

**JEFFERSON DAVIS GRAVITY SUB-DISTRICT "A"**  
**OF GRAVITY DRAINAGE DISTRICT ONE**  
**Jefferson Davis Parish Police Jury**  
Lake Arthur, Louisiana

**COMPONENT UNIT FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED DECEMBER 31, 2019**

**JEFFERSON DAVIS GRAVITY SUB-DISTRICT "A"**  
**OF GRAVITY DRAINAGE DISTRICT ONE**  
**Jefferson Davis Parish Police Jury**  
Lake Arthur, Louisiana

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**REQUIRED SUPPLEMENTAL INFORMATION - PART I**

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**Jefferson Davis Parish Police Jury**  
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**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2019**

The Management's Discussion and Analysis of the Jefferson Davis Gravity Sub-District "A" of Gravity Drainage District One's (District) financial performance presents a narrative overview and analysis of the District's financial activities for the year ended December 31, 2019. This document focuses on the current year activities, resulting changes, and currently known facts in comparison with the prior year information. Please read this document in conjunction with the additional information contained in the financial statements, required supplemental information and other supplemental schedules.

## **FINANCIAL HIGHLIGHTS**

- The District's assets exceeded its liabilities at the close of calendar years 2019 and 2018 by \$120,976 and \$110,013, respectively. The net position increased/(decreased) by \$10,963 and (\$7,851) for the calendar years ending 2019 and 2018, respectively.
- The District's revenues increased/(decreased) by \$4,294 and \$6,537 for the calendar years ending December 31, 2019 and 2018, respectively.

## **OVERVIEW OF THE FINANCIAL STATEMENTS**

The following graphic illustrates the minimum requirements for Special Purpose Governments established by Governmental Accounting Standards Board Statement 34, Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments.

**Management's Discussion and Analysis**

**Basic Financial Statements**

**Required supplementary information  
(other than MD&A)**

These financial statements consist of three sections - Management's Discussion and Analysis (this section), the basic financial statements (including the notes to the financial statements), and required supplementary information.

## **BASIC FINANCIAL STATEMENTS**

The basic financial statements present information for the District as a whole, in a format designed to make the statements easier for the reader to understand. The statements in this section include the Statement of Net Position, the Statement of Activities, the Balance Sheet and the Statement of Revenues, Expenses, and Changes in Fund Balance.

The Statement of Net Position is the statement of position presenting information that includes all of the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference 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, as a whole, is improving or deteriorating. Evaluation of the overall health of the District would

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**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2019**

extend to other non-financial factors such as diversification of the taxpayer base, in addition to the financial information provided in this report.

The Statement of Activities reports how the District's net position changed during the current fiscal year. All current year revenues and expenses are included regardless of when cash is received or paid.

The Balance Sheet presents the current and long-term portions of assets and liabilities separately. The difference between total assets and total liabilities is net position and may provide a useful indicator of whether the financial position of the District is improving or deteriorating.

The Statement of Revenues, Expenses, and Changes in Fund Balance presents information showing how District's assets changed as a result of current year operations. Regardless of when cash is affected, all changes in net position are reported when the underlying transactions occur. As a result, there are transactions included that will not affect cash until future fiscal periods.

**STATEMENT OF NET POSITION**  
**AS OF DECEMBER 31, 2019 AND 2018**

	<u>2019</u>	<u>2018</u>
Current and other assets	\$ 124,135	\$ 113,038
Total Assets	\$ 124,135	\$ 113,038
Other liabilities	\$ 3,159	\$ 3,025
Total Liabilities	\$ 3,159	\$ 3,025
Net Position	<u>\$ 120,976</u>	<u>\$ 110,013</u>
Net Position:		
Net Investment in capital assets	\$ -	\$ -
Restricted	-	-
Unrestricted	<u>120,976</u>	<u>110,013</u>
Total Net Position	<u>\$ 120,976</u>	<u>\$ 110,013</u>

Restricted net position represent those assets that are not available for spending as a result of legislative requirements, donor agreements and grant requirements. Conversely, unrestricted net position are those that do not have any limitations on what these amounts may be used for. Net position of the District increased/(decreased) by \$10,963 and (\$7,851) for the years ending December 31, 2019 and 2018, respectively.

