

SEWERAGE DISTRICT NO. 1 OF THE
PARISH OF CONCORDIA
(A COMPONENT UNIT OF THE
CONCORDIA PARISH POLICE JURY)
FERRIDAY, LOUISIANA

ANNUAL
FINANCIAL STATEMENTS

AS OF AND FOR THE YEARS ENDED
DECEMBER 31, 2020 AND 2019

WITH
INDEPENDENT AUDITOR'S REPORT



SILAS SIMMONS LLP

CERTIFIED PUBLIC ACCOUNTANTS *and* ADVISORS

SEWERAGE DISTRICT NO. 1 OF THE PARISH OF CONCORDIA
 (A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
 FERRIDAY, LOUISIANA

ANNUAL FINANCIAL STATEMENTS
 AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019
 WITH SUPPLEMENTARY INFORMATION SCHEDULES

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SILAS SIMMONS LLP

CERTIFIED PUBLIC ACCOUNTANTS *and* ADVISORS

209 N. Commerce Street
P.O. Box 1027
Natchez, Mississippi 39121-1027
Telephone: 601.442.7411
Fax: 601.442.8551

www.silassimmons.com

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Sewerage District No. 1 of the Parish of Concordia
Ferriday, Louisiana

We have audited the accompanying financial statements of the business-type activities, the major fund, and the aggregate remaining fund information of Sewerage District No. 1 of the Parish of Concordia (the District), a component unit of the Concordia Parish Police Jury, as of and for the years ended December 31, 2020 and 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

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we 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, we 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, the major fund, and the aggregate remaining fund information of Sewerage District No. 1 of the Parish of Concordia as of December 31, 2020 and 2019, and the respective changes in financial position for the years 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 5, the Schedule of the District's Proportionate Share of the Net Pension Liability, and the Schedule of the District's Contributions on pages 20 through 21 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. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The Schedule of Insurance Coverage; the Schedule of Compensation, Reimbursements, Benefits, and Other Payments to Agency Head; and the Schedule of Compensation of Commissioners are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Schedule of Insurance Coverage; the Schedule of Compensation, Reimbursements, Benefits, and Other Payments to Agency Head; and the Schedule of Compensation of Commissioners are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Insurance Coverage; the Schedule of Compensation, Reimbursements, Benefits, and Other Payments to Agency Head; and the Schedule of Compensation of Commissioners are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 7, 2021, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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.



Natchez, Mississippi
June 7, 2021

SECTION I
REQUIRED SUPPLEMENTARY INFORMATION - PART I

**SEWERAGE DISTRICT NO. 1 OF THE PARISH OF CONCORDIA
(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
FERRIDAY, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED DECEMBER 31, 2020 AND 2019**

INTRODUCTION

The Management's Discussion and Analysis (MD&A) of Sewerage District No. 1 of the Parish of Concordia's financial performance provides an overall narrative review of the District's financial activities for the years ended December 31, 2020 and 2019. The intent of this discussion and analysis is to look at the District's performance as a whole; readers should also review the notes to the basic financial statements and the financial statements to enhance their understanding of the District's financial performance.

The office of Sewerage District No. 1 of the Parish of Concordia is located on Mack Moore Road near Ferriday, Louisiana, in Concordia Parish.

FINANCIAL HIGHLIGHTS

- Assets exceeded liabilities by \$4,225,670 and \$4,617,503 at December 31, 2020 and 2019, respectively.
- Total expenses exceeded revenues by \$391,833 for 2020 and \$393,222 for 2019.
- The District had net capital assets of \$6,434,453 and \$6,889,645 at December 31, 2020 and 2019, respectively.
- The District had salaries, payroll taxes, and benefits of \$77,303 and \$86,465 in 2020 and 2019, respectively.

OVERVIEW OF FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements comprise two components: (1) fund financial statements, and (2) notes to the financial statements.

Fund 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 Revenues, Expenses, and Changes in Net Position presents information showing how the District's net position changed during the most recent fiscal year.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the fund financial statements. The notes to the financial statements can be found on pages 10 through 20 of this report.

