

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

**ANNUAL FINANCIAL REPORT
Year Ended June 30, 2019**

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TABLE OF CONTENTS

	<u>Page</u>
FINANCIAL SECTION	
INDEPENDENT AUDITOR'S REPORT	1
MANAGEMENT'S DISCUSSION AND ANALYSIS	3
BASIC FINANCIAL STATEMENTS	
Government-wide Financial Statements	
Statement of Net Position	14
Statement of Activities	15
Fund Financial Statements	
Balance Sheet - Governmental Funds	16
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	17
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	18
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	19
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - General Fund	20
Notes to Financial Statements	
Note A - Summary of Significant Accounting Policies	21
Note B - Reconciliation of Government-wide and Fund Financial Statements	25
Note C - Stewardship, Compliance, and Accountability	26
Note D - Detailed Notes on All Activities and Funds	
Note D.1 - Deposits and Investments	27
Note D.2 - Receivables	28
Note D.3 - Capital Assets	29
Note D.4 - Ad Valorem Tax	31
Note D.5 - Restrictions on Net Position and Fund Balance Components	31
Note E - Commitments and Contingencies	32
Note F - Other Information	
Note F.1 - Retirement	32
Note F.2 - Hurricanes Katrina	32
Note F.3 - Tropical Storm Nate	33
Note F.4 - Proposed Airport Cancelled	33

TABLE OF CONTENTS (CONTINUED)

	<u>Page</u>
OTHER SUPPLEMENTAL INFORMATION	
General Fund	
Schedule of Revenues - Budget and Actual.....	36
Schedule of Expenditures -Budget and Actual	37
Schedule of Commissioners' Per Diem	38
Schedule of Compensation and Other Payments to Agency Head	39
Schedule of State Funding	40
Division of Administration - Annual Fiscal Report (AFR).....	41

COMPLIANCE SECTION

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 <i>Government Auditing Standards</i>	53
Schedule of Findings and Responses	55

FINANCIAL SECTION

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Paul C. Rivera, CPA

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Grand Isle Independent Levee District
Grand Isle, Louisiana

Report on the Financial Statements

I have audited the accompanying financial statements of the governmental activities, each major fund, and the budgetary comparison for the General Fund of the Grand Isle Independent Levee District (the "District"), a component unit of the State of Louisiana, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District'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 an opinion 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 I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinions

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the budgetary comparison for the General Fund of the Grand Isle Independent Levee District as of June 30, 2019 and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

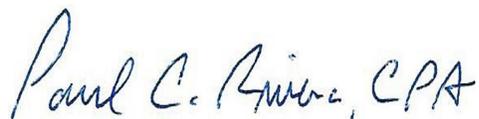
Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 3 through 12 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. 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 any assurance.

Other Information

My audit was conducted for the purposes of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The other supplemental information, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The other supplemental information is the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the 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 other supplemental information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, I have also issued my report dated August 16, 2019, on my consideration of the District'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 controls 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* in considering the District's internal control over financial reporting and compliance.



August 16, 2019

GRAND ISLE INDEPENDENT LEVEE DISTRICT
STATE OF LOUISIANA
PO BOX 757
GRAND ISLE, LA 70358

MANAGEMENT’S DISCUSSION AND ANALYSIS

As management of the Grand Isle Independent Levee District (the “District”), we offer readers of the District’s financial statements this narrative overview and analysis of the financial activities of the District 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 14. All amounts, unless otherwise noted, are expressed in thousands (\$1,000’S) of dollars.

FINANCIAL HIGHLIGHTS

- The assets of the District exceeded its liabilities at the close of the most recent fiscal year by \$12,066 (*net position*). Of this amount, \$10,384 or 86.1 percent is invested in capital assets, such as infrastructure (levees and breakwaters), vehicles and equipment. The remaining balance of \$1,682 (*unrestricted net position*) or 13.9 percent may be used to meet the government’s ongoing obligations to citizens and creditors.
- The District’s total net position increased by \$425 or 3.7 percent during the current year because total revenues exceeded total expenses by that amount and capital assets increased. The revenues of the District totaled \$963, an increase of \$245 over last year. The major items leading to the increase of \$239 in capital grants (\$508 in state revenues associated with the Fifi Island Restoration project offset by a drop of \$(269) in FEMA projects). Property taxes were up \$4 over last year as tax collections increased. The expenses of the District totaled \$538, a decrease of \$(466) from last year, primarily in professional fees and emergency costs.
- As of the close of the current fiscal year, the District’s governmental fund (the General Fund) reported ending fund balance of \$1,618, an increase of \$48 or 3.1 percent in comparison with the prior year. Approximately \$1,618 or 100.0 percent of this total amount is available for spending at the government’s discretion (*unassigned fund balance*).
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$1,618 or 176.8 percent of total general fund expenditures.
- The District has prided itself on operating on a “pay-as-you-go” basis and has not incurred any new debt for the past several years.

- In August 2018, the District signed an agreement with the Louisiana Department of Wildlife and Fisheries to operate and manage a proposed “Grand Isle Airport” on a previously abandoned airstrip on Elmer’s Island. In October 2018, this lease was cancelled and the plans for the airport were shuttered.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the Grand Isle Independent Levee District’s basic financial statements. The District’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 District’s finances, in a manner similar to a private-sector business.

The “Statement of Net Position” presents information on all of the District’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 District 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 and earned but unused vacation leave).

Both of the government-wide financial statements are designed to distinguish functions of the District 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 District only has governmental activities.

The government-wide financial statements include only the financial activities of the Grand Isle Independent Levee District, which is a component unit of the State of Louisiana. The State of Louisiana (the primary government) issues financial statements that include the activity contained in these financial statements. The State’s financial statements are issued by the Louisiana Division of Administration – Office of Statewide Reporting and Accounting Policy and are audited by the Louisiana Legislative Auditor. The government-wide financial statements can be found on pages 14 and 15 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 District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The District's funds can be classified into three categories: governmental funds, proprietary funds, and fiduciary funds. As discussed below, the District only presents governmental 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 District maintains only one fund (the General Fund). Information is presented in the governmental fund balance sheet and in the governmental statement of revenues, expenditures, and changes in fund balances for the General fund.

The District adopts an annual appropriated budget for its General fund. A budgetary comparison statement has been provided for the General fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 16 to 20 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 21 to 34 of this report.

Other Supplemental Information. Other Supplemental information, which includes a Detailed Schedule of General Fund Revenues, a Detailed Schedule of General Fund Expenditures, a Schedule of Per Diems Paid to Board Members, a Schedule of Compensation and Other Payments to the Agency Head, a Schedule of State Funding, and the Required AFR State Reporting package is included on pages 36 to 51.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government’s financial position. In the case of the District, assets exceeded liabilities by \$12,066 at June 30, 2019.

A large portion of the District’s net position (\$10,384 or 86.1 percent) reflects its investment in capital assets (e.g., land, buildings, furniture and fixtures, heavy equipment, vehicles, and infrastructure – levees and breakwaters) less any related debt used to acquire those assets that is still outstanding. The District used these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the District’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.

GRAND ISLE INDEPENDENT LEVEE DISTRICT

	Governmental Activities <u>2019</u>		Governmental Activities <u>2018</u>	
Current and other assets	\$ 1,682		\$ 1,864	
Capital assets	<u>10,448</u>		<u>10,071</u>	
Total assets	<u>12,130</u>		<u>11,935</u>	
Long-term liabilities outstanding	0		0	
Other liabilities	<u>64</u>		<u>294</u>	
Total liabilities	<u>64</u>		<u>294</u>	
Net position:		100.0%		
Invested in capital assets, net of related debt	10,384	86.1%	9,777	84.0%
Restricted	0	0.0%	0	0.0%
Unrestricted	<u>1,682</u>	13.9%	<u>1,864</u>	16.0%
Total net position	<u>\$ 12,066</u>		<u>\$ 11,641</u>	

The balance of *unrestricted net position* (\$1,682 or 13.9 percent) may be used to meet the government’s ongoing obligations to citizens and creditors.