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**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2019**

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCES**  
**FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018**

	<u>2019</u>	<u>2018</u>
<b>Income:</b>		
Ad Valorem taxes	\$ 102,879	\$ 98,755
State Revenue Sharing	1,570	1,447
Interest	141	94
Other Income	-	-
Total Income	<u>\$ 104,590</u>	<u>\$ 100,296</u>
<b>Operating Expenses:</b>		
Maintenance on Sub-District	\$ 69,838	\$ 81,450
Other operating expenses	<u>23,789</u>	<u>26,697</u>
Total Operating Expenses	<u>\$ 93,627</u>	<u>\$ 108,147</u>
Operating Income/(Loss)	<u>\$ 10,963</u>	<u>\$ (7,851)</u>
<b>Net Increase/(Decrease) in Net Position</b>	<b><u>\$ 10,963</u></b>	<b><u>\$ (7,851)</u></b>

The District's total revenues increased/(decreased) by \$4,294 and \$6,537 for the years ending December 31, 2019 and 2018, respectively. The total cost of all services provided (operating expenses) increased/(decreased) by (\$14,520) and \$23,663 for the years ending December 31, 2019 and 2018, respectively.

**VARIATIONS BETWEEN ORIGINAL AND FINAL BUDGETS**

The final budget was amended on December 4, 2019. This is a necessary step to review the budget and to adjust for changes in revenues and expenditures based on actual changes during the year. There was no material differences between budgeted amounts and actual ending balances for the year ending December 31, 2019. A summary of the approved budget is presented below. A more detailed schedule is presented as supplemental information following the notes to the financial statements.

**CONDENSED BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**  
**FOR THE YEAR ENDING DECEMBER 31, 2019**

	Final Budget 2019	Actual 2019	Favorable (Unfavorable) Variance
Revenues	\$ 101,434	\$ 104,590	\$ 3,156
Expenditures - Public Works	(90,832)	(93,627)	(2,795)
Excess/(Deficiency) of Revenues Over Expenditures	\$ 10,602	\$ 10,963	\$ 361
Fund Balance, Beginning of Year	110,013	110,013	-
Fund Balance, End of Year	<u>\$ 120,615</u>	<u>\$ 120,976</u>	<u>\$ 361</u>

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**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2019**

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

The District's appointed officials considered the following factors and indicators when setting next year's budget, rates, and fees. These factors and indicators include:

- The prior year assessments received and the expenditures paid.
- The current year projected income provided by State Revenue Sharing.
- Any additional expenditures to be incurred during the next fiscal year end.

**CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens and taxpayers with a general overview of the District's finances, comply with finance related laws and regulations and to demonstrate the District's accountability for the funds it receives. If you have any questions about this report or need additional financial information, contact Mr. Sidney E. Theriot, President of the District at (337) 774-3344.

# BROADHURST, HAMILTON & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

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June 28, 2020

## INDEPENDENT ACCOUNTANTS' COMPILATION REPORT

To the Board of Commissioners  
Jefferson Davis Gravity Sub-District "A"  
of Gravity Drainage District One  
Jefferson Davis Parish  
Lake Arthur, LA

Management is responsible for the accompanying financial statements of the governmental activities of the Jefferson Davis Gravity Sub-District "A" of Gravity Drainage District One, a component unit of the Jefferson Davis Parish Police Jury, as of and for the year ended December 31, 2019, and related notes to the financial statements, which collectively comprise the Jefferson Davis Gravity Sub-District "A" of Gravity Drainage District One's basic financial statements as listed in the table of contents, in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

Accounting principles generally accepted in the United States of America require that management's discussion and analysis and budgetary comparison information on pages 2 through 5 and page 26 be presented to supplement the basic financial statements. Such information is presented for purposes of additional analysis and, although not a required 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 and for placing the basic financial statements in an appropriate operational, economic, and historical context. The Schedule of Per Diem Paid to Board Members; Schedule of Compensation, Benefits and Other Payments to Agency Head; Schedule of State Funding; Schedule of Current Year Findings; Schedule of Prior Year Findings and Schedule of Management's Corrective Action Plan, on pages 28 through 33, are required presentations for purposes of additional analysis by the Louisiana Legislative Auditor and are not a required part of the basic financial statements. Such information is the responsibility of management. The required supplementary information was subject to our compilation engagement. We have not audited or reviewed the required supplementary information and do not express an opinion, a conclusion, nor provide any form of assurance on such information.

