equipment | 215 |
| Vehicles | 1,409 |
| Gas distribution system | 50,541 |
| Gas meters | 50 |
| Tax collection commission | 6,542 |
| Telephone | 1,498 |
| Training school | 3,015 |
| Travel and other | 308 |
| Utilities | 1,801 |
| Total General and Administrative | <u>137,224</u> |

DEPRECIATION

| | |
|-------------------------------|---------------|
| Depreciation and amortization | <u>27,697</u> |
| Total Depreciation | <u>27,697</u> |

| | |
|--------------------------|-------------------|
| TOTAL OPERATING EXPENSES | <u>\$ 440,880</u> |
|--------------------------|-------------------|

TOWN OF GRAND ISLE, LOUISIANA

**AGENCY FUNDS
SCHEDULE OF CHANGES IN DEPOSIT BALANCES
DUE TO OTHERS
FOR THE YEAR ENDED JUNE 30, 2019**

| | |
|--|------------------|
| DEPOSIT BALANCES DUE TO OTHERS AT JUNE 30, 2018 | <u>\$ 11,785</u> |
| COLLECTIONS | |
| Deposits | |
| Donations | - |
| Interest Income | 23 |
| Total Collections | <u>23</u> |
| DISTRIBUTIONS | |
| Deposits Settled To: | |
| Town of Grand Isle General Fund | - |
| Disaster victims and vendors | 916 |
| Capital outlay | - |
| Total Distributions | <u>916</u> |
| DEPOSIT BALANCES DUE TO OTHERS AT JUNE 30, 2019 | <u>\$ 10,892</u> |

OTHER INFORMATION

TOWN OF GRAND ISLE, LOUISIANA

**SCHEDULE OF PAYMENTS TO ALDERMEN
For the Fiscal Year Ended June 30, 2019**

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

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

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

TOWN OF GRAND ISLE

**SCHEDULE OF COMPENSATION AND OTHER PAYMENTS
TO AGENCY HEAD OR CHIEF EXECUTIVE OFFICER
FOR THE YEAR ENDED JUNE 30, 2019**

Agency Head Name/Title:

David Camardelle, Mayor

| <u>Purpose</u> | <u>Amount</u> | |
|--|----------------------|-----|
| Salary | \$ 43,635 | (1) |
| Taxes - Federal (Social Security and Medicare) | 2,965 | (2) |
| Benefits - Retirement | 1,309 | (3) |
| Benefits - Insurance (Group Health) | 13,088 | (4) |
| Benefits - Other (Life and Dental Insurance) | 744 | |
| Vehicle Provided by Agency | 3,835 | (5) |
| Vehicle Use Reimbursements | - | |
| Per Diem | - | |
| Reimbursements | - | |
| Travel (Meal per diems) | - | |
| Registration Fees | - | |
| Conference Travel | 1,675 | (6) |
| Continuing Professional Education Fees | - | |
| Housing | - | |
| Unvouchered Expenses | - | |
| Special Meals | - | |

Notes to Schedule:

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

TOWN OF GRAND ISLE
SCHEDULE OF CASH AND CASH EQUIVALENTS
June 30, 2019

| FUND/ACCOUNT | BANK | 6/30/2019 BANK BALANCE | 6/30/2019 BOOK BALANCE |
|--|----------------------|------------------------------|------------------------------|
| PROPRIETARY FUNDS | | | |
| WATERWORKS - UNRESTRICTED | | | |
| CASH AND CHECKING | | | |
| Operating (O&M) | South Lafourche Bank | 3,886 | 11,551 |
| Total Waterworks - Unrestricted | | <u>3,886</u> | <u>11,551</u> |
| WATERWORKS - RESTRICTED | | | |
| CASH AND CHECKING | | | |
| Waterpipeline - Sinking | South Lafourche Bank | 51,324 | 51,324 |
| | | <u>51,324</u> | <u>51,324</u> |
| LOUISIANA ASSET MANAGEMENT POOL | | | |
| Waterpipeline - Reserve | | 378,567 | 378,567 |
| Waterpipeline - Depreciation and Contingencies | | 375,894 | 375,894 |
| | | <u>754,461</u> | <u>754,461</u> |
| Total Waterworks - Restricted | | <u>805,785</u> | <u>805,785</u> |
| TOTAL WATERWORKS FUND | | <u>809,671</u> | <u>817,336</u> |
| GAS FUND | | | |
| CASH AND CHECKING | | | |
| Gas Operating | South Lafourche Bank | 104,453 | 46,700 |
| Petty Cash | N/A | - | 100 |
| | | <u>104,453</u> | <u>46,800</u> |
| GAS UTILITIES - RESTRICTED | | | |
| CASH AND CHECKING | | | |
| Meter Deposit | JP Morgan Chase | - | (1,764) |
| Meter Deposit | State Bank | 60,906 | 61,796 |
| Total Gas Utilities - Restricted | | <u>60,906</u> | <u>60,032</u> |
| TOTAL GAS UTILITIES FUND | | <u>165,359</u> | <u>106,832</u> |
| TOTAL PROPRIETARY FUNDS | | <u>\$ 975,030</u> | <u>\$ 924,168</u> |
| FIDUCIARY FUNDS | | | |
| AGENCY FUNDS | | | |
| CASH AND CHECKING | | | |
| Grand Isle Relief Fund | South Lafourche Bank | \$ 10,892 | \$ 10,892 |
| TOTAL FIDUCIARY FUNDS | | <u>\$ 10,892</u> | <u>\$ 10,892</u> |
| GRAND TOTAL | | <u>\$ 5,834,108</u> | <u>\$ 5,613,995</u> |

(continued)