SEWERAGE DISTRICT NO. 1 OF THE PARISH OF CONCORDIA
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FERRIDAY, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED DECEMBER 31, 2020 AND 2019

FUND FINANCIAL ANALYSIS

The following is a condensed statement of the District's net position as of December 31, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Current assets	\$ 64,867	\$ 77,362
Restricted assets	223,187	204,336
Noncurrent assets – capital assets	<u>6,434,453</u>	<u>6,889,645</u>
Total assets	<u>\$ 6,722,507</u>	<u>\$ 7,171,343</u>
Deferred outflows of resources	<u>\$ 7,696</u>	<u>\$ 19,834</u>
Current liabilities – payable from restricted assets	\$ 129,463	\$ 122,841
Long-term liabilities	<u>2,364,187</u>	<u>2,449,190</u>
Total liabilities	<u>\$ 2,493,650</u>	<u>\$ 2,572,031</u>
Deferred inflows of resources	<u>\$ 10,883</u>	<u>\$ 1,643</u>
Net position		
Investment in capital assets, net of related debt	\$ 4,007,567	\$ 4,402,527
Restricted for debt service	165,537	146,986
Unrestricted	<u>52,566</u>	<u>67,990</u>
Total net position	<u>\$ 4,225,670</u>	<u>\$ 4,617,503</u>

The largest portion of the District's net position (\$4,007,567 or 95%) is its investment in capital assets such as equipment less related debt expended in the acquisition of those assets.

Another portion of the District's net position (\$165,537 or 4%) is restricted to paying long-term debt. The remaining balance of the net position (\$47,980 or 1%) may be used to pay current operating expenses and utility deposits.

The District has long-term debt of \$2,363,961, which was used to finance additions to the utility system. More information concerning this debt may be found on pages 13 through 15 of the notes to the financial statements. Total liabilities of \$2,498,236 are equal to 37% of the total assets of the District.

The following is a summary of the statement of activities for 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Revenues:		
Sewerage fees	\$ 561,794	\$ 531,136
Interest income	467	1,068
Total revenues and transfers	<u>\$ 562,261</u>	<u>\$ 532,204</u>
Expenses:		
Operating expenses	\$ 848,163	\$ 817,088
Interest expense	<u>105,931</u>	<u>108,338</u>
Total expenses	<u>\$ 954,094</u>	<u>\$ 925,426</u>

SEWERAGE DISTRICT NO. 1 OF THE PARISH OF CONCORDIA
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 MANAGEMENT'S DISCUSSION AND ANALYSIS
 YEARS ENDED DECEMBER 31, 2020 AND 2019

FUND FINANCIAL ANALYSIS (continued)

	<u>2020</u>	<u>2019</u>
Change in net position	\$ (391,833)	\$ (393,222)
Net position - beginning	<u>4,617,503</u>	<u>5,010,725</u>
Net position - ending	<u>\$ 4,225,670</u>	<u>\$ 4,617,503</u>

CAPITAL ASSETS AND DEBT

As of December 31, 2020, the District had \$6,434,453 invested in capital assets net of accumulated depreciation of (\$7,571,839). During the year, there were additions of \$0 in capital assets.

As of December 31, 2020, the District had outstanding bonded indebtedness of \$2,426,887. Principal and interest payments of \$166,198 are due to be paid during 2020. This debt consists of two different issues which are secured by a pledge of the sewer system and revenues from sewer fees. The debt is as follows:

Original balance of \$1,450,000 issued 2003 at 4 ¼% interest, due monthly at \$6,424	\$ 1,119,890
Original balance of \$1,646,000 issued 2004 at 4 ¾% interest, due monthly at \$7,423	<u>1,306,997</u>
Total indebtedness	<u>\$ 2,426,887</u>

REQUEST FOR INFORMATION

This financial report is designed to provide citizens, taxpayers, customers, and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. Any questions about this report or request for additional information may be directed to Debi T. Duncan, District Manager, at (318) 757-7507.