**Broadhurst, Hamilton & Company**

**BROADHURST, HAMILTON & COMPANY**  
Certified Public Accountants



**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

**JEFFERSON DAVIS GRAVITY SUB-DISTRICT "A"**  
**OF GRAVITY DRAINAGE DISTRICT ONE**  
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**STATEMENT OF NET POSITION**  
**AS OF DECEMBER 31, 2019**

	<b><u>Governmental</u></b> <b><u>Activities</u></b>
<b><u>ASSETS</u></b>	
<b>Current Assets:</b>	
Cash and cash equivalents	\$ 32,342
Receivables	<u>91,793</u>
<b>Total Current Assets</b>	<b><u>\$ 124,135</u></b>
<b><u>DEFERRED OUTFLOWS OF RESOURCES</u></b>	
Deferred outflows of resources	<u>\$ -</u>
<b><u>LIABILITIES</u></b>	
<b>Current Liabilities:</b>	
Accounts payable	<u>\$ 3,159</u>
<b>Total Current Liabilities</b>	<b><u>\$ 3,159</u></b>
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>	
Deferred inflows of resources	<u>\$ -</u>
<b><u>NET POSITION</u></b>	
Net investment in capital assets	\$ -
Restricted net position	-
Unrestricted net position	<u>120,976</u>
<b>TOTAL NET POSITION</b>	<b><u>\$ 120,976</u></b>

See Independent Accountants' Compilation Report and notes to financial statements which are an integral part of this statement.

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**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

Activities	Expenses	Program Revenues		Net (Expense)/ Revenues & Changes in Net Position
		Charges for Services	Operating Grants and Contributions	
<b>Governmental Activities:</b>				
<b>Component Unit:</b>				
Public Works	\$ 93,627	\$ -	\$ -	\$ (93,627)
<b>General Revenues:</b>				
Property taxes				\$ 102,879
State and Federal revenue sharing				1,570
Interest				141
Other Income				-
Total General Revenues, Special Items, and Transfers				\$ 104,590
<b>Changes in Net Position</b>				<b>\$ 10,963</b>
Net Position - Beginning of Year				110,013
<b>Net Position - End of Year</b>				<b>\$ 120,976</b>

See Independent Accountants' Compilation Report and notes to financial statements which are an integral part of this statement.

**FUND FINANCIAL STATEMENTS**

JEFFERSON DAVIS GRAVITY SUB-DISTRICT "A"  
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**BALANCE SHEET - GOVERNMENTAL FUND**  
**AS OF DECEMBER 31, 2019**

	<u>General Fund</u>
<b><u>ASSETS</u></b>	
Cash and cash equivalents	\$ 32,342
Receivables	<u>91,793</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 124,135</u></b>
<b><u>LIABILITIES AND FUND BALANCE</u></b>	
<b>Liabilities:</b>	
Accounts payable	\$ 3,159
Total Liabilities	<u>\$ 3,159</u>
<b>Fund Balance:</b>	
Unassigned fund balance	<u>\$ 120,976</u>
Total Fund Balance	<u>\$ 120,976</u>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b><u>\$ 124,135</u></b>

See Independent Accountants' Compilation Report and notes to financial statements which are an integral part of this statement.

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**RECONCILIATION OF THE BALANCE SHEET - GENERAL FUND**  
**TO THE STATEMENT OF NET POSITION**  
**AS OF DECEMBER 31, 2019**

<b>Total Fund Balance for General Fund as of December 31, 2019</b>	<b>\$ 120,976</b>
 Total Net Position Reported for Governmental Activities in the Statement of Net Position Different from the Balance Sheet	 <u>-</u>
 <b>Total Net Position of Governmental Activities as of December 31, 2019</b>	 <b><u>\$ 120,976</u></b>

See Independent Accountants' Compilation Report and notes to financial statements which are an integral part of this statement.