TOWN OF GRAND ISLE
SCHEDULE OF CASH AND CASH EQUIVALENTS
June 30, 2019

| FUND/ACCOUNT | BANK | 6/30/2019 BANK BALANCE | 6/30/2019 BOOK BALANCE |
|---|----------------------|------------------------------|------------------------------|
| GENERAL FUND AND MAJOR FUNDS | | | |
| GENERAL FUND | | | |
| CASH AND CHECKING | | | |
| Petty Cash | N/A | \$ - | \$ 200 |
| Operating | South Lafourche Bank | 552,868 | 473,223 |
| Accounts Payable | South Lafourche Bank | 99,931 | 38,316 |
| Payroll | South Lafourche Bank | 12,110 | 63 |
| Appearance Bonds | Community Bank | 5,358 | 3,400 |
| | | <u>670,267</u> | <u>515,202</u> |
| LOUISIANA ASSET MANAGEMENT POOL | | | |
| General Fund Accounts | | <u>3,297,126</u> | <u>3,297,126</u> |
| | | <u>\$ 3,967,393</u> | <u>\$ 3,812,328</u> |
| COMMUNITY CENTER AND PLAYGROUND DIST NO. 16 | | | |
| CASH AND CHECKING | | | |
| Community Center | South Lafourche Bank | 254,605 | 246,310 |
| FEMA Repetitive Flood Claims Grant | South Lafourche Bank | - | - |
| | | <u>254,605</u> | <u>246,310</u> |
| LOUISIANA ASSET MANAGEMENT POOL | | | |
| Community Center | | <u>117,593</u> | <u>117,593</u> |
| | | <u>\$ 372,198</u> | <u>\$ 363,903</u> |
| | | <u>\$ 4,339,591</u> | <u>\$ 4,176,231</u> |
| NON-MAJOR FUNDS | | | |
| SPECIAL REVENUE | | | |
| CASH AND CHECKING | | | |
| Riverboat Gambling | South Lafourche Bank | \$ - | \$ - |
| Mosquito Control | South Lafourche Bank | 447,318 | 445,814 |
| Seizure and Forfeiture | South Lafourche Bank | 9,367 | 9,367 |
| Erosion Control | South Lafourche Bank | 14,097 | 14,097 |
| Community Fair | State Bank | 37,813 | 33,426 |
| | | <u>508,595</u> | <u>502,704</u> |
| LOUISIANA ASSET MANAGEMENT POOL | | | |
| Riverboat Gambling | | <u>-</u> | <u>-</u> |
| | | <u>\$ 508,595</u> | <u>\$ 502,704</u> |
| | | <u>\$ 4,848,186</u> | <u>\$ 4,678,935</u> |

TOWN OF GRAND ISLE, LOUISIANA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

| FEDERAL GRANTOR/PASS-THROUGH GRANTOR/ PROGRAM TITLE | FEDERAL CFDA NUMBER | GRANT/PROJECT NUMBER | GRANT PERIOD FROM TO | GRANT AMOUNT |
|--|---------------------------|-------------------------|-------------------------|-----------------|
| PASS-THROUGH PROGRAMS: | | | | |
| OFFICE OF HOMELAND SECURITY - FEMA | | | | |
| Passed through Louisiana Governor's Office of Homeland Security (GOHSEP) | | | | |
| Disaster Assistance - Hurricane Katrina | 97.036 | FEMA-1603-DR-LA | Project Completion | \$ 7,465,610 |
| Disaster Assistance - Hurricane Gustav | 97.036 | FEMA-1786-DR-LA | Project Completion | 3,127,731 |
| Disaster Assistance - Hurricane Ike | 97.036 | FEMA-1792-DR-LA | Project Completion | 2,919,267 |
| Disaster Assistance - Hurricane Isaac | 97.036 | FEMA-4080-DR-LA | Project Completion | 123,184 |
| Disaster Assistance - Tropical Storm Nate | 97.036 | FEMA-3392-DR-LA | Project Completion | 204,520 |
| TOTAL HOMELAND SECURITY | | | | |
| ENVIRONMENTAL PROTECTION AGENCY | | | | |
| Passed through Louisiana Department of Environmental Quality | | | | |
| Capitalization Grants for Clean Water State Revolving Funds - Ninety West Park | 66.458 | Loan # CS221756-01 | Project Completion | 853,000 (2) |
| TOTAL DEPARTMENT OF AGRICULTURE | | | | |
| DEPARTMENT OF AGRICULTURE | | | | |
| Passed through Louisiana Local Government Facility Planning | | | | |
| Water Act 2000 - Lafitte to Grand Isle Waterline Project | 10.Unknown | Case #22-026-0726014896 | Project Completion | 9,225,000 (3) |
| TOTAL DEPARTMENT OF AGRICULTURE | | | | |
| TOTAL PASS-THROUGH | | | | |
| TOTAL FEDERAL ASSISTANCE | | | | |

NOTES TO SCHEDULE:

This schedule was prepared on the accrual basis of accounting and covers the period from July 1, 2018 to June 30, 2019. Since the federal expenditures were less than \$750,000, the Town was not subject to a "Single Audit" in accordance with OMB's Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards under 2CFR Part 200. As such, this Schedule is not required; however, the Town elected to present the schedule anyway.