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

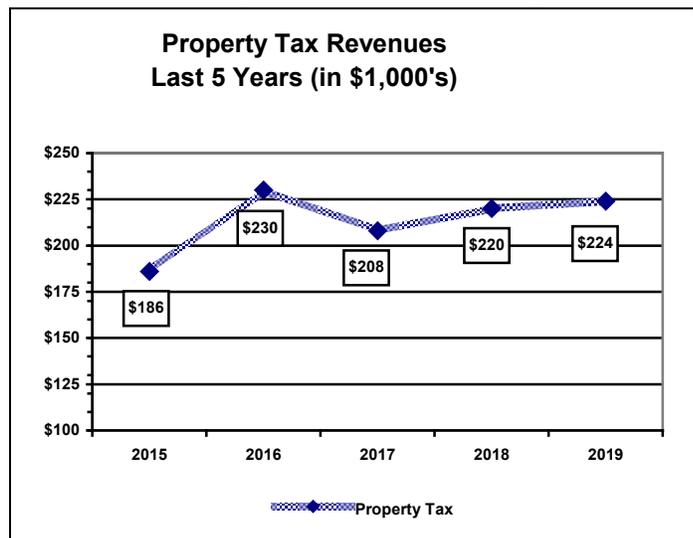
The District’s net position increased by \$425, or 3.7 percent during the current fiscal year.

Governmental Activities. Governmental activities decreased the District’s net position by \$425 or 3.7 percent. Key elements of this decrease are as follows:

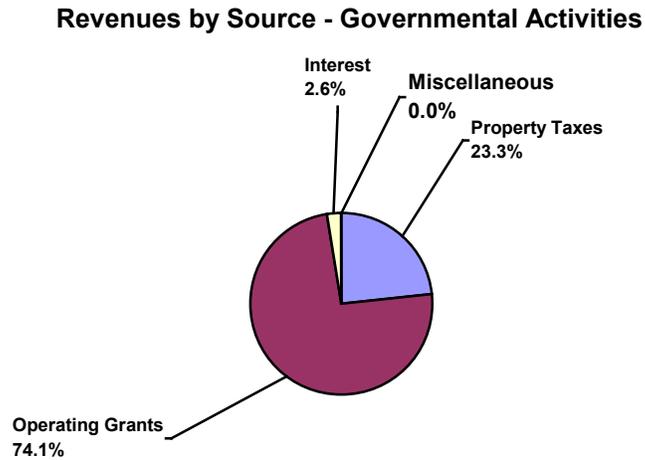
GRAND ISLE INDEPENDENT LEVEE DISTRICT

	Governmental Activities 2019		Governmental Activities 2018	
Revenues:				
Program revenues:				
Charges for services	\$ -	0.0%	\$ -	0.0%
Operating grants and contributions	-	0.0%	-	0.0%
Capital grants and contributions	714	74.1%	475	66.2%
General revenues:				
Property taxes	224	23.3%	220	30.6%
Unrestricted interest	25	2.6%	23	3.2%
Miscellaneous	-	0.0%	-	0.0%
Total revenues	<u>963</u>	<u>100.0%</u>	<u>718</u>	<u>74.6%</u>
Expenses:				
Public safety				
Public Works	538	100.0%	1,004	100.0%
Total expenses	<u>538</u>	<u>100.0%</u>	<u>1,004</u>	<u>100.0%</u>
Increase in Net Position	425		(286)	
Beginning of Year	11,641		11,927	
End of Year	<u>\$ 12,066</u>		<u>\$ 11,641</u>	

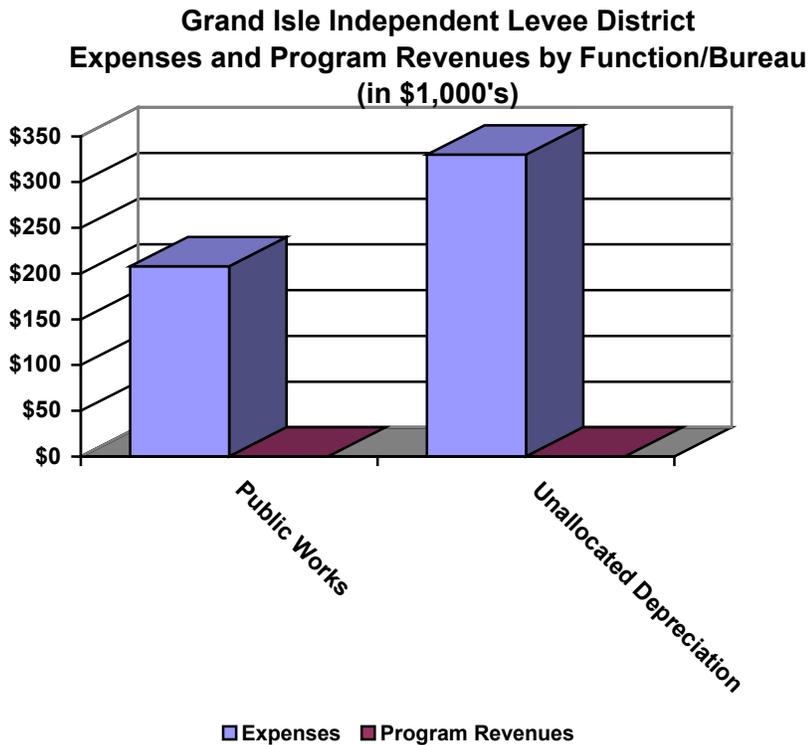
- Capital grants totaled \$714 in the current year, which were made up of \$682 in State Capital Outlay revenues on the Fifi Island Breakwater Protection Project (No. 36-L25-06B-01) and \$32 in FEMA reimbursements from Tropical Storm Nate (FEMA 3392 – PW 54). Costs incurred on these projects included planning, engineering, and construction costs. The breakwater project is still ongoing and the FEMA project was a reimbursement of eligible costs incurred.
- Property taxes came in at \$224, an increase of \$4 or 2.0 percent. This increase has to do with an increase in the collection rate of the taxable levy. The District’s millage rates were 4.66 for the current year, the same as last year. The taxable levy was also about the same. The collection rate is up due to a slightly improving economy surrounding the oil & gas and seafood industries. The graph shows the property tax revenues for the last 5 years.
- Interest income came in at \$25 during the year. This amount was up due to the investment of the BP settlement funds in LAMP.



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



Expenses totaled \$538, including current year depreciation of \$330. The only function the District provides is the public works function. A graph comparing the expenses with the program revenue generated is presented below.



FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

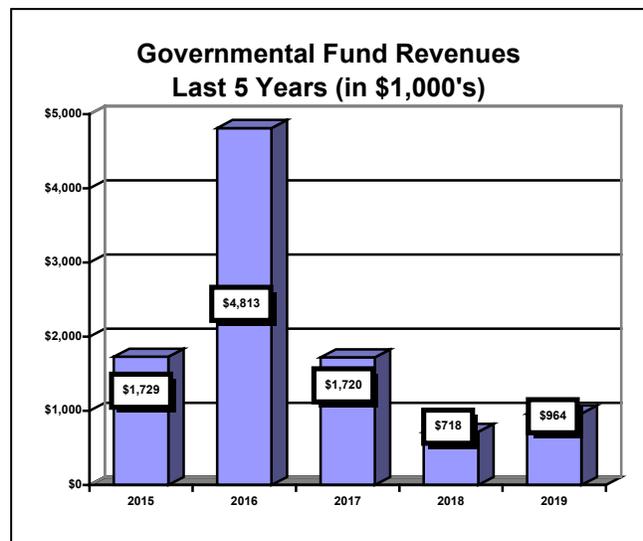
As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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

As of June 30, 2019, the District's governmental fund (i.e., the General Fund) reported ending fund balance of \$1,618, an increase of \$48 or 3.1 percent in comparison with the prior year. Approximately \$1,618 or 100.0 percent of this total constitutes *unassigned fund balance*, which is available for spending at the government's discretion.

As noted above, the governmental funds include the general operating funds of the District (i.e., the General Fund). Overall, as the graph shows, revenues of the Governmental Funds increased from the past year. This was primarily due to an increase in activity on the State Capital Outlay Breakwater Project, offset by a drop in FEMA funds.