**JEFFERSON DAVIS GRAVITY SUB-DISTRICT "A"**  
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**STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCE - GOVERNMENTAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

	<b><u>General Fund</u></b>
<b><u>REVENUES:</u></b>	
Ad valorem taxes	\$ 102,879
State revenue sharing	1,570
Interest earnings	141
Other Income	-
	<hr/>
<b>Total Revenues</b>	<b><u>\$ 104,590</u></b>
<b><u>EXPENDITURES:</u></b>	
Current Public Works:	
Election expense	\$ -
Maintenance on Sub-District	69,838
Office expense	1,919
Payroll tax expense	964
Per diem expense - Board members	8,400
Police Jury - Insurance	276
Professional services	2,210
Secretary compensation	4,200
Sheriff's pension fund	3,159
Uncollected taxes	2,661
	<hr/>
<b>Total Expenditures</b>	<b><u>\$ 93,627</u></b>
 <b>EXCESS/(DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	 <b>\$ 10,963</b>
 <b>FUND BALANCE BEGINNING OF YEAR</b>	 <b><u>110,013</u></b>
 <b>FUND BALANCE END OF YEAR</b>	 <b><u><u>\$ 120,976</u></u></b>

See Independent Accountants' Compilation Report and notes to financial statements which are an integral part of this statement.

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**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - GOVERNMENTAL FUND**  
**TO THE STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

<b>Total Net Change in Fund Balance per Statement of Revenues, Expenditures and Changes in Fund Balance for the Year Ended December 31, 2019</b>	<b>\$ 10,963</b>
 Total Change in Net Position Reported for Governmental Activities in the Statement of Activities is different from the Statement of Revenues, Expenditures, and Changes in Fund Balance	 _____ -
 <b>Total Changes in Net Position per Statement of Activities for the Year Ended December 31, 2019</b>	 <b><u>\$ 10,963</u></b>

See Independent Accountants' Compilation Report and notes to financial statements which are an integral part of this statement.



**NOTES TO FINANCIAL STATEMENTS**

**JEFFERSON DAVIS GRAVITY SUB-DISTRICT "A"**  
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**NOTES TO FINANCIAL STATEMENTS**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accompanying financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to governmental entities. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accounting and reporting frame work and the more significant accounting policies for the District are described in subsequent sections below.

Such accounting and reporting procedures also confirm to the requirements of Louisiana Revised Statutes and the industry audit guide, Audits of State and Local Governments.

The following is a summary of certain significant accounting policies:

**A. Financial Reporting Entity:**

As provided by Louisiana Revised Statute 38:1758, the Drainage District is governed by five commissioners. These five commissioners are referred to as the Board of Commissioners and are appointed by the parish police jury. The Drainage District was created under the authority of Louisiana Revised Statutes 38:1751–1802 and was established for the purpose of opening and maintaining all natural drains in the District where drainage is accomplished using the natural force of gravity.

In conformance with GASB Codification Section 2100, the Drainage District is a component unit of the Jefferson Davis Parish Police Jury, the governing body of the Parish and the governmental body with oversight responsibility. The accompanying financial statements present information only on the funds maintained by the District and do not present information on the Police Jury, the general governmental services provided by that government unit, and other governmental units that comprise the governmental reporting entity.

**B. Basis of Presentation:**

The District's basic financial statements consist of both the government-wide and the fund financial statements. The statements are prepared in accordance with accounting principles generally accepted in the United States of America as applied to governmental units.

**1. Government-Wide Financial Statements**

The government-wide financial statements include the Statement of Net Position and the Statement of Activities. These statements include the financial activities of the overall government. 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.

In the government-wide Statement of Net Position, the governmental activities are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. All of the district's net position are reported as unrestricted.

The government-wide Statement of Activities reports the expenses of a given function offset by program revenues, directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses associated with a distinct functional activity. The functions are also supported by general government revenues (property taxes, certain intergovernmental revenues, etc.).

**(Continued)**

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**NOTES TO FINANCIAL STATEMENTS**

The District reports all direct expenses by function in the government Statement of Activities. 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.

The government-wide focus is more on the sustainability of the District as an entity and the change in the District's net position resulting from the reported year's activities.

**2. Fund Financial Statements**

The District uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain District functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts.