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

| ACCRUED (DEFERRED) REVENUE JUNE 30, 2018 | CASH RECEIVED | | ACCRUED (DEFERRED) REVENUE JUNE 30, 2019 | TOTAL REVENUE RECOGNIZED | EXPENDITURES (1) | | TOTAL EXPENDITURES |
|---|---------------|----------|---|--------------------------------|---------------------|----------|-----------------------|
| | GRANT | OTHER | | | FEDERAL | OTHER | |
| \$ 29,249 | \$ 49,647 (4) | \$ - | \$ 190,384 | \$ 210,782 | \$ 210,782 | \$ - | \$ 210,782 |
| (140,930) | (39,023) (5) | - | (37,746) (5) | 64,161 | 64,161 | - | 64,161 |
| (18,922) | - | - | - | 18,922 | 18,922 | - | 18,922 |
| 14,899 | - | - | 14,899 | - | - | - | - |
| - | - | - | - | - | - | - | - |
| <u>(115,704)</u> | <u>10,624</u> | <u>-</u> | <u>167,537</u> | <u>293,865</u> | <u>293,865</u> | <u>-</u> | <u>293,865</u> |
| - | 35,571 | - | - | 35,571 | 35,571 | - | 35,571 |
| - | <u>35,571</u> | <u>-</u> | <u>-</u> | <u>35,571</u> | <u>35,571</u> | <u>-</u> | <u>35,571</u> |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| \$ (115,704) | \$ 46,195 | \$ - | \$ 167,537 | \$ 329,436 | \$ 329,436 | \$ - | \$ 329,436 |
| \$ (115,704) | \$ 46,195 | \$ - | \$ 167,537 (A) | \$ 329,436 | \$ 329,436 | \$ - | \$ 329,436 |
| | | | Less Local Match | - | | | |
| | | | Federal Assistance | <u>329,436</u> (B) | | | |

Shown on Balance Sheet as:

| | |
|---------------------|-----------------------|
| Accounts Receivable | \$ 205,283 |
| Unearned Revenues | - |
| | <u>\$ 205,283</u> (A) |

(4) - Current year grant receipts are made up of \$10,624 in actual receipts and \$39,023 in "applied receipts" from other Hurricanes/PWs. Applied receipts represent credits taken by FEMA/GOHSEP against project worksheets that had overpayments on them.

Shown on Statement of Revenues and Expenditures in:

| | |
|-----------------------|-----------------------|
| \$ 139,052 | General Fund |
| 45,716 | Community Center Fund |
| 144,668 | Gas Utility Fund |
| <u>\$ 329,436</u> (B) | |

(5) - Current year grant receipts are made up of \$- in actual receipts and \$(39,023) in "applied receipts/credits". Accounts receivable also includes \$37,746 in "applied credits" that are being taken by FEMA/GOHSEP against project worksheets that had overpayments on them.

TOWN OF GRAND ISLE

SCHEDULE OF STATE FUNDING
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

| DESCRIPTION OF FUNDING | AMOUNT |
|--|-----------------------|
| Department of Treasury - Tax Allocations | |
| Beer Tax | \$ 4,710 |
| Parish Transportation Funds | 168,000 |
| Video Poker Allocation | 45,363 |
| Grand Isle Tourist Commission Enterprise Tax | 28,295 |
| | <u>246,368</u> |
| Department of Transportation and Development | |
| Highway 1 - Maintenance Agreement | 13,850 |
| | <u>13,850</u> |
| Louisiana Department of Health and Hospitals | |
| Grand Isle Beach Water Quality Program | 6,000 |
| | <u>6,000</u> |
| Louisiana Facilities Planning and Control (State Capital Outlay) | |
| Gymnasium Renovations (# 50-MB112-01) | - |
| | <u>-</u> |
| Louisiana Coastal Protection and Restoration Authority | |
| Grand Isle & Vicinity Beach Erosion and Hurricane Protection Project (BA-0198) | - |
| | <u>-</u> |
| TOTAL | <u>\$ 266,218</u> |

TOWN OF GRAND ISLE, LOUISIANA

SCHEDULE OF INSURANCE IN FORCE
JUNE 30, 2019

(UNAUDITED)

| TYPE OF POLICY/RISKS COVERED | POLICY NO. | INSURER | EXPIRATION DATE |
|---|--------------------|---|-----------------|
| Physical Damage - Water Pipeline | 17-7590270344-1-01 | Lloyd's of London | 4/11/2020 (1) |
| FHA Bond - General | 71488812 | Western Surety | 12/11/2019 |
| Fidelity Bonds - Treasurer | 142232835 | Western Surety | 3/27/2020 |
| Fidelity Bonds - PE Others | 0601-05613505 | Western Surety | 3/1/2020 |
| Fidelity Bonds - Police Chief | 0601-70179654 | Western Surety | 7/1/2020 |
| Flood Insurance | | | |
| Police Department | 17-11510842403-05 | Wright Insurance | 2/23/2020 |
| City Hall | 17-11510842402-05 | Wright Insurance | 2/23/2020 |
| Maintenance Building | 17-1151313953-03 | Wright Insurance | 1/16/2020 |
| Storage Building | 17-1151313950-03 | Wright Insurance | 1/16/2020 |
| Community Center | 17-1151313956-03 | Wright Insurance | 1/16/2020 |
| Gas Building | 17-1151313958-03 | Wright Insurance | 1/16/2020 |
| Commercial Property Coverage | | | |
| City Hall | #326414 | AMRISC, LP | 8/1/2019 |
| Police Department | #326414 | AMRISC, LP | 8/1/2019 |
| Community Center | #326414 | AMRISC, LP | 8/1/2019 |
| Multiplex Building | #326414 | AMRISC, LP | 8/1/2019 |
| Maintenance Building | #326414 | AMRISC, LP | 8/1/2019 |
| Storage Building | #326414 | AMRISC, LP | 8/1/2019 |
| Commercial Auto - Physical Damage | HSLR 180561601 | LARIS - Houston Specialty Insurance | 6/18/2020 |
| Commercial/General Liability | 479613-0 | LARIS - Progressive | 6/18/2019 (2) |
| General Total - \$500,000 | | | |
| Products and Completed Work - \$500,000 | | | |
| Fire - \$50,00 per occurrence | | | |
| Medical - \$1,000 per person | | | |
| Medical - \$10,000 per accident | | | |
| Each Even Limit - \$500,000 | | | |
| Premises Damage Limit - \$500,000 | | | |
| Automotive Liability | LML-0375-16366 | Louisiana Municipal Risk Management Association | 6/1/2019 (2) |
| Bodily Injury and Property Damage | | | |
| Combined - \$500,000 per accident | | | |
| Law Enforcement Liability Protection | LMI-0375-16366 | Louisiana Municipal Risk Management Association | 6/1/2019 (2) |
| Total Limit - \$500,000 | | | |
| Each Wrongful Act - \$500,000 | | | |
| Each Wrongful Act Deductible - \$1,000 | | | |
| Public Entity Errors and Omissions | LML-0375-16366 | Louisiana Municipal Risk Management Association | 6/1/2019 (2) |
| Claims Made | | | |
| Total Limit - \$500,000 | | | |
| Each Wrongful Act - \$500,000 | | | |
| Each Wrongful Act Deductible - \$1,000 | | | |
| Standard Workman's Compensation | | Louisiana Municipal Risk Management Association | |
| Hospitalization - Employees | | Blue Cross/Blue Shield | |