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 represents 176.8 percent of total general fund expenditures, with the capital grant expenditures included. This is an increase from the prior year percentage of 165.5.



The fund balance of the District's General fund increased by \$48 during the current fiscal year. Key factors in this change are as follows:

- The General Fund's revenues totaled \$964, while expenditures totaled \$916.
- Revenues increased by \$246 over the prior year, mainly because of:
 - Property taxes increased \$4 due to increases in the amounts collected.
 - Intergovernmental revenues were up \$239 due to an increase of \$508 in State Capital Outlay funds related to the Breakwater Protection Project and a decrease of \$(269) in revenues related to a FEMA projects.
 - Interest was up \$2 as interest was earned on the BP settlement.

- Expenditures decreased \$(34) from last year due to the following:
 - Salaries were basically unchanged from the prior year,
 - Employee benefits were down \$(1) due to a drop in workers compensation insurance,
 - Travel was basically unchanged from the prior year,
 - Office costs increased by \$2 over last year (mainly in dues and subscriptions),
 - Professional services decreased by \$(85), primarily in engineering fees (related to mitigation fees paid in prior year),
 - Operating and maintenance costs were down \$(394), primarily in emergency repairs (down \$(434)), insurance (down \$(1)), and maintenance and repair costs (up \$41 as culverts and drains were installed as levee repairs),
 - Capital outlay was up \$444, due to mainly to the non-recurring costs associated with the Breakwater project (up \$513), offset by a drop of \$(69) in property, plant and equipment (purchase of a swing cutter and blades in the current year for \$11 versus a loader in the prior year for \$80).

GENERAL FUND BUDGETARY HIGHLIGHTS

The District made one amendment to its original budget during the fiscal year ended June 30, 2019.

Revenues were increased by \$155 to reflect 1) higher than anticipated ad valorem taxes (up \$2), 2) an increase in Intergovernmental – Federal for FEMA funds (up \$32), 3) and increase in Intergovernmental – State for State Capital Outlay on Fifi Island Breakwater project (up \$120), and 4) an increase of \$1 to interest income. Expenditures were increased by \$615 to reflect a) a decrease in salaries (down \$4), b) a decrease in travel (down \$2), c) a decrease in Professional Services in engineering fees (down \$10), d) an increase in Operating and Maintenance Costs of \$3, mostly to reflect an increase in levee repairs, and e) an increase in capital outlay of \$629 to reflect the costs associated with the swing cutter and the Fifi Island breakwater project.

The General Fund's actual revenues and expenditures varied from the final budget as follows.

- Revenues of the General Fund were budgeted at \$398 and came in at \$964, a positive variance of \$566. The variance had to do with an accrual of \$681 on the State Capital Outlay project at year end which caused a variance of \$562.

- Expenditures of the General Fund were budgeted at \$857 and came in at \$915, a negative variance of \$(58). The primary reason for this variance was an end of year accrual for a payable to a vendor on the Breakwater project of \$64, which caused a negative variance of \$(63) in capital outlay.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets. The District’s investment in capital assets for its governmental activities as of June 30, 2019 amounts to \$10,384 (net of accumulated depreciation and debt). This investment in capital assets includes land, buildings, furniture and fixtures, heavy equipment, vehicles, and infrastructure – levees and breakwaters. The District’s net investment in capital assets increased by \$607 or 6.2 percent this year. Major capital asset events during the current fiscal year included the following:

- \$11 was spent on a swing cutter and blades.
- \$697 was spent on construction in progress as the District seeks funding on the additional phases of the Fifi Island Restoration project.
- \$330 was recognized as depreciation expense.

Additional information on the District’s capital assets can be found in Note D.3 on page 29.

**GRAND ISLE INDEPENDENT LEVEE DISTRICT
NET INVESTMENT IN CAPITAL ASSETS
(NET OF DEPRECIATION)**

	Governmental Activities	Governmental Activities
	2019	2018
Land	\$ -	\$ -
Buildings	-	-
Furniture and fixtures	-	-
Heavy equipment	199	225
Vehicles	1	2
Infrastructure	8,627	8,919
Construction in progress	1,621	925
Total	<u>10,448</u>	<u>10,071</u>
Less capital-related debt/liabilities	<u>(64)</u>	<u>(294)</u>
	<u><u>\$ 10,384</u></u>	<u><u>\$ 9,777</u></u>

Long-term Debt. Keeping with the District's longstanding policy of funding operations currently, at year-end, the District had no long-term debt at year-end. State statutes limit the amount of general obligation debt a governmental unit may issue to 10 percent of its total assessed valuation. The District has no outstanding debt subject to this limitation.

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 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 tends to be 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 4.66 mills, the same as in the current year.

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

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the District'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 David Camardelle, President, PO Box 757, and Grand Isle, Louisiana 70358.

BASIC FINANCIAL STATEMENTS

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

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

	<u>GOVERNMENTAL ACTIVITIES</u>
ASSETS	
Cash and cash equivalents	\$ 247,196
Investments	752,535
Receivables (net of allowance for uncollectibles)	682,345
Capital assets (net of accumulated depreciation)	
Land	-
Buildings	-
Furniture and fixtures	-
Heavy equipment	199,281
Vehicles	714
Infrastructure	8,626,536
Construction in progress	1,621,023
TOTAL ASSETS	<u>12,129,630</u>
LIABILITIES	
Accounts payable and other current liabilities	63,650
Accrued payroll and deductions	-
Due to other governments	-
Unearned revenues	-
Noncurrent liabilities:	
Due within one year	-
Due in more than one year	-
TOTAL LIABILITIES	<u>63,650</u>
NET POSITION	
Net investment in capital assets	10,383,904
Unrestricted	1,682,076
TOTAL NET POSITION	<u>\$ 12,065,980</u>

The accompanying notes are an integral part of this statement.

GRAND ISLE INDEPENDENT LEVEE DISTRICT
STATE OF LOUISIANA

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2019

FUNCTION	EXPENSES	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION PRIMARY GOVERNMENT GOVERNMENTAL ACTIVITIES
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	
Primary Government					
Governmental Activities:					
Public Works	\$ 207,949	\$ -	\$ -	\$ 714,370	\$ 506,421
Unallocated depreciation expense:	330,614	-	-	-	(330,614)
Interest on long-term debt	-	-	-	-	-
Total governmental activities	<u>\$ 538,563</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 714,370</u>	<u>175,807</u>
GENERAL REVENUES:					
					224,164
Property taxes					-
State Revenue Sharing					-
Commissions and royalties					-
Rentals					-
Unrestricted interest					25,013
Gain (loss) on sale of equipment					-
Unrestricted gifts and donations					-
BP Economic Settlement					-
Other					-
TRANSFERS IN (OUT)					
					-
TOTAL GENERAL REVENUE AND TRANSFERS					<u>249,177</u>
CHANGE IN NET POSITION					424,984
NET POSITION					
Beginning of year					11,640,996
End of year					<u>\$ 12,065,980</u>

The accompanying notes are an integral part of this statement.

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

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

	<u>GENERAL</u>
ASSETS	
Cash and cash equivalents	\$ 247,196
Investments	752,535
Receivables (net of allowance for uncollectibles)	682,345
TOTAL ASSETS	<u>\$ 1,682,076</u>
LIABILITIES AND FUND BALANCES	
Liabilities	
Accounts payable	\$ 63,650
Accrued payroll and deductions	-
Due to other governments	-
Unearned revenues	-
TOTAL LIABILITIES	<u>63,650</u>
Fund Balances	
Nonspendable	
Restricted	-
Committed	-
Assigned	-
Unassigned	1,618,426
TOTAL FUND BALANCES	<u>1,618,426</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 1,682,076</u>

The accompanying notes are an integral part of this statement.

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

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
FOR THE YEAR ENDED JUNE 30, 2019**

Amounts reported for governmental activities in the Statement of Net Position (page 14) are different because:

Total Fund Balances at June 30, 2019 - Governmental Funds (page 16)	\$ 1,618,426
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets is \$13,689,964 and the accumulated depreciation is \$3,242,410.	10,447,554
Total Net Position of Governmental Activities at June 30, 2019 (page 14)	<u>\$ 12,065,980</u>

The accompanying notes are an integral part of this statement.