SECTION II
BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

SEWERAGE DISTRICT NO. 1 OF THE PARISH OF CONCORDIA
(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
FERRIDAY, LOUISIANA
STATEMENTS OF NET POSITION
DECEMBER 31, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
Assets		
Current assets		
Cash and cash equivalents	\$ 19,733	\$ 34,003
Accounts receivable	44,977	43,202
Accrued interest receivable	157	157
Total current assets	<u>\$ 64,867</u>	<u>\$ 77,362</u>
Restricted assets		
Cash-debt reserve fund	\$ 123,934	\$ 105,914
Cash-depreciation and contingency fund	41,603	41,072
Cash-consumer deposits	57,650	57,350
Total restricted assets	<u>\$ 223,187</u>	<u>\$ 204,336</u>
Capital assets		
Property, plant, and equipment	\$ 14,006,292	\$ 14,006,292
Less accumulated depreciation	(7,571,839)	(7,116,647)
Total capital assets	<u>\$ 6,434,453</u>	<u>\$ 6,889,645</u>
Total assets	<u>\$ 6,722,507</u>	<u>\$ 7,171,343</u>
Deferred outflows of resources		
Deferred outflows - pensions	\$ 7,696	\$ 19,834
Liabilities		
Current liabilities		
Accrued interest payable	\$ 3,245	\$ 3,245
Pension payable	4,514	-
Payroll taxes payable	1,128	1,979
Tenant deposits	57,650	57,350
Notes payable, current portion	62,926	60,267
Total current liabilities	<u>\$ 129,463</u>	<u>\$ 122,841</u>
Long-term liabilities		
Net pension liability	\$ 226	22,338
Notes payable, net of current portion	2,363,961	2,426,852
Total long-term liabilities	<u>\$ 2,364,187</u>	<u>\$ 2,449,190</u>
Total liabilities	<u>\$ 2,493,650</u>	<u>\$ 2,572,031</u>
Deferred inflows of resources		
Deferred inflows - pensions	\$ 10,883	\$ 1,643
Net position		
Invested in capital assets, net of related debt	\$ 4,007,567	\$ 4,402,527
Restricted for debt service	165,537	146,986
Unrestricted	52,566	67,990
Total net position	<u>\$ 4,225,670</u>	<u>\$ 4,617,503</u>

The accompanying notes are an integral part of these financial statements.

SEWERAGE DISTRICT NO. 1 OF THE PARISH OF CONCORDIA
(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
FERRIDAY, LOUISIANA
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
Operating revenues		
Charges for sales and services		
Sewerage fees	\$ 555,416	\$ 524,104
Penalty charges	6,378	7,032
Total revenues	<u>\$ 561,794</u>	<u>\$ 531,136</u>
Operating expenses		
Salaries and benefits	\$ 74,261	\$ 82,100
Operating expenses	127,737	96,567
Commissioners' fees	7,470	7,720
Payroll taxes	3,042	4,365
Collection fees	52,163	48,169
Professional fees	10,811	14,935
Utility expense	79,042	76,486
Insurance	38,445	32,469
Depreciation	455,192	454,277
Total operating expenses	<u>\$ 848,163</u>	<u>\$ 817,088</u>
Operating loss	<u>\$ (286,369)</u>	<u>\$ (285,952)</u>
Nonoperating revenues (expenses)		
Interest income	\$ 467	\$ 1,068
Interest expense	(105,931)	(108,338)
Total nonoperating revenues (expenses)	<u>\$ (105,464)</u>	<u>\$ (107,270)</u>
Change in net position	\$ (391,833)	\$ (393,222)
Net position - beginning of year	<u>4,617,503</u>	<u>5,010,725</u>
Net position - end of year	<u>\$ 4,225,670</u>	<u>\$ 4,617,503</u>

The accompanying notes are an integral part of these financial statements.

SEWERAGE DISTRICT NO. 1 OF THE PARISH OF CONCORDIA
(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
FERRIDAY, LOUISIANA
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

	2020	2019
Cash flows from operating activities		
Cash received from sewer fees	\$ 560,319	\$ 529,686
Cash paid to suppliers and employees	(390,042)	(373,948)
Net cash provided by operating activities	\$ 170,277	\$ 155,738
Cash flows from investing activities		
Purchase of fixed assets	\$ -	\$ (12,200)
Net cash used for investing activities	\$ -	\$ (12,200)
Cash flows from capital and related financing activities		
Principal paid on notes payable	\$ (60,232)	\$ (57,825)
Interest paid on notes payable	(105,931)	(108,338)
Interest income	467	1,068
Net cash used for financing activities	\$ (165,696)	\$ (165,095)
Net increase (decrease) in cash and cash equivalents	\$ 4,581	\$ (21,557)
Cash and cash equivalents - beginning of year	238,339	259,896
Cash and cash equivalents - end of year	\$ 242,920	\$ 238,339
Reconciliation of operating loss to net cash provided by operating activities:		
Operating loss	\$ (286,369)	\$ (285,952)
Adjustments to reconcile operating loss to net cash provided by operating activities:		
Depreciation expense	\$ 455,192	\$ 454,277
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable	(1,775)	-
Increase (decrease) in accounts payable	3,780	(10,409)
Increase (decrease) in payroll taxes payable	(851)	(728)
Increase (decrease) in tenant deposits	300	(1,450)
Total adjustments	\$ 456,646	\$ 441,690
Net cash provided by operating activities	\$ 170,277	\$ 155,738