The fund financial statements provide information about the District's funds. The emphasis of fund financial statements is on major individual governmental funds, each reported in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds. The District does not have any nonmajor funds.

The District reports the following major governmental fund:

*General Fund* – This is the District's primary operating fund. It accounts for all financial resources of the general government.

**C. Measurement Focus and Basis of Accounting:**

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

**1. Measurement Focus:**

**a. Government-Wide Financial Statements**

The government-wide fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery) and financial position. All assets and liabilities (whether current or non current) associated with its activities are reported. Government-wide fund equity is classified as net position.

**b. Fund Financial Statements**

Governmental fund financial statements are reported using the "current financial resources" measurement focus. Only current financial assets and liabilities are generally included on its balance sheet. Their operating statement presents sources and uses of available spendable financial resources during a given period. This fund uses fund balance as its measure of available spendable financial resources at the end of the period.

(Continued)

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**NOTES TO FINANCIAL STATEMENTS**

**2. Basis of Accounting:**

**a. Government-Wide Financial Statements**

In the government-wide statement of net position and statement of activities, the statements are presented using the accrual basis of accounting. Under the accrual basis of accounting revenues are recognized when earned and expenses are recorded as a liability when incurred or when the economic asset is used, regardless of the timing of related cash flows. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities and deferred inflows of assets or resources resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Nonexchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements and donations. Property taxes are recognized as revenues in the year for which they are levied. Grants, entitlements, donations and similar items are recognized as revenue in the fiscal year in which all eligibility requirements imposed by the provider have been satisfied.

**b. Fund Financial Statements**

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized as soon as they are both measurable and available. "Measurable" means the amount of the transaction can be determined and revenues are considered to be "available" when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Revenues are classified by source and expenditures are classified by function and character. Expenditures are recorded when the related fund liability is incurred. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt are reported as other financing sources. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

**D. Deferred Outflows of Resources and Deferred Inflows of Resources:**

In some instances, the GASB requires a government to delay recognition of decreases in net position as expenditures until a future period. In other instances, governments are required to delay recognition of increases in net position as revenues until a future period. In these circumstances deferred outflows of resources and deferred inflows of resources result from the delayed recognition of expenditures or revenues, respectively.

**E. Equity Classifications:**

**1. Government-Wide Financial Statements**

The District's net position are reported in three parts:

- a. *Net investment in capital assets* – consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by outstanding balances of any bonds,

**(Continued)**

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**NOTES TO FINANCIAL STATEMENTS**

mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets;

- b. *Restricted net position* – consists of net position with constraints place on the use either by:
  - (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or
  - (2) law through constitutional provisions or enabling legislation; and
- c. *Unrestricted net position* – all other net position that do not meet the definition of "restricted" or "net investment in capital assets." At December 31, 2019, the District only has unrestricted net position.

Restricted or unrestricted amounts are considered spent when an expenditure is incurred for purposes for which both restricted and unrestricted net position is available. Restricted amounts would be reduced first, followed by unrestricted amounts, when expenditures are incurred for purposes for which amounts in unrestricted net position could be used.

**2. Fund Financial Statements**

During the year ending December 31, 2012, the District adopted GASB Statement No. 54, *Fund Balance Reporting and governmental Fund Type Definitions*, which provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. As a result, fund balance is classified as follows in the governmental fund financial statements. Proprietary fund equity is classified the same as in the government-wide statements.

Under GASB Statement No. 54 fund balance is displayed in the following classifications depicting the relative strength of the spending constraints placed on the purposes for which resources are to be used.

- a. *Nonspendable fund balance* – amounts that are not in a spendable form (such as inventory) or are required to be maintained intact (such as the corpus of an endowment fund).
- b. *Restricted fund balance* – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.
- c. *Committed fund balance* – amounts constrained to specific purposes by a government itself using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest-level action to remove or change the constraint.
- d. *Assigned fund balance* – amounts a government *intends* to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority to.
- e. *Unassigned fund balance* – amounts that are available for any purpose; these amounts are reported only in the general fund.

Restricted or unrestricted amounts are considered spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. Committed

**(Continued)**

**JEFFERSON DAVIS GRAVITY SUB-DISTRICT "A"**  
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**NOTES TO FINANCIAL STATEMENTS**

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 those unrestricted fund balance classifications could be used.