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

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

	<u>GENERAL</u>
REVENUES	
Taxes	
Property taxes	\$ 224,164
Intergovernmental	
Federal	32,141
State	682,229
Parish/Local	-
Interest	25,013
Miscellaneous	-
TOTAL REVENUES	<u><u>963,547</u></u>
EXPENDITURES	
Current	
Public Works	
Personnel	29,707
Employee related benefits	3,616
Travel	7,203
Office	7,662
Professional services	102,019
Operating and maintenance	57,237
Capital outlay	
Property, plant and equipment	11,628
Levee construction projects	696,558
TOTAL EXPENDITURES	<u><u>915,630</u></u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>47,917</u>
OTHER FINANCING SOURCES (USES)	
Transfers in	-
Transfers out	-
TOTAL OTHER FINANCING SOURCES (USES)	<u><u>-</u></u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER SOURCES (USES)	47,917
FUND BALANCE	
Beginning of year	1,570,509
End of year	<u><u>\$ 1,618,426</u></u>

The accompanying notes are an integral part of this statement.

**GRAND ISLE INDEPENDENT LEVEE DISTRICT
STATE OF 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 15) are different because:

Net change in fund balances - total governmental funds (page 18) \$ 47,917

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 capital outlays exceeded depreciation in the current period. 377,067

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

Change in net position of governmental activities (page 15) \$ 424,984

The accompanying notes are an integral part of this statement.

GRAND ISLE INDEPENDENT LEVEE DISTRICT
STATE OF LOUISIANA

GOVERNMENTAL FUNDS
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	\$ 222,000	\$ 224,000	\$ 224,164	\$ 164
Intergovernmental				
Federal	-	32,141	32,141	-
State	-	120,161	682,229	562,068
Parish/Local	-	-	-	-
Interest	20,000	21,102	25,013	3,911
Miscellaneous	250	250	-	(250)
TOTAL REVENUES	<u>242,250</u>	<u>397,654</u>	<u>963,547</u>	<u>565,893</u>
EXPENDITURES				
Current				
Public Works				
Personnel	33,250	29,000	29,707	(707)
Employee Related Benefits	7,500	7,942	3,616	4,326
Travel	10,000	7,225	7,203	22
Office	8,750	8,205	7,662	543
Professional Services	111,800	101,800	102,019	(219)
Operating and Maintenance	54,050	57,525	57,237	288
Capital outlay				
Property, plant and equipment	16,500	11,628	11,628	-
Levee construction projects	-	634,000	696,558	(62,558)
TOTAL EXPENDITURES	<u>241,850</u>	<u>857,325</u>	<u>915,630</u>	<u>(58,305)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>400</u>	<u>(459,671)</u>	<u>47,917</u>	<u>507,588</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 REVENUES OVER EXPENDITURES AND OTHER SOURCES (USES)	<u>400</u>	<u>(459,671)</u>	<u>47,917</u>	<u>507,588</u>
FUND BALANCE				
Beginning of year	1,570,509	1,570,509	1,570,509	-
End of year	<u>\$ 1,570,909</u>	<u>\$ 1,110,838</u>	<u>\$ 1,618,426</u>	<u>\$ 507,588</u>

The accompanying notes are an integral part of this statement.

GRAND ISLE INDEPENDENT LEVEE DISTRICT
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

1. Reporting Entity

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

The District was created by Louisiana Revised Statute (LSA-RS 38:291(S)). It includes all land in the Parish of Jefferson lying south of Latitude 29 17' 52" N on the west side of the Mississippi River. The governing board of commissioners administers the operations and responsibilities in accordance with the provisions of Louisiana statutes. The members of the Board are appointed by the Governor of the State of Louisiana from a list of nominations submitted by the members of the Legislature serving that portion of Jefferson Parish located within the District.

Based on the criteria described above, it has been determined that the Grand Isle Independent Levee District is a component unit of the State of Louisiana for financial reporting purposes. The accompanying statements present only transactions of the District.

Annually, the State of Louisiana (the primary government) issues general purpose financial statements which include the activity contained in the accompanying financial statements. The State's general purpose financial statements are issued by the Louisiana Division of Administration - Office of Statewide Reporting and Accounting Policy and are audited by the Louisiana Legislative Auditor.

GRAND ISLE INDEPENDENT LEVEE DISTRICT
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2019

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2. 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 District. 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. Because of the nature of the District's operations, the District reports only governmental activities.

The statement of activities demonstrates the degree to which the direct expense of a given function or segment are 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

Funds are used by the District 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 District are classified into the "governmental" category. The category, in turn, is divided into separate "fund types".

Governmental funds are used to account for all or most of a government'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 general government not accounted for in some other fund.

GRAND ISLE INDEPENDENT LEVEE DISTRICT
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2019

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The District reports the following major governmental funds:

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

3. 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. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Governmental fund financial statements are reported using a *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The District considers property taxes as available if they are collected within 60 days after year end. A one-year availability period is used for revenue recognition for all other governmental fund revenues. Property taxes, intergovernmental revenues, and interest associated with the current fiscal year are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt, as well as expenditures related to compensated absences and claims and judgments, only when payment is due.

4. Assets, Liabilities, and Net Assets or Equity

A. *Cash and Investments*

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

GRAND ISLE INDEPENDENT LEVEE DISTRICT
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2019

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

State statutes authorize the District to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds and repurchase agreements. In accordance with GASB Statement No. 31, investments, if any, are generally stated at fair value. If the investment is in money market securities and has a maturity date of less than 90 days from the balance sheet date, the investment is stated at cost or amortized cost.

B. Inventories

The cost of materials and supplies acquired by the District are recorded as expenditures at the time of purchase. It is management's opinion that the inventory of such materials and supplies at June 30, 2019 would not be material to the financial statements.

C. Capital Assets

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

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed and are included in construction in progress. The levees and breakwaters are divided into reaches and are capitalized as such. Any major "lifts" or improvements to an existing levee/reach is capitalized as an addition to that levee/reach.

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	40
Furniture and Fixtures	3
Heavy Equipment	7
Vehicles	5-7
Infrastructure	40

**GRAND ISLE INDEPENDENT LEVEE DISTRICT
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2019**

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. *Fund Equity*

In accordance with the requirements of 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.

For *committed fund balances*, the District's Board is considered to be the highest level of decision-making authority and resolutions passed by it is needed to establish, modify, or rescind a fund balance commitment. For *assigned fund balances*, the District President may assign amounts to a specific purpose.

While the District 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.

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 a 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 \$377,067 difference are as follows:

Capital outlay	\$	707,681
Depreciation expense		(330,614)
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>		377,067

GRAND ISLE INDEPENDENT LEVEE DISTRICT
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2019

NOTE C - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

1. Budget

Formal budgetary accounting is employed as a management control device during the year for the General Fund. The Board of Commissioners of the District submits an annual budget to the Department of Transportation and Development - Office of Public Works (DOTD) and the Legislative Auditor for the succeeding fiscal year. The operating budget includes proposed expenditures and the means of financing them.

The DOTD reviews the budget and makes recommendations pertaining thereto to the Board of Commissioners of the District and the Legislative Auditor. Not less than ninety days before the end of the fiscal year, the Board of Commissioners adopts the annual budget after considering the recommendations of the DOTD. Amendments to the budget are made by the Board from time to time as is necessary.

The General Fund's budget is adopted on a basis consistent with generally accepted accounting principles (GAAP). Encumbrances are not recorded for budgetary purposes. Expenditures may not exceed appropriations at the object level within the fund. All annual appropriations which are not expended lapse at year end.

The budgeted amounts represent the original budget and any amendments through June 30, 2019. The budgeted amounts are included, respectively, as the original and final budgets in the accompanying statements.

2. Expenditures in Excess of Appropriations

For the year ended June 30, 2019, operating and maintenance expenditures exceeded its budget category within the General Fund by \$58,305. The District accrued \$63,650 due to a vendor on the breakwater project late in the fiscal year and failed to amend the budget to account for this accrual. Except for this one variance, the District was within statutory guidelines for budgetary variances.