The accompanying notes are an integral part of these financial statements.

NOTES TO FINANCIAL STATEMENTS

SEWERAGE DISTRICT NO. 1 OF THE PARISH OF CONCORDIA
 (A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
 FERRIDAY, LOUISIANA
 NOTES TO FINANCIAL STATEMENTS
 AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

INTRODUCTION

1. The District was created by ordinance of the Concordia Parish Police Jury in 1976.
2. The purpose of the District is to provide sewerage and waste treatment services to the rural areas of eastern Concordia Parish.
3. The District is governed by five commissioners appointed by the Concordia Parish Police Jury. The commissioners serve at the will of the Police Jury. They were compensated at the rate of \$100 per meeting.
4. The District has approximately 1,153 customers.
5. The District has one full-time employee and hires part-time employees as needed.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

GASB Statement 14, *The Reporting Entity*, established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the District is considered a component unit of the Concordia Parish Police Jury. As a component unit, the accompanying financial statements are included within the reporting of the primary government, either blended into those financial statements or separately reported as discrete component units.

B. Fund Accounting & Proprietary Fund Financial Statements

The financial statements of the District have been prepared in conformity with the 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 District complies with the provisions of GASB Statement 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. Statement 63 provides financial reporting guidance for deferred outflows and deferred inflows of resources as a consumption of net assets applicable to a future reporting period and an acquisition of net assets applicable to a future reporting period, respectively.

Fund accounting is designed to demonstrate legal compliance and 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 District is classified and reported as a proprietary fund in the financial statements of the Concordia Parish Police Jury. Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Goods or services from such activities can be provided either to outside parties (enterprise funds) or to other departments or agencies primarily within the government (internal service funds). The District is an enterprise fund.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal on-going operations. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation of capital assets.

SEWERAGE DISTRICT NO. 1 OF THE PARISH OF CONCORDIA
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FERRIDAY, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Fund Accounting & Proprietary Fund Financial Statements (continued)

All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

C. Basis of Accounting

Basis of accounting refers to when revenues or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement focus applied. Proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and liabilities associated with the operation of these funds are included on statements of net position. Proprietary fund-type operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net position.

The accrual basis of accounting is utilized by proprietary fund types. Under this method, revenues are recorded when earned, and expenses are recorded at the time liabilities are incurred.

D. Deposits and Investments

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. State law and the District's investment policy allow the entity to invest in collateralized certificates of deposit, government-backed securities, commercial paper, the state-sponsored investment pool, and mutual funds consisting solely of government-backed securities.

E. Receivables and Payables

All trade and property tax receivables are shown net of an allowance for uncollectible accounts. Uncollectible accounts are recorded as an allowance for bad debts when they are identified.

F. Inventories and Prepaid Items

All inventories are valued at cost using the first-in/first-out method. Inventories of the governmental funds are recorded as expenditures when consumed rather than when purchased. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

G. Restricted Assets

The following lists restricted assets of the District:

	2020	2019
Debt reserve fund	\$ 123,934	\$ 105,914
Contingency and depreciation fund	41,603	41,072
Customer deposits	57,650	57,350
	\$ 223,187	\$ 204,336

These assets are of limited use as required by bond covenants. Customer deposits are restricted to customer activity.

SEWERAGE DISTRICT NO. 1 OF THE PARISH OF CONCORDIA
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FERRIDAY, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

H. Capital Assets

Capital assets of the District are included on the balance sheet of the fund. Depreciation of all exhaustible fixed assets is charged as an expense against operations. Fixed assets reported on the balance sheet are net of accumulated depreciation (if reported net on the balance sheet). Depreciation is computed using the straight-line method over the estimated useful lives of 30 years for sewerage system and equipment, 10 years for other assets.