**F. Deposits and Investments**

The entity's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of 90 days or less from the date of acquisition. State law and the District's investment policy allow the entity to invest in collateralized certificates of deposits, government back securities, commercial paper, the state sponsored investment pool, and mutual funds consisting solely of government backed securities. Under state law, the District may deposit funds with state banks organized under Louisiana Law and national banks having their principal offices in Louisiana.

The District had no investments as of December 31, 2019.

**G. Property Taxes Receivable**

**1. Government-Wide Financial Statements**

Property taxes are recognized in the year for which they are levied, net of uncollectible amounts, as applicable.

**2. Fund Financial Statements**

Property taxes attach as an enforceable lien on property as of January 1. Billed taxes are due by December 31, becoming delinquent on January 1 of the following year. The taxes are based on assessed values determined by the Assessor of Jefferson Davis Parish and are collected by the Sheriff. The taxes are remitted to the District net of deductions for pension fund contributions. Taxes are budgeted and the revenue recognized in the year they are levied.

All trade and property tax receivables are shown net of uncollectibles. The District provides an allowance for doubtful accounts based on an estimate derived from a review of the entity's historical collection experience and a review of the current status of trade accounts receivable. All accounts receivable are considered collectible as of December 31, 2019, therefore the allowance for doubtful accounts at December 31, 2019 is \$-0-.

The District levied taxes in 2019 on the assessed valuation of property in the District. The assessed valuation of the property for the District, exclusive of homestead exemptions, was \$9,032,137 for the year 2019. Taxes receivable at December 31, 2019 totaled \$90,746, all of which is considered collectible.

The following is a summary of authorized and levied ad valorem taxes:

	<u>Authorized Millage</u>	<u>Levied Millage</u>
Gravity Sub-District "A"	<u>11.51 mills</u>	<u>11.39 mills</u>

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**NOTES TO FINANCIAL STATEMENTS**

**H. Inventories**

Inventories are valued at the lower of cost or market. At December 31, 2019, the District had no inventories.

**I. Prepaid Items**

At December 31, 2019, the District had no prepaid items.

**J. Fixed Assets**

At December 31, 2019, the District had no fixed assets.

**K. Compensated Absences**

The District does not have a formal leave policy.

**L. Long-term Obligations**

At December 31, 2019, the District had no long-term obligations.

**M. Fund Equity**

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

**N. Extraordinary and Special Items**

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events within the control of the District, which are either unusual in nature or infrequent in occurrence. At December 31, 2019, the District had no extraordinary or special items.

**O. Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures, and expenses during the reporting period. Consequently, actual results could differ from those estimates.

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**JEFFERSON DAVIS GRAVITY SUB-DISTRICT "A"**  
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**NOTES TO FINANCIAL STATEMENTS**

**NOTE 2: BUDGET PRACTICES**

The District prepares an operating budget of revenues and expenditures for the fiscal year based on current figures and past experience. The operating budget includes proposed expenditures and the means of financing them.

The District follows these procedures in establishing the budgetary data reflected in these financial statements:

1. On or before the last meeting of each year, the District prepares an operating budget for the fiscal year commencing with the following January 1. The operating budget includes proposed expenditures and the means of financing them. The District prepares the operating budget of revenues and expenditures for the fiscal year based on current figures and past experience.
2. The proposed budget is presented to the government's Board of Commissioners for review. The Board holds a public hearing and may add to, subtract from or change the proposed budget as they deem necessary. Any changes in the budget must be within the revenues and reserves estimated.
3. Budgets for the General Fund are adopted on a basis consistent with accounting principles generally accepted in the United States of America.
4. The budget is then adopted by the board. At anytime during the year the Board can amend the budget as necessary.
5. All budgetary appropriations lapse at the end of each year.