**GRAND ISLE INDEPENDENT LEVEE DISTRICT
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
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
Book Value of Deposits in Banks	\$ 87,196	\$ 160,000	\$ -	\$ 247,196
Bank Balances of Deposits Exposed to Custodial Credit Risk:				
A. Uninsured and uncollateralized	\$ -	\$ -	\$ -	\$ -
B. Uninsured and collateralized with securities held by pledging institution	-	-	-	-
C. Uninsured and collateralized with securities held by the pledging financial institution's trust department or agent but not in the District's name.	-	-	-	-
Total Bank Balances Exposed to Custodial Credit Risk	\$ -	\$ -	\$ -	\$ -
Total Bank Balances - All Deposits	\$ 142,638	\$ 160,000	\$ -	\$ 302,638

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 District's investments consist of shares in the Louisiana Asset Management Pool (LAMP). The balance as of June 30, 2019 for all funds is \$752,535. 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 District's policy to limit its investments in these investment types to the top ratings group. State statutes also allow the District to invest in the LAMP. The following table lists the District's investments by credit quality rating, whether held directly or indirectly (i.e., LAMP):

**GRAND ISLE INDEPENDENT LEVEE DISTRICT
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2019**

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

<u>S&P or Moody's Rating</u>	<u>Fair Value</u>
AAAm	\$ 752,535
	<u>\$ 752,535</u>

Interest Rate Risk

In accordance with the District'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 District is even less exposed to long-term interest rate risk.

Concentrations of Credit Risk

The District 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 District's investments of \$752,535 were invested with the Louisiana Asset Management Pool (LAMP).

2. Receivables

The District had \$682,345 in receivables at year end, made up of the following:

	<u>General Fund</u>
Receivables:	
Intergovernmental	
JPSO - Property Taxes	\$ 1,450
State Capital Outlay - Fifi Breakwater #36-L25-06B-01	680,895
Total Intergovernmental	<u>\$ 682,345</u>

GRAND ISLE INDEPENDENT LEVEE DISTRICT
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2019

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

The District received State Capital Outlay funding under Project No. 36-L25-06B-01 for the planning and engineering phase of the Breakwater Protection Project. The District is approved for up to \$1,097,000 in capital outlay funding for planning, construction, and miscellaneous costs. Through June 30, 2019, the District has expended \$1,079,819 on this project, including \$682,229 in the current year. Reimbursements received to date total \$398,924 (including \$120,162 in the current year), leaving a balance due of \$680,895. This amount has been accrued as a receivable at year end. The payment from the State is being held up due to the funds needing to be moved from one Priority to another in order to effect payment.

3. Capital Assets

The balance of \$1,621,023 in construction in progress is made up of \$1,089,832 of costs associated with the State Capital Outlay project and \$531,191 of engineering costs associated with the CPRA project as additional phases are now being planned for. In 2019, the District expended \$696,558 on engineering costs on this project. Of this amount, \$14,329 was disallowed by Facilities Planning and Control, which means that only \$682,229 was eligible for reimbursement (see Note 2).

The following is a summary of changes in the general fixed assets account group during the fiscal year:

**GRAND ISLE INDEPENDENT LEVEE DISTRICT
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2019**

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

The following is a summary of changes in capital assets during the fiscal year:

	Balance July 1, 2018	Additions	Deletions	Transfers	Balance June 30, 2019
Governmental Activities:					
Capital assets, not being depreciated:					
Land	\$ -	\$ -	\$ -	\$ -	\$ -
Construction in progress	924,465	696,558	-	-	1,621,023
Total capital assets, not being depreciated	\$ 924,465	\$ 696,558	\$ -	\$ -	\$ 1,621,023
Capital assets, being depreciated:					
Buildings	\$ 2,185	\$ -	\$ -	\$ -	\$ 2,185
Furniture and fixtures	5,657	-	-	-	5,657
Heavy equipment	338,667	11,123	-	-	349,790
Vehicles	5,000	-	-	-	5,000
Infrastructure	11,706,309	-	-	-	11,706,309
Total capital assets, being depreciated	12,057,818	11,123	-	-	12,068,941
Less accumulated depreciation:					
Buildings	(2,185)	-	-	-	(2,185)
Furniture and fixtures	(5,657)	-	-	-	(5,657)
Heavy equipment	(113,268)	(37,241)	-	-	(150,509)
Vehicles	(3,571)	(715)	-	-	(4,286)
Infrastructure	(2,787,115)	(292,658)	-	-	(3,079,773)
Total accumulated depreciation	(2,911,796)	(330,614)	-	-	(3,242,410)
Capital assets being depreciated, net of accumulated depreciation	\$ 9,146,022	\$ (319,491)	\$ -	\$ -	\$ 8,826,531
Total governmental activities, capital assets, net	\$ 10,070,487	\$ 377,067	\$ -	\$ -	\$ 10,447,554

As noted in the table, current year depreciation expense is \$377,067.

GRAND ISLE INDEPENDENT LEVEE DISTRICT
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2019

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

4. Ad Valorem Tax

Article 6, § 39 of the 1974 Louisiana Constitution provides that for the purposes of constructing and maintaining levees, levee drainage, flood protection, hurricane flood protection, and for all other purposes incidental thereto, the District may levy annually, a tax not to exceed five mills. If the District needs to raise additional funds in excess of the amount collected constitutionally, the taxes in excess of five mills must be approved by a majority vote of the electors.

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

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

The number of mills levied for operations on the 2018 and 2017 tax rolls were 4.66 and 4.66, respectively. For 2019, the District recognized \$224,164 in ad valorem tax revenues.

5. Restrictions of Net Position and Fund Balance Components

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, as noted below.

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.

GRAND ISLE INDEPENDENT LEVEE DISTRICT
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2019

NOTE E - COMMITMENTS AND CONTINGENCIES

1. Risk Management

The District is exposed to various risks of loss resulting from personal injury; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. To protect against these risks of loss, the District purchases various types of insurance from commercial carriers. Under these policies, general liability coverage is provided for up to a maximum of \$1,000,000 per occurrence (\$2,000,000 in the aggregate) and worker's compensation is provided at the statutory limits of \$100,000/500,000/100,000. In each policy, the District is responsible for the applicable deductible.

2. Litigation

There is no pending litigation against the District at June 30, 2019.

NOTE F - OTHER INFORMATION

1. Retirement

Employees of the District are members of the Social Security System. In addition to the employee contribution withheld at 7.65 per cent, the District contributes an equal amount to the Social Security System. Aggregate pension costs/taxes for the year is \$1,414. The District does not guarantee the benefits granted by the Social Security System.

2. Hurricanes Katrina

On August 29, 2005, Hurricane Katrina struck the New Orleans Metropolitan area, which includes Jefferson Parish and the Town of Grand Isle (i.e., the area serviced by the District). While the Town was spared from a direct hit, the Isle was overrun by the storm surge from the Hurricane. 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 District's major assets (i.e., rock jetties) survived the Hurricane; however, the District's boat was lost/destroyed.

GRAND ISLE INDEPENDENT LEVEE DISTRICT
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2019

NOTE F - OTHER INFORMATION (CONTINUED)

The loss of the boat was covered by insurance. A Project Worksheet has been filed with the Federal Emergency Management Agency (FEMA) to repair several breakwaters and abatements. Federal obligations total \$299,372. During 2019, FEMA paid the District \$300,731 (\$293,872 in project costs plus \$6,859 in administrative fees). The District owed the \$293,872 to Jefferson Parish for payments it made to vendors on the District's behalf. This amount has been accrued at year-end as due to other governments.

3. Tropical Storm Nate

On October 7, 2018, Tropical Storm Nate brushed by the New Orleans Metropolitan area, which includes Jefferson Parish and the Town of Grand Isle (i.e., the area serviced by the District). The Town did not incur a direct hit; therefore most of the District's major assets (i.e., rock jetties and back levees) survived the storm. However, the District did have to make some emergency repairs to some of the back levees due to erosion and the track of the storm. The District has spent \$139,899 on costs associated with this storm; however, to date, Federal obligations totaled only \$42,855. During 2019, FEMA paid the District \$32,141 (75% federal share of the project costs). The balance of \$10,714 is absorbed by the District as the local match. The District is awaiting closeout of the project by FEMA.