I. 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. Actual results could differ from those estimates.

J. Net Position

In the statement of net position, the difference between a government's assets and liabilities is recorded as net position. The three components of net position are as follows:

Invested in Capital Assets, net of Related Debt - This category records capital assets net of accumulated depreciation and reduced by any outstanding balances of bonds, mortgages, notes, or other borrowings attributable to the acquisition, construction, or improvement of capital assets.

Restricted - This category represents net position restricted for a specific future use because their use is limited.

Unrestricted - This category represents net position not appropriate for expenditures or legally segregated for a specific future use.

K. Deferred Outflows/Inflows of Resources

In the statement of net position, this report will often report a separate section for deferred outflows and/or deferred inflows of financial resources. Deferred outflows of resources represent a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditures) until then. Deferred inflows of resources represent an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources until that time.

NOTE 2 - CASH AND CASH EQUIVALENTS

At December 31, 2020 and 2019, the District had cash and cash equivalents (book balances) totaling:

	<u>2020</u>	<u>2019</u>
Interest-bearing demand deposits	\$ 227,275	\$ 222,694
Time deposits	<u>15,645</u>	<u>15,645</u>
	<u>\$ 242,920</u>	<u>\$ 238,339</u>

SEWERAGE DISTRICT NO. 1 OF THE PARISH OF CONCORDIA
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FERRIDAY, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

NOTE 2 - CASH AND CASH EQUIVALENTS (continued)

The deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

At December 31, 2020, the District's total deposits with financial institutions (collected bank balances) were \$251,100. These deposits are secured from risk by \$251,100 of federal deposit insurance.

At December 31, 2019, the District's total deposits with financial institutions (collected bank balances) were \$238,339. These deposits are secured from risk by \$238,339 of federal deposit insurance and \$0 of pledged securities held by the custodial banks.

NOTE 3 - ACCOUNTS RECEIVABLE

The accounts receivable at December 31, 2020 and 2019, were as follows:

	<u>2020</u>	<u>2019</u>
Sewer billings	\$ 54,977	\$ 53,202
Less allowance for bad debts	<u>(10,000)</u>	<u>(10,000)</u>
Total accounts receivable	<u>\$ 44,977</u>	<u>\$ 43,202</u>

NOTE 4 - CAPITAL ASSETS

A summary of the District's capital assets at December 31, 2020, follows:

<u>Primary Government</u>	<u>Balance, Beginning</u>	<u>Increase (Decrease)</u>	<u>Decrease</u>	<u>Balance, Ending</u>
Capital assets not being depreciated				
Land	\$ 142,888	\$ -	\$ -	\$ 142,888
Capital assets being depreciated	\$ 13,863,404	\$ -	\$ -	\$ 13,863,404
Less accumulated depreciation	<u>(7,116,647)</u>	<u>(455,192)</u>	<u>-</u>	<u>(7,571,839)</u>
Total depreciable capital assets, net	<u>\$ 6,746,757</u>	<u>\$ (455,192)</u>	<u>\$ -</u>	<u>\$ 6,291,565</u>
Total capital assets, net	<u>\$ 6,889,645</u>	<u>\$ (455,192)</u>	<u>\$ -</u>	<u>\$ 6,434,453</u>

Depreciation expense of \$455,192 for the year ended December 31, 2020, was charged to operating expense.

A summary of the District's capital assets at December 31, 2019, follows:

<u>Primary Government</u>	<u>Balance, Beginning</u>	<u>Increase (Decrease)</u>	<u>(Increase) Decrease</u>	<u>Balance, Ending</u>
Capital assets not being depreciated				
Land	\$ 142,888	\$ -	\$ -	\$ 142,888

SEWERAGE DISTRICT NO. 1 OF THE PARISH OF CONCORDIA
(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
FERRIDAY, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

NOTE 4 – CAPITAL ASSETS (continued)

<u>Primary Government</u>	<u>Balance, Beginning</u>	<u>Increase (Decrease)</u>	<u>(Increase) Decrease</u>	<u>Balance, Ending</u>
Capital assets being depreciated	\$ 13,851,204	\$ 12,200	\$ -	\$ 13,863,404
Less accumulated depreciation	<u>(6,662,370)</u>	<u>(454,277)</u>	<u>-</u>	<u>(7,116,647)</u>
Total depreciable capital assets, net	\$ <u>7,188,834</u>	\$ <u>(442,077)</u>	\$ <u>-</u>	\$ <u>6,746,757</u>
Total capital assets, net	\$ <u>7,331,722</u>	\$ <u>(442,077)</u>	\$ <u>-</u>	\$ <u>6,889,645</u>

Depreciation expense of \$454,277 for the year ended December 31, 2019, was charged to operating expense.