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>(Unfavorable)/ Favorable</u>
<b>Net Change in Fund Balance</b>	<b><u>\$ (13,950)</u></b>	<b><u>\$ 10,602</u></b>	<b><u>\$ 10,963</u></b>	<b><u>\$ 361</u></b>

**NOTE 3: CASH AND DEPOSITS**

At December 31, 2019, the District had cash and cash equivalents totaling \$21,740 as follows:

Demand Deposits	\$ 32,340
Petty Cash	<u>2</u>
Total Cash and Cash Equivalents	<u>\$ 32,342</u>

These deposits are stated at cost, which approximates market value. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance (FDIC) must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. At December 31, 2019, the District had \$32,799 in deposits (collected bank balances). These deposits are secured from risk by \$32,799 of Federal Deposit Insurance (FDIC). The District

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**JEFFERSON DAVIS GRAVITY SUB-DISTRICT "A"**  
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**NOTES TO FINANCIAL STATEMENTS**

did not experience any point during the year ending December 31, 2019 when its current bank balance exceeded the \$250,000 FDIC deposit insurance maximum.

Even though pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement No. 3, R. S. 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the District that the fiscal agent has failed to pay deposited funds upon demand. As of December 31, 2019, the District did not have any funds secured by pledged securities.

**NOTE 4: RECEIVABLES**

The following is a summary of receivables due at December 31, 2019:

Ad valorem tax	\$ 90,746
State revenue sharing	<u>1,047</u>
Total Receivables	<u>\$ 91,793</u>

**NOTE 5: LEASES**

At December 31, 2019, the District had no leases.

**NOTE 6: RELATED PARTY TRANSACTIONS**

There were no related party transactions during the year ended December 31, 2019.

**NOTE 7: LITIGATION AND CLAIMS**

The District is not aware of any claims, asserted or unasserted, pending as of December 31, 2019.

**NOTE 8: RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Since the District is a component unit of the Jefferson Davis Police Jury, it has elected to fall under the liability protection of the police jury. The Jefferson Davis Police Jury has elected to purchase insurance coverage through the commercial insurance market to cover its exposure to loss. The Jefferson Davis Police Jury is insured up to policy limits for each of the above risks. There were no significant changes in coverages, retentions, or limits during the year ended December 31, 2019. Settled claims have not exceeded the commercial coverages in any of the previous three fiscal years.

**NOTE 9: NEW ACCOUNTING PRONOUNCEMENTS**

- A. **GASB Statement No. 63** – During the fiscal year ending December 31, 2012, the District adopted Governmental Accounting Standards Board (GASB) Statement No. 63, *Financial Reporting of Deferred Outflows of resources, Deferred Inflows of Resources, and Net Position*. This statement provides guidance for reporting deferred outflows of resources, deferred inflows of resources, and

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**NOTES TO FINANCIAL STATEMENTS**

net position in a statement of financial position and related disclosures. The Statement of Net Assets is renamed the Statement of Net Position and includes the following elements: *assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position.*

- B. **GASB Statement No. 65** – In April 2012, the Governmental Accounting Standards Board (GASB) issued Statement No. 65, *Items Previously Reported as Assets and Liabilities*. The statement clarifies the appropriate reporting of deferred outflows of resources or deferred inflows of resources to ensure consistency in financial reporting. The provisions of GASB No. 65 were implemented by the District for the year ending December 31, 2012.

**NOTE 10: DATE OF MANAGEMENT'S REVIEW OF SUBSEQUENT EVENTS**

Management has evaluated subsequent events through June 28, 2020, the date which the financial statements were available to be issued.