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

(2) renewed subsequent to year end.

TOWN OF GRAND ISLE, LOUISIANA

SCHEDULE OF WATER RATES AND CONNECTIONS
JUNE 30, 2019

(UNAUDITED)

| <u>CLASS OF CUSTOMER</u> | <u>(1) MINIMUM RATE</u> | <u>RATE PER FIRST 30 UNITS</u> | <u>(3) 2019 # OF CONNECTIONS</u> | <u>(3) 2018 # OF CONNECTIONS</u> |
|--------------------------|---------------------------------|------------------------------------|--|--|
| Residential | \$ 6.50 for 30 units | \$3.50 per 1,000 gallons | - | - |
| Non-residential | \$10.00 for 30 units | \$4.00 per 1,000 gallons | - | - |
| Commercial | \$10.00 for 30 units | \$4.00 per 1,000 gallons | - | - |
| Industrial | \$25.00 for 30 units | \$7.50 per 1,000 gallons (2) | - | - |
| Elderly | \$3.25 for 30 units | \$3.50 per 1,000 gallons | - | - |
| | | | <u>-</u> | <u>-</u> |

(1) - one unit equals 100 gallons

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

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

TOWN OF GRAND ISLE, LOUISIANA

AGEING OF UTILITY BILLINGS RECEIVABLE
JUNE 30, 2019

(UNAUDITED)

| | <u>(4) 2019 UTILITY BILLING RECEIVABLE</u> | | <u>(4) 2018 UTILITY BILLING RECEIVABLE</u> | |
|---------------------|--|--------|--|--------|
| Current (< 30 days) | | | | |
| Water | \$ - | | \$ - | |
| Gas | 33,631 | | 29,341 | |
| Garbage | 52,657 | | 50,504 | |
| Mosquito | - | | - | |
| Sales tax | 134 | | 112 | |
| | <u>86,422</u> | 49.2% | <u>79,957</u> | 52.3% |
| >30 days | <u>89,311</u> | 50.8% | <u>72,802</u> | 47.7% |
| | <u>\$ 175,733</u> | 100.0% | <u>\$ 152,759</u> | 100.0% |

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

COMPLIANCE SECTION

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Paul C. Rivera, CPA

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

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

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Grand Isle, Louisiana (the "Town"), as of and for the fiscal year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents, and have issued my report thereon dated December 12, 2019.

Internal Control Over Financial Reporting

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

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

My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified. I did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Responses, which I consider to be significant deficiencies. See deficiencies #SD 19-01 and SD 19-02.

Compliance and Other Matters

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

The results of my tests disclosed two instances of noncompliance or other matters that is required to be reported under *Government Auditing Standards*. See compliance findings #CF 19-01 and CF 19-02 in the attached Schedule of Findings and Responses.

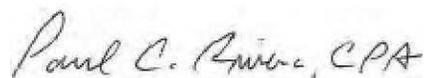
I also noted certain other matters that I have reported to management of the Town in a separate letter entitled "Memorandum of Advisory Comments", dated December 12, 2019.

Town's Responses to Deficiencies and/or Findings

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

Purpose of this Report

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion of the effectiveness of the Town's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statutes 24:513, the report is distributed by the Legislative Auditor as a public document.



December 12, 2019
Marrero, Louisiana

TOWN OF GRAND ISLE, LOUISIANA

SCHEDULE OF FINDINGS AND RESPONSES For the Fiscal Year Ended June 30, 2019

SECTION I - SUMMARY OF AUDITOR'S RESULTS

- A. The auditor's report expresses an unmodified opinion.
- B. No material weaknesses were identified in the Town's internal control over financial reporting.
- C. Two significant deficiencies are noted related to the audit of the financial statements are reported in the *Independent Auditor's Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit in Accordance With Government Auditing Standards*. These deficiencies are outlined below.
- D. No instances of noncompliance material to the financial statements of the Town, which is required to be reported in accordance with *Government Auditing Standards*, were noted during the audit.
- E. The audit was not subject to OMB Uniform Administrative Requirements 2 CFR Part 200 (a "Single Audit"), as federal expenditures did not exceed the \$750,000 threshold.
- F. A separate management letter was issued for the year ended June 30, 2019.