4. Proposed Airport Cancelled

On August 6, 2018, the District signed an agreement with the Louisiana Department of Wildlife and Fisheries that would have allowed the District to operate and manage the "Grand Isle Airport" on an abandoned airstrip on Elmer's Island on the west end of Town. Plans included a hanger, a ramp, a tie-down area, fuel tanks and perhaps a terminal building. At the October 9, 2018 Board Meeting, it was noted that the Governor and the Louisiana Department of Wildlife and Fisheries decided that they could not legally sign the lease due to federal bird sanctuary laws. As such, the lease was not signed and the plans for the airport on Elmer's Island were cancelled.

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OTHER SUPPLEMENTAL INFORMATION

GRAND ISLE INDEPENDENT LEVEE DISTRICT
STATE OF LOUISIANA

GOVERNMENTAL FUNDS - GENERAL FUND
SCHEDULE OF REVENUES - 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	\$ 222,000	\$ 224,000	\$ 224,164	\$ 164
Intergovernmental				
Federal				
FEMA	-	32,141	32,141	-
NOAA CAIP Grant (#NA170Z2152)	-	-	-	-
NOAA CAIP Grant (#NA170Z2152)	-	-	-	-
	<u>-</u>	<u>32,141</u>	<u>32,141</u>	<u>-</u>
State				
State Capital Outlay (#36-L25-06B-01)	-	120,161	682,229	562,068
State - IEB - Cheniere Repairs	-	-	-	-
CPRA Fifi Island CEA (BA-168)	-	-	-	-
	<u>-</u>	<u>120,161</u>	<u>682,229</u>	<u>562,068</u>
Parish/Local				
Grand Isle Port Commission Donation	-	-	-	-
Grand Isle Beautification Committee Donation	-	-	-	-
Jefferson Parish Grants	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Service charges, fees, and commissions	-	-	-	-
Fines and forfeitures	-	-	-	-
Interest	20,000	21,102	25,013	3,911
Miscellaneous				
BP Economic Settlement	-	-	-	-
Other	250	250	-	(250)
	<u>250</u>	<u>250</u>	<u>-</u>	<u>(250)</u>
TOTAL REVENUES	<u>\$ 242,250</u>	<u>\$ 397,654</u>	<u>\$ 963,547</u>	<u>\$ 565,893</u>

GRAND ISLE INDEPENDENT LEVEE DISTRICT
STATE OF LOUISIANA

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

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
EXPENDITURES				
Current				
Public Works				
Personnel				
Salaries	\$ 22,000	\$ 19,000	\$ 18,457	\$ 543
Commissioner's per diems	11,250	10,000	11,250	(1,250)
Employee expenses	-	-	-	-
Total	<u>33,250</u>	<u>29,000</u>	<u>29,707</u>	<u>(707)</u>
Employee Related Benefits				
Payroll taxes - state - penalties	-	-	-	-
Payroll taxes - federal	7,500	5,740	1,414	4,326
Insurance - workman's compensation	-	2,202	2,202	-
Total	<u>7,500</u>	<u>7,942</u>	<u>3,616</u>	<u>4,326</u>
Travel				
Travel	10,000	7,225	7,203	22
not used	-	-	-	-
not used	-	-	-	-
Total	<u>10,000</u>	<u>7,225</u>	<u>7,203</u>	<u>22</u>
Office				
Advertising	2,000	1,100	1,071	29
Bank charges	150	185	184	1
Dues and subscriptions	4,000	5,000	4,680	320
Lease - office	-	-	-	-
Office supplies	500	120	116	4
Postage	-	-	-	-
Telephone	2,100	1,800	1,611	189
Total	<u>8,750</u>	<u>8,205</u>	<u>7,662</u>	<u>543</u>
Professional Services				
Audit	3,800	3,800	3,800	-
Engineering and other	108,000	98,000	98,219	(219)
not used	-	-	-	-
Total	<u>111,800</u>	<u>101,800</u>	<u>102,019</u>	<u>(219)</u>
Operating and Maintenance				
Contract labor	-	-	-	-
Debris removal project	-	-	-	-
Hurricane/Emergency expenses	-	-	-	-
Food and lodging	-	-	-	-
Gas and oil	3,500	2,200	2,028	172
Grass cutting	800	200	140	60
Insurance - general, auto, marine	20,000	13,000	13,000	-
Licenses and permits	-	-	-	-
Miscellaneous	250	225	224	1
Navigation & safety	-	-	-	-
Repairs and maint - bldgs and equip	4,500	1,800	1,788	12
Repairs and maint - levees	25,000	40,100	40,057	43
Small tools and equipment	-	-	-	-
Total	<u>54,050</u>	<u>57,525</u>	<u>57,237</u>	<u>288</u>
Debt Service				
Principal	-	-	-	-
Interest	-	-	-	-
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Capital outlay				
Property, plant and equipment	16,500	11,628	11,628	-
Levee and other construction projects				
Breakwater construction	-	634,000	696,558	(62,558)
Fifi Island breakwaters and restoration	-	-	-	-
FEMA project	-	-	-	-
Cheniére Breakwater repairs	-	-	-	-
Total	<u>16,500</u>	<u>645,628</u>	<u>708,186</u>	<u>(62,558)</u>
TOTAL EXPENDITURES	<u>\$ 241,850</u>	<u>\$ 857,325</u>	<u>\$ 915,630</u>	<u>\$ (58,305)</u>

**GRAND ISLE INDEPENDENT LEVEE DISTRICT
STATE OF LOUISIANA
SCHEDULE OF PER DIEM PAID TO BOARD MEMBERS
For the Year Ended June 30, 2019**

Board Member	Number of Meetings	Per Diem Paid
Kelly Besson	35	\$ 5,468
Arthur Bellanger	37	5,782
Total		<u>\$ 11,250</u>

The Schedule of Per Diem Paid to Board Members is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. Per diem payments are authorized by Louisiana Revised Statute 38:308 and are included in the personnel expenditures of the General Fund. Board members are a per diem per meeting for up to 36 meetings each year. For 2019, the maximum per diem rate is \$156.25 per meeting. The rate is based on GSA per diem rates for 2018 in the New Orleans area for lodging, meals, and incidentals. The per diem is capped at 75 percent of the GSA rate.

In lieu of per diem, the Board President, David Camardelle, was paid a salary of \$12,000 (\$1,000 per month effective October 1, 1994). See the additional schedule for compensation paid to the Board President.

GRAND ISLE INDEPENDENT LEVEE DISTRICT

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, President

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 12,000 (1)
Benefits - Insurance (Group Health)	-
Benefits - Retirement	-
Benefits - Other	-
Payroll Taxes	918
Car Allowance	-
Vehicle Provided by Agency	No
Per Diem	-
Reimbursements	-
Travel (meals)	515
Telephone (cellphone)	1,611 (2)
Dues and Registration Fees	1,940 (3)
Conference Travel	3,106 (4)
Continuing Professional Education Fees	-
Housing	-
Unvouchered Expenses	-
Special Meals	-

Notes to Schedule:

- (1) The President receives a salary of \$1,000 per month in lieu of a per diem.
- (2) A cellphone is provided to the President and the District pays the monthly bill. The amount shown is net of a \$150 reimbursement from the President for personal use of the phone (12 months x \$12.50/month).
- (3) Registration fees for various levee association conferences and workshops.
- (4) Travel includes airfares, bag fees, hotel costs, and parking fees for attending various levee conferences in Louisiana and travel to Washington DC.