NOTE 5 – LONG-TERM LIABILITIES

The following is a summary of the notes payable for the year ended December 31, 2020:

	<u>USDA Phase I Notes R-1, R-2, and R-3</u>	<u>USDA Phase II Notes R-1 and R-2</u>	<u>Total</u>
Notes payable at January 1, 2020	\$ 1,148,759	\$ 1,338,360	\$ 2,487,119
Less principal paid	<u>(28,869)</u>	<u>(31,363)</u>	<u>(60,232)</u>
Notes payable at December 31, 2020	\$ <u>1,119,890</u>	\$ <u>1,306,997</u>	\$ <u>2,426,887</u>

The following is a summary of the notes payable for the year ended December 31, 2019:

	<u>USDA Phase I Notes R-1, R-2, and R-3</u>	<u>USDA Phase II Notes R-1 and R-2</u>	<u>Total</u>
Notes payable at January 1, 2019	\$ 1,176,517	\$ 1,368,427	\$ 2,544,944
Less principal paid	<u>(27,758)</u>	<u>(30,067)</u>	<u>(57,825)</u>
Notes payable at December 31, 2019	\$ <u>1,148,759</u>	\$ <u>1,338,360</u>	\$ <u>2,487,119</u>

SEWERAGE DISTRICT NO. 1 OF THE PARISH OF CONCORDIA
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FERRIDAY, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

NOTE 5 - LONG-TERM LIABILITIES (continued)

Long-term debt as of December 31, 2020 and 2019, was comprised of the following:

	2020	2019
Notes payable R-1, R-2, and R-3 - Phase I - Sewer Revenue Bonds due to the United States of America, Rural Development, issued August 21, 2003, in the original amount of \$1,450,000 at an interest rate of 4 ¼% due in monthly installments of \$6,423, including amortized principal and interest through August 21, 2043. These loans are secured by a pledge of revenues from the sale of sewer services by the District.	\$ 1,119,890	\$ 1,148,759
Notes payable R-1 and R-2 - Phase II - Sewer Revenue Bonds due to the United States of America, Rural Development, issued June 21, 2004, in the original amount of \$1,646,000 at an interest rate of 4 ¾% due in monthly installments of \$7,423, including amortized principal and interest through June 21, 2044. This loan is secured by pledge of revenues from the sale of sewer services by the District.	<u>1,306,997</u>	<u>1,338,360</u>
Total debt	\$ 2,426,887	\$ 2,487,119
Less current portion	<u>(62,926)</u>	<u>(60,267)</u>
Total long-term debt	<u>\$ 2,363,961</u>	<u>\$ 2,426,852</u>

The District's proprietary fund bonds are governed by bond indentures, the terms of which are summarized as follows:

Notes R-1, R-2, and R-3 - Phase I

1. Sewer Revenue Bond and Interest Sinking Fund (Sinking Fund)

The District shall transfer monthly, in advance on or before the 20th day of each month of each year, a sum equal to the total amount of principal and interest falling due on the next principal payment date for the bonds [except during the first year the bonds are outstanding, a monthly sum equal to one-twelfth (1/12) of the interest falling due on the first payment date].

2. Sewer Revenue Bond Reserve Fund (Reserve Fund)

The District shall transfer monthly, in advance on or before the 20th day of each month of each year, a sum equal to five percent (5%) of the amount to be paid into the Sinking Fund, to continue until such time as there has been accumulated in the reserve fund a sum equal to the highest combined principal and interest falling in any year on the bonds payable.