SECTION II - FINDINGS RELATING TO THE FINANCIAL STATEMENT AUDIT

INTERNAL CONTROLS:

Significant Deficiencies

SD Comment # 19-01 - Preparation of Financial Statements by Auditor

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

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

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

TOWN OF GRAND ISLE, LOUISIANA

SCHEDULE OF FINDINGS AND RESPONSES (CONTINUED) For the Fiscal Year Ended June 30, 2019

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

SD Comment # 19-02 – Maintaining Proper Capital Asset and Depreciation Records

Condition and Criteria - The Town does not maintain a formal capital assets ledger that includes a calculation of depreciation expense. Instead, it has chosen to rely on an excel spreadsheet that was originally designed by the external auditor to maintain a schedule of capital assets and accumulated depreciation. The schedule is adjusted at the end of the year during the audit. Depreciation is not calculated until year-end when any additions or deletions are posted. By not maintaining a formal capital asset system that includes additions and deletions as they occur and a timely calculation of depreciation, the Town must wait until year end for the capital assets to be totaled. The Town has taken ownership of the spreadsheet; however, they do not have the expertise to make the calculations.

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

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

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

COMPLIANCE:

Compliance Findings

CF Finding # 19-01 - Noncompliance with Louisiana Local Government Budget Act

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

Finding - For the year ended June 30, 2019, the General Fund, the Community Center and Playground District No. 16, and the Community Fair Special Revenue Fund, all had revenues and expenditures in excess of 5 percent of the budgeted amounts.

The General Fund had actual revenues of \$3,074,601, which were \$(837,176) or 21.4 percent under budget, and actual expenditures of \$3,297,582, which were \$1,019,671 or 23.6 percent under budget. The primary reason for revenues being so far over budget was the Multiplex Facility Renovation project, which was budgeted for \$700,000 in revenues but nothing was recognized due to delays in bidding the project. Revenues from FEMA Public Assistance grants were also substantially under budget (\$under \$96,519). There were delays in submitting and receiving approval on certain PWs. Expenditures were under budget due to the delay of the Multiplex project (this line was \$667,442 under budget). Capital Outlay in the Public Safety Function was also under budget by \$40,064 (due to delays in purchasing vehicles and equipment).

TOWN OF GRAND ISLE, LOUISIANA

SCHEDULE OF FINDINGS AND RESPONSES (CONTINUED)

For the Fiscal Year Ended June 30, 2019

The Streets Department was \$89,639 under budget across several line-items.

The Community Center and Playground District No. 16 had actual revenues of \$659,811, which were \$66,154 or 9.1 percent under budget. The primary reasons for the variance had to do with the end-of-year accrual of revenues due from the Parish of dedicated ad valorem taxes due (which brought the current year revenues down, the accrual of FEMA revenues at year-end of \$45,716 which were not budgeted, and a variance of \$55,365 in miscellaneous income. Actual expenditures came in at \$464,055, which were \$352,161 or 43.2 percent under budget. This had mostly to do with the roof repair project being delayed (building repairs were under budget \$209,575). Capital outlays were \$42,673 under budget as anticipated purchases either were delayed or came in lower than expected.

The Community Fair Special Revenue Fund had its revenues budgeted at the “net” amount generated by the fair even though the gross revenues and expenditures are recorded. As such, actual revenues of \$62,391 exceeded the budget by \$54,091 or 651.7 percent. Expenditures were \$59,196, which were \$53,396 or 920.6 percent over budget.

Effect - The Town is not in compliance with LRS 39:1311 for the year ended June 30, 2019 in these three instances.

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

CF Finding # 19-02 - Noncompliance with Water Revenue Bond Debt Covenants

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

Finding - For 2019, the annual deposit was made as well as a make-up deposit; however, when looking at the required balance as of June 30, 2019, I noted that the Town was still behind in funding these two funds. If the required deposits had been made since 2005, the funds would have the balances noted in the table below. As noted in the table, the Debt Reserve Fund appears to under-funded by \$(120,985) and the Depreciation and Contingencies Fund appears to be under-funded by \$(123,658).

TOWN OF GRAND ISLE, LOUISIANA

**SCHEDULE OF FINDINGS AND RESPONSES (CONTINUED)
For the Fiscal Year Ended June 30, 2019**

| Debt Reserve Fund | | | Depreciation and Contingencies Fund | | |
|--------------------------|----------|-------------------|--|----------|-------------------|
| Amount | # of Mos | Amount On Hand | Amount | # of Mos | Amount On Hand |
| \$ 1,826 | 24 | \$ 43,824 | \$ 1,826 | 24 | \$ 43,824 |
| \$ 2,191 | 208 | 455,728 | \$ 2,191 | 208 | 455,728 |
| Total Required To Date | | 499,552 | Total Required To Date | | 499,552 |
| Current Fund Balance | | 378,567 | Current Fund Balance | | 375,894 |
| Surplus (Deficit) | | \$ (120,985) | Surplus (Deficit) | | \$ (123,658) |

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

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

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

SECTION III - FINDINGS AND QUESTIONED COSTS - FEDERAL AWARDS

Not Applicable

TOWN OF GRAND ISLE, LOUISIANA

**SCHEDULE OF FINDINGS AND RESPONSES (CONTINUED)
For the Fiscal Year Ended June 30, 2019**

SECTION IV - STATUS OF PRIOR YEAR FINDINGS AND DEFICIENCIES

| Prior Year Comment No. | Description | Status |
|-------------------------------|--|--|
| SD 18-01 | The Town relies upon its external auditor to prepare its financial statements. | Not resolved. See CY SD Comment # 19-01. |
| SD 18-02 | The Town does not maintain a formal capital assets and depreciation schedule and does not post additions and deletions or depreciation expense until year end. | Not resolved. See CY SD Comment # 19-02. |
| CF 18-01 | The Town did not comply with the Local Government Budget Act as both revenues and expenditures had variances between budget and actual of greater than 5%. | Not resolved. See CY CF Comment # 19-01. |
| CF 18-02 | The Town was not in compliance with the reserve requirements of the Water Bond certificates. | Not resolved. See CY CF Comment # 19-02. |

(END OF REPORT)

MEMORANDUM OF ADVISORY COMMENTS

TOWN OF GRAND ISLE, LOUISIANA

For the Fiscal Year Ended June 30, 2019

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**INTERNAL CONTROL
AND RELATED MATTERS**

Paul C. Rivera, CPA

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

I have audited the financial statements of the Town of Grand Isle, Louisiana, for the fiscal year ended June 30, 2019, and have issued my reports thereon dated December 12, 2019. As part of my audit, I considered the Town's internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing an opinion on the financial statements, and not to provide an opinion on the effectiveness of the Town's internal control.