**GRAND ISLE INDEPENDENT LEVEE DISTRICT
STATE OF LOUISIANA
SCHEDULE OF STATE FUNDING
For the Year Ended June 30, 2019**

Description of Funding	Amount
State Capital Outlay - Fifi Breakwater Protection Project #36-L25-06B-01	\$ 682,229 (1)
	\$ 682,229
(1) Current year revenue is made up of the following:	
Current year receipts	\$ 120,162
Prior year receivable	(118,828)
Current year receivable	680,895
	\$ 682,229

**ANNUAL FISCAL REPORT (AFR)
FOR 2019**

AGENCY: 20-14-22 - Grand Isle Independent Levee District
 PREPARED BY: Paul Rivera
 PHONE NUMBER: 504-371-4390
 EMAIL ADDRESS: riverapcpa@cox.net
 SUBMITTAL DATE: 08/16/2019 02:19 PM

STATEMENT OF NET POSITION

ASSETS

CURRENT ASSETS:

CASH AND CASH EQUIVALENTS	247,196.00
RESTRICTED CASH AND CASH EQUIVALENTS	0.00
INVESTMENTS	752,535.00
RESTRICTED INVESTMENTS	0.00
DERIVATIVE INSTRUMENTS	0.00
RECEIVABLES (NET)	1,450.00
PLEDGES RECEIVABLE (NET)	0.00
LEASES RECEIVABLE (NET)	0.00
AMOUNTS DUE FROM PRIMARY GOVERNMENT	680,895.00
DUE FROM FEDERAL GOVERNMENT	0.00
INVENTORIES	0.00
PREPAYMENTS	0.00
NOTES RECEIVABLE	0.00
OTHER CURRENT ASSETS	0.00
TOTAL CURRENT ASSETS	\$1,682,076.00

NONCURRENT ASSETS:

RESTRICTED ASSETS:

CASH	0.00
INVESTMENTS	0.00
RECEIVABLES (NET)	0.00
NOTES RECEIVABLE	0.00
OTHER	0.00
INVESTMENTS	0.00
RECEIVABLES (NET)	0.00
NOTES RECEIVABLE	0.00
PLEDGES RECEIVABLE (NET)	0.00
LEASES RECEIVABLE (NET)	0.00
CAPITAL ASSETS (NET OF DEPRECIATION & AMORTIZATION)	
LAND	0.00
BUILDINGS AND IMPROVEMENTS	0.00
MACHINERY AND EQUIPMENT	199,995.00
INFRASTRUCTURE	8,626,536.00
INTANGIBLE ASSETS	0.00
CONSTRUCTION IN PROGRESS	1,621,023.00
OTHER NONCURRENT ASSETS	0.00
TOTAL NONCURRENT ASSETS	\$10,447,554.00
TOTAL ASSETS	\$12,129,630.00

DEFERRED OUTFLOWS OF RESOURCES

ACCUMULATED DECREASE IN FAIR VALUE OF HEDGING DERIVATIVES	0.00
DEFERRED AMOUNTS ON DEBT REFUNDING	0.00
ADJUSTMENT OF CAPITAL LEASE OBLIGATIONS	0.00
GRANTS PAID PRIOR TO MEETING TIME REQUIREMENTS	0.00
INTRA-ENTITY TRANSFER OF FUTURE REVENUES (TRANSFEREE)	0.00
LOSSES FROM SALE-LEASEBACK TRANSACTIONS	0.00
DIRECT LOAN ORIGINATION COSTS FOR MORTGAGE LOANS HELD FOR SALE	0.00
ASSET RETIREMENT OBLIGATIONS	0.00
OPEB-RELATED DEFERRED OUTFLOWS OF RESOURCES	0.00
PENSION-RELATED DEFERRED OUTFLOWS OF RESOURCES	0.00

**ANNUAL FISCAL REPORT (AFR)
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TOTAL DEFERRED OUTFLOWS OF RESOURCES **\$0.00**

TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES **\$12,129,630.00**

LIABILITIES

CURRENT LIABILITIES:

ACCOUNTS PAYABLE AND ACCRUALS	63,650.00
ACCRUED INTEREST	0.00
DERIVATIVE INSTRUMENTS	0.00
AMOUNTS DUE TO PRIMARY GOVERNMENT	0.00
DUE TO FEDERAL GOVERNMENT	0.00
AMOUNTS HELD IN CUSTODY FOR OTHERS	0.00
UNEARNED REVENUES	0.00
OTHER CURRENT LIABILITIES	0.00

CURRENT PORTION OF LONG-TERM LIABILITIES:

CONTRACTS PAYABLE	0.00
COMPENSATED ABSENCES PAYABLE	0.00
CAPITAL LEASE OBLIGATIONS	0.00
ESTIMATED LIABILITY FOR CLAIMS	0.00
NOTES PAYABLE	0.00
BONDS PAYABLE	0.00
OPEB LIABILITY	0.00
POLLUTION REMEDIATION OBLIGATIONS	0.00
OTHER LONG-TERM LIABILITIES	0.00

TOTAL CURRENT LIABILITIES **\$63,650.00**

NONCURRENT PORTION OF LONG-TERM LIABILITIES:

CONTRACTS PAYABLE	0.00
COMPENSATED ABSENCES PAYABLE	0.00
CAPITAL LEASE OBLIGATIONS	0.00
ESTIMATED LIABILITY FOR CLAIMS	0.00
NOTES PAYABLE	0.00
BONDS PAYABLE	0.00
TOTAL OPEB LIABILITY	0.00
NET PENSION LIABILITY	0.00
POLLUTION REMEDIATION OBLIGATIONS	0.00
OTHER LONG-TERM LIABILITIES	0.00

UNEARNED REVENUE 0.00

TOTAL LONG-TERM LIABILITIES **\$0.00**

TOTAL LIABILITIES **\$63,650.00**

DEFERRED INFLOWS OF RESOURCES

ACCUMULATED INCREASE IN FAIR VALUE OF HEDGING DERIVATIVES	0.00
DEFERRED AMOUNTS ON DEBT REFUNDING	0.00
ADJUSTMENT OF CAPITAL LEASE OBLIGATIONS	0.00
GRANTS RECEIVED PRIOR TO MEETING TIME REQUIREMENTS	0.00
SALES/INTRA-ENTITY TRANSFER OF FUTURE REVENUES (TRANSFEROR)	0.00
GAINS FROM SALE-LEASEBACK TRANSACTIONS	0.00
SPLIT INTEREST AGREEMENTS	0.00
POINTS RECEIVED ON LOAN ORIGATION	0.00
LOAN ORIGATION FEES RECEIVED FOR MORTGAGE LOANS HELD FOR SALE	0.00
OPEB-RELATED DEFERRED INFLOWS OF RESOURCES	0.00
PENSION-RELATED DEFERRED INFLOWS OF RESOURCES	0.00
TOTAL DEFERRED INFLOWS OF RESOURCES	\$0.00

**ANNUAL FISCAL REPORT (AFR)
FOR 2019**

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NET POSITION:

NET INVESTMENT IN CAPITAL ASSETS	10,383,904.00
RESTRICTED FOR:	
CAPITAL PROJECTS	0.00
DEBT SERVICE	0.00
NONEXPENDABLE	0.00
EXPENDABLE	0.00
OTHER PURPOSES	0.00
UNRESTRICTED	\$1,682,076.00
TOTAL NET POSITION	\$12,065,980.00

**ANNUAL FISCAL REPORT (AFR)
FOR 2019**

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

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STATEMENT OF ACTIVITIES

PROGRAM REVENUES				
EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	NET (EXPENSE) REVENUE
538,563.00	0.00	0.00	714,370.00	\$175,807.00
GENERAL REVENUES				
PAYMENTS FROM PRIMARY GOVERNMENT				0.00
OTHER				249,177.00
ADDITIONS TO PERMANENT ENDOWMENTS				0.00
CHANGE IN NET POSITION				\$424,984.00
NET POSITION - BEGINNING				\$11,640,996.00
NET POSITION - RESTATEMENT				0.00
NET POSITION - ENDING				\$12,065,980.00

ACCOUNTS RECEIVABLE REPORT FOR April 1 - June 30, 2019

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

PREPARED BY: Paul Rivera

PHONE NUMBER: 504-371-4390

EMAIL ADDRESS: riverapcpa@cox.net

SUBMITTAL DATE: 08/16/2019 02:14 PM

CURRENT RECEIVABLES (expressed in dollars)

Revenue Source	Beginning Balance	Additions	Collected 1-90 days	Collected 91-180 days	Receivables over 180 days	Ending Balance	No. of Accounts	Budget for Self-Gen	Retain by State Gen Fund	Due to the Fed Govt	Due to Other
Taxes	\$0.00	\$1,450.00	\$0.00	\$0.00	\$0.00	\$1,450.00	1	\$1,450.00	\$0.00	\$0.00	\$0.00
TOTAL	\$0.00	\$1,450.00	\$0.00	\$0.00	\$0.00	\$1,450.00	1	\$1,450.00	\$0.00	\$0.00	\$0.00