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**REQUIRED SUPPLEMENTAL INFORMATION - PART II**

**JEFFERSON DAVIS GRAVITY SUB-DISTRICT "A"**  
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**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>REVENUES:</b>				
Ad valorem taxes	\$ 97,255	\$ 99,902	\$ 102,879	\$ 2,977
State revenue sharing	1,500	1,500	1,570	70
Interest earnings	50	32	141	109
Other income	-	-	-	-
Total Revenues	<u>\$ 98,805</u>	<u>\$ 101,434</u>	<u>\$ 104,590</u>	<u>\$ 3,156</u>
<b>EXPENDITURES:</b>				
Per diem expense	\$ 9,000	\$ 8,400	\$ 8,400	\$ -
Secretary compensation	4,200	4,200	4,200	-
Sheriff's pension fund	3,200	3,025	3,159	(134)
Office expense	2,000	1,919	1,919	-
Professional services	2,500	2,210	2,210	-
Election expense	-	-	-	-
Maintenance on Sub-District	90,155	69,838	69,838	-
Payroll tax expense	1,200	964	964	-
Police Jury Insurance	500	276	276	-
Uncollected Taxes	-	-	2,661	(2,661)
Total Expenditures	<u>\$ 112,755</u>	<u>\$ 90,832</u>	<u>\$ 93,627</u>	<u>\$ (2,795)</u>
<b>EXCESS/(DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>\$ (13,950)</b>	<b>\$ 10,602</b>	<b>\$ 10,963</b>	<b>\$ 361</b>
<b>FUND BALANCES, BEGINNING OF YEAR</b>	<u><b>110,013</b></u>	<u><b>110,013</b></u>	<u><b>110,013</b></u>	<u><b>-</b></u>
<b>FUND BALANCES, END OF YEAR</b>	<u><b>\$ 96,063</b></u>	<u><b>\$ 120,615</b></u>	<u><b>\$ 120,976</b></u>	<u><b>\$ 361</b></u>

See Independent Accountant's Compilation Report.

**OTHER SUPPLEMENTAL INFORMATION**

**JEFFERSON DAVIS GRAVITY SUB-DISTRICT "A"**  
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**SCHEDULE OF PER DIEM PAID TO BOARD MEMBERS**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

<b><u>Name</u></b>	<b><u>Amount</u></b>
Sidney Theriot	\$ 1,800
Ronnie Guidry	1,650
Rene' Daboval	1,800
Gerald Hartwell	1,650
Tommy Williams	<u>1,500</u>
 <b>Total Per Diem Paid To Board Members</b>	 <b><u>\$ 8,400</u></b>

See Independent Accountant's Compilation Report.

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**SCHEDULE OF COMPENSATION, BENEFITS AND  
OTHER PAYMENTS TO AGENCY HEAD  
FOR THE YEAR ENDED DECEMBER 31, 2019**

Agency Head Name: Sidney E. Theriot, President

Service Period: 12 Months

<u>Purpose</u>	<u>Amount</u>
Salary	\$ -
Benefits-insurance	-
Benefits-retirement	-
Deferred compensation	-
Benefits-other	-
Car allowance	-
Vehicle provided by government	-
Cell phone	-
Dues	-
Vehicle rental	-
Per diem	1,800
Reimbursements	-
Travel	-
Registration fees	-
Conference Travel	-
Housing	-
Unvouchered expenses	-
Special meals	-
Other	-
<b>Total</b>	<b>\$ <u>1,800</u></b>

See Independent Accountant's Compilation Report.

JEFFERSON DAVIS GRAVITY SUB-DISTRICT "A"  
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**SCHEDULE OF STATE FUNDING**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

<b><u>Description of Funding</u></b>	<b><u>Amount</u></b>
State Revenue Sharing	\$ 1,570
 Total State Funding	 \$ 1,570

See Independent Accountant's Compilation Report.



**JEFFERSON DAVIS GRAVITY SUB-DISTRICT "A"**  
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**SCHEDULE OF CURRENT YEAR FINDINGS**  
**FOR THE YEAR ENDING DECEMBER 31, 2019**

I. Internal Control and Compliance Material to the Financial Statements

Not Applicable

II. Internal Control and Compliance Material to Federal Awards

Not Applicable.

III. Management Letter

This report does not include a management letter.

See Independent Accountant's Compilation Report.

**JEFFERSON DAVIS GRAVITY SUB-DISTRICT "A"**  
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**SCHEDULE OF PRIOR YEAR FINDINGS**  
**FOR THE YEAR ENDING DECEMBER 31, 2019**

I. Internal Control and Compliance Material to the Financial Statements

Not Applicable

II. Internal Control and Compliance Material to Federal Awards

Not Applicable.

III. Management Letter

The prior report did not include a management letter.

See Independent Accountant's Compilation Report.

**JEFFERSON DAVIS GRAVITY SUB-DISTRICT "A"**  
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**MANAGEMENT'S CORRECTIVE ACTION PLAN**  
**FOR THE YEAR ENDING DECEMBER 31, 2019**

- I. A Management Corrective Action plan is not required for the year ending December 31, 2019.

See Independent Accountant's Compilation Report.