Significant deficiencies, which may have been noted during my consideration of the internal control over financial reporting, have been reported on in a separately issued report, entitled "Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*".

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

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

Paul C. Rivera, CPA

December 12, 2019

TOWN OF GRAND ISLE, LOUISIANA

COMMENTS AND SUGGESTIONS For the Fiscal Year Ended June 30, 2019

ENSURING PROPER ACCOUNTING AND REPORTING

MLC 19-1 – Bank Reconciling Adjustments Not Being Posted to the General Ledger

ADVISORY COMMENT

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

RECOMMENDATION

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

RESPONSE

The main checking account was out due to credit card differences on the collections of fines, as well as some property tax collections and interfund transfers. Once a proof of cash was performed, the adjustments were made and the accounts were in balance. The other few accounts that had reconciling differences were also adjusted during the audit and these entries will be posted to the general ledger. We will attempt to post these reconciling differences on a more timely basis in the future. We do not anticipate this recurring.

MLC 19-2 – Credit Card Payments on Fines Not Being Reconciled/Recorded Properly

ADVISORY COMMENT

During 2018, the Town’s Police Department began accepting credit card payments on fines and fees. The transactions are entered into the DigiCourt system and a report is provided to the Accounting Department on the transactions for that month. During my testing in 2019, I noted that the amounts that were recorded on the general ledger did not agree to the amounts that were clearing the bank statements. It appears that there are timing and reconciling differences between the police department reports and the merchant statements from the credit card companies that are not being reconciled or recorded. As such, there were a number of reconciling entries that had to be posted to the general ledger at year end in order to bring the cash account into balance. This comment was provided in the prior year.

TOWN OF GRAND ISLE, LOUISIANA

COMMENTS AND SUGGESTIONS For the Fiscal Year Ended June 30, 2019

ENSURING PROPER ACCOUNTING AND REPORTING

RECOMMENDATION

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

RESPONSE

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

TOWN OF GRAND ISLE, LOUISIANA

COMMENTS AND SUGGESTIONS For the Fiscal Year Ended June 30, 2019

INCREASING THE REVENUES OF THE TOWN

MLC 19-3 – Gas Utility Fund Continues to Experience Operating Losses and Cash Flow Deficiencies

ADVISORY COMMENT

The Town's Gas Utilities Enterprise Fund purchases natural gas and sells it to the residents of the Town. Over the past few years, as gas prices fluctuated wildly, this fund has struggled to make ends meet. As seen below, this fund has incurred operating losses over the past few years and has a deficit in its unrestricted net assets of \$(25,868). This comment was provided in the prior year.

| | 6/30/2015 | 6/30/2016 | 6/30/2017 | 6/30/2018 | 6/30/2019 |
|--------------------------|------------|------------|------------|------------|------------|
| Operating Revenues | \$ 309,234 | \$ 389,956 | \$ 413,644 | \$ 427,384 | \$ 418,374 |
| Operating Expenses | 413,905 | 378,664 | 464,387 | 414,299 | 440,880 |
| Operating Income (Loss) | (104,671) | 11,292 | (50,743) | 13,085 | (22,506) |
| Ad Valorem Taxes | 44,929 | 55,439 | 50,183 | 52,318 | 65,689 |
| Interest | 102 | 134 | 173 | 179 | 242 |
| Grants | 10,407 | 722 | - | - | 144,668 |
| Net Income (Loss) | (49,233) | 67,587 | (387) | 65,582 | 188,093 |
| Beginning Net Assets | 224,776 | 175,543 | 243,130 | 242,743 | 308,325 |
| Ending Net Assets | \$ 175,543 | \$ 243,130 | \$ 242,743 | \$ 308,325 | \$ 496,418 |
| Invested in Fixed Assets | \$ 513,179 | \$ 491,216 | \$ 469,309 | \$ 455,149 | \$ 522,286 |
| Unrestricted Net Assets | (337,636) | (248,066) | (226,566) | (146,824) | (25,868) |
| Total Net Assets | \$ 175,543 | \$ 243,130 | \$ 242,743 | \$ 308,325 | \$ 496,418 |

RECOMMENDATION

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

RESPONSE

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

**COMPLIANCE WITH LAWS
AND REGULATIONS**

Paul C. Rivera, CPA

(504) 371-4390

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

I have audited the financial statements of the Town of Grand Isle, Louisiana, for the fiscal year ended June 30, 2019 and have issued my reports thereon dated December 12, 2019. As part of obtaining reasonable assurance about whether the basic financial statements are free of material misstatement, I performed tests of the Town's compliance with certain provisions of laws, regulations, contracts, and grant agreements. However, my objective was not to provide an opinion on compliance with such provisions.