LONG-TERM RECEIVABLES (expressed in dollars)

Revenue Source	Begin Balance	Amt Receivables Collected	Amt to AG	Accts to AG	Amt to ODR	Accts to ODR	Amt to Outside	Accts to Outside	End Balance	No. of Accounts	Budget for Self-Gen	Retain by Gen Fund	Due to Fed Govt	Due to Other
No Receivables to Report	\$0.00	\$0.00	\$0.00	\$0.00	0	\$0.00	0	\$0.00	0	\$0.00	0	\$0.00	\$0.00	\$0.00
TOTAL	\$0.00	\$0.00	\$0.00	\$0.00	0	\$0.00	0	\$0.00	0	\$0.00	0	\$0.00	\$0.00	\$0.00

**ANNUAL FISCAL REPORT (AFR)
FOR 2019**

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DUES AND TRANSFERS

Account Type	Intercompany (Fund)	Amount
Amounts due from Primary		
Government		
	075 - FPC-Capital Outlay	680,895.00
	Total	\$680,895.00

Account Type	Intercompany (Fund)	Amount
Amounts due to Primary		
Government		
	Total	\$0.00

**ANNUAL FISCAL REPORT (AFR)
FOR 2019**

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FUND BALANCE/NET POSITION RESTATEMENT

Account Name/Description	Restatement Amount	
Total	\$0.00	

**ANNUAL FISCAL REPORT (AFR)
FOR 2019**

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SCHEDULE OF BONDS PAYABLE

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

Series - Unamortized Premiums:

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

Series - Unamortized Discounts:

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

**ANNUAL FISCAL REPORT (AFR)
FOR 2019**

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SUBMITTAL DATE: 08/16/2019 02:19 PM

SCHEDULE OF BONDS PAYABLE AMORTIZATION

Fiscal Year Ending:	Principal	Interest
2020	0.00	0.00
2021	0.00	0.00
2022	0.00	0.00
2023	0.00	0.00
2024	0.00	0.00
2025	0.00	0.00
2026	0.00	0.00
2027	0.00	0.00
2028	0.00	0.00
2029	0.00	0.00
2030	0.00	0.00
2031	0.00	0.00
2032	0.00	0.00
2033	0.00	0.00
2034	0.00	0.00
2035	0.00	0.00
2036	0.00	0.00
2037	0.00	0.00
2038	0.00	0.00
2039	0.00	0.00
2040	0.00	0.00
2041	0.00	0.00
2042	0.00	0.00
2043	0.00	0.00
2044	0.00	0.00
2045	0.00	0.00
2046	0.00	0.00
2047	0.00	0.00
2048	0.00	0.00
2049	0.00	0.00
2050	0.00	0.00
2051	0.00	0.00
2052	0.00	0.00
2053	0.00	0.00
2054	0.00	0.00
Premiums and Discounts	\$0.00	
Total	\$0.00	\$0.00

**ANNUAL FISCAL REPORT (AFR)
FOR 2019**

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Other Postemployment Benefits (OPEB)

If your agency has active or retired employees who are members of the Office of Group Benefits (OGB) Health Plan, please provide the following information: (Note: OGB has a 6/30/2018 measurement date for their OPEB valuation)

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

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

For calendar year-end agencies only: Benefit payments or employer payments for retirees' health and life insurance premiums made for the next year's valuation reporting period (7/1/2018 - 6/30/2019). This information will be provided to the actuary for the valuation report early next year. 0.00

For agencies that have employees that participate in the **LSU Health Plan**, provide the following information: (Note: The LSU Health Plan has a measurement date of 6/30/2019 for their OPEB valuation report.)

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

**ANNUAL FISCAL REPORT (AFR)
FOR 2019**

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

PREPARED BY: Paul Rivera

PHONE NUMBER: 504-371-4390

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SUBMITTAL DATE: 08/16/2019 02:19 PM

SUBMISSION

Before submitting, ensure that all data (statements, notes, schedules) have been entered for the agency.

Once submitted no changes can be made to any of the agency data for the specified year.

By clicking 'Submit' below you certify that the financial statements herewith given present fairly the financial position and the results of operations for the year ended in accordance with policies and practices established by the Division of Administration or in accordance with Generally Accepted Accounting Principles as prescribed by the Governmental Accounting Standards Board.

Reminder: You must send Louisiana Legislative Auditors an electronic copy of the AFR report in a pdf, tiff, or some other electronic format to the following e-mail address:
LLAFileroom@lla.la.gov.

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COMPLIANCE SECTION

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

Board of Commissioners
Grand Isle Independent Levee District
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 *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the Grand Isle Independent Levee District (the "District"), as of and for the year ended June 30, 2019, and the related notes to the financial statements and have issued my report thereon dated August 16 2019.

Internal Control over Financial Reporting

In planning and performing my audit, I considered the District'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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, I do not express an opinion on the effectiveness of the District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the District'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 significant 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 in internal control (See SD19-01, SD 19-02, and SD 19-03).

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District'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 no instance of noncompliance and other matters that are required to be reported under *Government Auditing Standards*.

The District's Responses to Finding(s)

The District's responses to the findings identified in my audit are described in the accompanying Schedule of Findings and Responses. The District's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, I express no such 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 on the effectiveness of the District's internal control or compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Paul C. Riva, CPA

August 16, 2019

GRAND ISLE INDEPENDENT LEVEE DISTRICT
State of Louisiana

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

I have audited the financial statements of the Grand Isle Independent Levee District (the "District") as of and for the year ended June 30, 2019, and have issued my report thereon dated August 16, 2019. 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. My audit of the financial statements as of June 30, 2019 resulted in an unqualified opinion.

SECTION I - SUMMARY OF AUDITOR'S RESULTS

- A. The auditor's report expresses an unqualified opinion on the financial statements of the District.
- B. Report on Internal Control and Compliance Material to the Financial Statements
Internal Control:
 - Significant Deficiencies were noted (see below).
 - No Material Weaknesses were noted.Compliance:
 - No instances of noncompliance material to the financial statements were noted.
- C. Federal Awards - not applicable
- D. Identification of Major Programs - not applicable

SECTION II - FINANCIAL STATEMENT FINDINGS

SIGNIFICANT DEFICIENCIES

SD Comment # 19-01 - Inadequate Segregation of Duties

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

GRAND ISLE INDEPENDENT LEVEE DISTRICT
State of Louisiana

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

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 may be partially mitigated or deficiencies for which the remedy would be cost prohibitive or otherwise impractical.

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

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

SD Comment # 19-02 - Preparation of Financial Statements by Auditor

Condition and Criteria - The District 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 principle. As is common in small organizations, the District 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.

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

**GRAND ISLE INDEPENDENT LEVEE DISTRICT
State of Louisiana**

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

SD Comment # 19-03 – Maintaining Proper Fixed Asset Records

Condition and Criteria - The District does not maintain a formal fixed assets ledger. Instead, it has chosen to rely on a schedule of general fixed assets within an excel spreadsheet that was originally generated by the external auditor, which is adjusted each year during the audit. By not maintaining a general ledger on fixed assets, the District must wait until year end to calculate and post depreciation on fixed assets.

Cause - The District’s software system (Quicken) does not record and depreciate fixed assets.

Recommendation - The District should work towards entering the records relating to the fixed assets into affixed asset software system or at least, maintain an excel spreadsheet. This would allow for the timely capitalization and 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 spreadsheet maintained for the audit and take responsibility for its contents.

PRIOR YEAR COMMENTS OR FINDINGS

Prior Year Comment No.	Description	Status
# SD 18-01	Inadequate segregation of duties.	See CY Comment # SD 19-01
# SD 18-02	Financial Statements prepared by external auditor.	See CY Comment # SD 19-02
# SD 18-03	Fixed Asset schedules maintained by external auditor.	See CY Comment # SD 19-03

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Not Applicable

(END OF REPORT)