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

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

Paul C. Rivera, CPA

December 12, 2019

TOWN OF GRAND ISLE, LOUISIANA

**SCHEDULE OF NONCOMPLIANCE WITH
LAWS AND REGULATIONS**

For the Fiscal Year Ended June 30, 2019

ICF 19-1 – Unable to Calculate Compliance with a Water Revenue Bond Covenant

COMPLIANCE FINDING

There are a number of limitations and restrictions contained in the bond indenture which the Town was in compliance with during the fiscal year ended June 30, 2019, except for the following:

Under Section 9 of Ordinance 701, the Waterworks Utility fund is required “to provide revenues in each year, after paying all reasonable and necessary expenses of operating and maintaining the system in such year, of at least 120% of the largest amount of principal and interest falling due on the bonds ... in any future year.” Under this requirement, the Waterworks fund should have \$630,990 of surplus funds (\$525,825 - highest principal and interest due times 120%) each year after paying the operating and maintenance costs. The Town has fallen short of this requirement for the past several years. For June 30, 2019, compliance with this requirement could not be calculated because of the take-over of daily operations by the Parish’s Water District.

RESPONSE

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

**STATUS OF PRIOR YEAR
COMMENTS AND FINDINGS**

TOWN OF GRAND ISLE, LOUISIANA

STATUS OF PRIOR YEAR COMMENTS AND FINDINGS

June 30, 2019

| Prior Year Comment No. | Prior Year Comment | Status |
|----------------------------------|--|---|
| Internal Control MLC # 18-1 | The Town's bank reconciliation adjustments were not being posted on a timely basis. | Not Resolved. See CY Internal Control Comment MLC # 19-1. |
| Internal Control MLC # 18-2 | Credit Card Payments on Fines Not Being Reconciled/Recorded Properly | Not Resolved. See CY Internal Control Comment MLC # 19-2 |
| Internal Control MLC # 18-3 | The Town's Gas Utilities Fund continues to experience operating losses and cash flow problems. | Not Resolved. See CY Internal Control Comment MLC # 19-3. |
| Internal Control MLC # 18-4 | Credit Card Transactions Fees Are Not Sufficient to Cover Costs | Resolved. |
| Compliance Finding ICF # 18-1 | The Town's Waterworks Utilities Fund was in violation of its Revenue Bond covenants due to its inability to meet the targeted surplus ratios called for. | Not Resolved. See CY Compliance Finding ICF # 19-1. |

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

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

For the Period from July 1, 2018 to June 30, 2019

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

I have performed the procedures enumerated below, which were agreed to by the Town of Grand Isle, Louisiana (the "Town") and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2018 through June 30, 2019. The Town's management is responsible for those C/C areas identified in the SAUPs.

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

The procedures and associated findings are as follows:

Written Policies and Procedures

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

- e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.
- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process
- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers, and (5) monitoring card usage
- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers
- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy. Note: Ethics requirements are not applicable to nonprofits.
- j) **Debt Service**, including (1) debt issuance approval, (2) EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- k) **Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

RESULTS: Exceptions Noted - The Town has no formal written policies and procedures when it comes to these various financial/business functions. They have traditionally utilized the already written state statutes as guidance in several areas (e.g., the Lawrason Act, the Louisiana Local Government Budget Act, the Louisiana Public Bid Laws, the State Travel Guidelines, State Ethics Code, etc.) and have copies on hand of each. The Town also has procedures in place for disaster recovery and business continuity, but nothing formally written and adopted is in place.

Board (or Finance Committee, if applicable)

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

RESULTS: No exceptions noted in performing this procedure.

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

- Alternatively, for those entities reporting on the non-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.

RESULTS: No exceptions noted in performing this procedure.

- c) For governmental entities, obtain the prior year audit report and observe the unrestricted fund balance in the general fund. If the general fund had a negative ending unrestricted fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unrestricted fund balance in the general fund.

RESULTS: Not Applicable.

Bank Reconciliations

- 3. Obtain a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account.

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

Select the main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statements and reconciliation for each selected account, and observe that:

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

RESULTS: No exceptions noted in performing these procedures - Based on the number of accounts maintained by the Town, I selected 5 of the public accounts for testing (General Fund, Accounts Payable, Payroll, Community Center, and Gas Fund). For those accounts, bank reconciliations were obtained for the month of June 2019, without exception. The bank reconciliations were prepared by the Accounting Clerk and reviewed by the Treasurer within 30 days of the closing date. Initials of the Treasurer are evident on the bank reconciliations. The Treasurer does review the bank reconciliations for old outstanding items. She includes notes on the bank reconciliation on what the disposition of the researched item should be (e.g., needs to be voided and reissued, etc.). For those accounts selected, I did not note any item outstanding more than 12 months.

Collections

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

RESULTS: No exceptions noted in performing this procedure.

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

RESULTS: No exceptions noted in performing this procedure.

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

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

RESULTS: No exceptions noted in performing these procedures.

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

RESULTS: No exceptions noted in performing this procedure.

7. Randomly select two deposit dates for each of the bank accounts selected in procedure 3 under Bank Reconciliations above. Obtain supporting documentation for each of the deposits selected and:

- a) Observe that receipts are sequentially pre-numbered.
- b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
- c) Trace the deposit slip total to the actual deposit per the bank statement.
- d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$10).
- e) Trace the actual deposit per the bank statement to the general ledger.

RESULTS: No exceptions noted in performing these procedures.

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

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

RESULTS: No exceptions noted in performing this procedure.

9. For each location selected in Step 8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:
 - a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
 - b) At least two employees are involved in processing approving payments to vendors.
 - c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
 - d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

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

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

RESULTS: No exceptions noted in performing this procedure.

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

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

RESULTS: No exceptions noted in performing these procedures.

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

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

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

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

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

RESULTS: No exceptions noted in performing this procedure.

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

RESULTS: Exception Noted – \$104.18 in late fees and interest were noted on two of the five credit cards tested.

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

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

RESULTS: Exceptions noted - Of the five cards tested, I noted 33 transactions on the statements and only found supporting documents for 25 of the 33 transactions. 8 of these transactions were missing receipts. The other 25 transactions had an original itemized receipt, had the business purpose noted, and any other documentation that might be required.

Travel and Expense Reimbursement

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

RESULTS: No exceptions noted in performing this procedure.

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

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

RESULTS: No exceptions noted in performing these procedures.

Contracts

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

RESULTS: No exceptions noted in performing this procedure.

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

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

RESULTS: No exceptions noted in performing this procedure.

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

RESULTS: No exceptions noted in performing this procedure.

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

RESULTS: No exceptions noted in performing this procedure.

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

RESULTS: No exceptions noted in performing this procedure.

Payroll and Personnel

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

RESULTS: No exceptions noted in performing this procedure.

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

RESULTS: No exceptions noted in performing this procedure.

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

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

RESULTS: No exceptions noted in performing this procedure.

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

RESULTS: No exceptions noted in performing this procedure.

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

RESULTS: No exceptions noted in performing this procedure.

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

RESULTS: No exceptions noted in performing this procedure.

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

RESULTS: No exceptions noted in performing this procedure.

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

RESULTS: No exceptions noted in performing this procedure.

Ethics (excluding nonprofits)

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

- a) Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.

RESULTS: Exception noted in performing this procedure.

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

RESULTS: No exceptions noted in performing this procedure.

Debt Service (excluding nonprofits)

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

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

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

RESULTS: Exceptions noted - I obtained a listing of bonds outstanding at year end and management's representation that the listing is complete. I selected the Water Revenue Bonds for testing. I inspected the debt covenants and obtained supporting documentation for the reserve balances and payments.

An Exception was noted in that the deposits to the Debt Service Reserve Fund and the Depreciation and Contingencies Fund are not at the required level through June 30, 2019. The current year transfers into the two funds were made; however, it appears that in prior years, the transfers fell short of what was required. As noted in the table, the Debt Reserve Fund appears to under-funded by \$(120,985) and the Depreciation and Contingencies Fund appears to be under-funded by \$(123,658).

| <u>Debt Reserve Fund</u> | | | <u>Depreciation and Contingencies Fund</u> | | |
|--------------------------|----------|---------------------|--|----------|---------------------|
| Amount | # of Mos | Amount On Hand | Amount | # of Mos | Amount On Hand |
| \$ 1,826 | 24 | \$ 43,824 | \$ 1,826 | 24 | \$ 43,824 |
| \$ 2,191 | 208 | 455,728 | \$ 2,191 | 208 | 455,728 |
| Total Required To Date | | 499,552 | Total Required To Date | | 499,552 |
| Current Fund Balance | | 378,567 | Current Fund Balance | | 375,894 |
| Surplus (Deficit) | | <u>\$ (120,985)</u> | Surplus (Deficit) | | <u>\$ (123,658)</u> |

Other

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

RESULTS: No exceptions noted in performing this procedure.

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

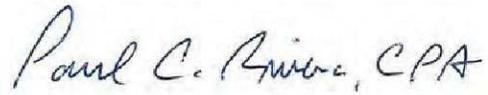
RESULTS: Not Applicable – No misappropriations identified by management.

24. Observe that the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

RESULTS: No exceptions noted in performing this procedure.

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

The purpose of this report is solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

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

Paul C. Rivera, CPA
Marrero, Louisiana
December 12, 2019



Town of Grand Isle

P.O. BOX 200 • 170 LUDWIG LANE • GRAND ISLE, LA 70358 • PH. (985) 787-3196 • FAX (985) 787-3859

DAVID J. CAMARDELLE
MAYOR

LAINÉ LANDRY
CHIEF OF POLICE

RAY A. SANTINY
TOWN CLERK

COUNCIL MEMBERS:

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

December 12, 2019

Paul C. Rivera, CPA and the
Louisiana Legislative Auditor

We appreciate this opportunity to provide explanations for any exceptions noted during the application of the Louisiana Legislative Auditor's Agreed-Upon Procedures (AUPs) for the period July 1, 2018 to June 30, 2019. As a small town, we do the best we can with the limited staff that we have. We are committed to providing the best services to the citizens of our Town and spending the public money provided to us in the most efficient manner possible.

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

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

RESPONSE: Due to the small size of the financial staff of the Town, we have never felt that the cost/benefit of incurring the time and cost in documenting all of our policies and procedures warranted such an endeavor. Our administrative staff is well-established and has years of experience on the job. They are well versed in what needs to be done and what our policies and procedures are, even if they are not in writing. We are very well versed in the budget law, public bid laws, Lawrason Act, ethics laws, etc. and have always followed the written state statutes as guidelines. We also have procedures in place for disaster recovery (including data backups and off-site storage); however, we do not have any formal written policies and procedures adopted for these matters.

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

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

AUP 12b – Two credit card statements included a \$104.18 in finance charges/late fees.

RESPONSE: There were mix ups in paying these credit cards which resulted in double-payments and then delayed payments while the mix ups were being investigated. We normally pay all of our credit card statements on time and do not incur finance charges or late fees.

AUP13 – Of the 33 transactions tested on credit cards, 8 did not have receipts or supporting documents attached.

RESPONSE: Four of these exceptions related to travel reservations (hotel rooms) that were made online for the Mayor and Councilmembers. We normally print out the reservations and attach them. WE did not include these in error on these two occasions. The other four exceptions involved 2 charges to the Police Chief's American Express card and 2 charges to the Mayor's American Express card. Both officials will be reminded to turn in all receipts.

AUP 22 – I noted that the balances in the Debt Service Reserve Fund and the Depreciation and Contingencies Funds as of June 30, 2019 have fallen short of what is required under the debt covenants.

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

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

Sincerely,



Mayor
Town of Grand Isle