SEWERAGE DISTRICT NO. 1 OF THE PARISH OF CONCORDIA
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FERRIDAY, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

NOTE 5 - LONG-TERM LIABILITIES (continued)

3. Sewer Depreciation and Contingency Fund (Contingency Fund)

The District shall transfer monthly, in advance on or before the 20th day of each month of each year, a sum equal to five percent (5%) of the amount to be paid into the Sinking Fund, to continue until such time as there has been accumulated in the reserve fund a sum equal to the highest combined principal and interest due in any year on the bonds payable, then the monthly payments into the contingency fund shall increase by an amount equal to five percent (5%) of the amount being paid into the Sinking Fund.

The District is in compliance with each of these covenants.

The annual requirements to amortize notes payable as of December 31, 2020, including interest payments, are as follows:

	Principal	Interest	Total Payment
2021	\$ 62,926	\$ 103,272	\$ 166,198
2022	65,696	100,502	166,198
2023	68,587	97,611	166,198
2024	71,601	94,597	166,198
2025	74,758	91,440	166,198
2026-2030	426,142	404,848	830,990
2031-2035	528,565	302,425	830,990
2036-2040	655,607	175,383	830,990
2041-2045	<u>473,005</u>	<u>32,143</u>	<u>505,148</u>
Totals	<u>\$ 2,426,887</u>	<u>\$ 1,402,221</u>	<u>\$ 3,829,108</u>

The annual requirements to amortize notes payable as of December 31, 2019, including interest payments, are as follows:

	Principal	Interest	Total Payment
2020	\$ 60,267	\$ 105,931	\$ 166,198
2021	62,926	103,272	166,198
2022	65,696	100,502	166,198
2023	68,587	97,611	166,198
2024	71,601	94,597	166,198
2025-2029	408,174	422,816	830,990
2030-2034	506,278	324,712	830,990
2035-2039	627,968	203,022	830,990
2040-2044	<u>615,622</u>	<u>55,689</u>	<u>671,311</u>
Totals	<u>\$ 2,487,119</u>	<u>\$ 1,508,152</u>	<u>\$ 3,995,271</u>

NOTE 6 - PENSION PLAN

Plan Description: Substantially all employees of the District are members of the Parochial Employees' Retirement System of Louisiana (System), a cost-sharing, multiple-employer, defined-benefit pension plan administered by a separate board of trustees. The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All employees of the District are members of Plan A.

SEWERAGE DISTRICT NO. 1 OF THE PARISH OF CONCORDIA
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 FERRIDAY, LOUISIANA
 NOTES TO FINANCIAL STATEMENTS
 AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

NOTE 6 - PENSION PLAN (continued)

All permanent employees working at least 28 hours per week who are paid wholly or in part from Parish funds and all elected Parish officials are eligible to participate in the System. Under Plan A, employees who retire at or after age 60 with at least 10 years of creditable service, at or after age 55 with at least 25 years of creditable service, or at any age with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3% of their final-average salary for each year of creditable service. However, for those employees who were members of the supplementary plan only before January 1, 1980, the benefit is equal to 1% of final-average salary plus \$24 for each year of supplementary-plan-only service earned before January 1, 1980.

Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Parochial Employees' Retirement System, Post Office Box 14610, Baton Rouge, Louisiana 70898-4619, or by calling (504) 928-1361.

Funding Policy: Contributions to the System also include one-fourth of 1% (except Orleans and East Baton Rouge Parishes) of the taxes shown to be collectible by the tax rolls of each Parish. These tax dollars are divided between Plan A and Plan B based proportionally on the salaries of the active members of each plan. The contribution requirements of plan members and the District are established and may be amended by state statute. As provided by R.S. 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The District's contributions to the System under Plan A for the years ending December 31, 2020 and 2019, were \$4,514 and \$3,525, respectively, equal to the required contributions for each year.

NOTE 7 - PLAN DESCRIPTION AND BENEFITS

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2020 and 2019, the District reported a liability of \$4,812 and \$22,338, respectively, for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2019, and the total pension asset used to calculate the net pension asset was determined by an actuarial valuation as of that date. The District's proportion of the net pension asset was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. At December 31, 2019, and 2018, the District's proportion was 0.004809% and 0.005033% respectively.

For the year ended December 31, 2020, the District recognized pension expense of \$4,386, less net amortization of deferred amounts from changes in proportion, \$136. At December 31, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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FERRIDAY, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

NOTE 7 - PLAN DESCRIPTION AND BENEFITS (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 2,027
Changes of assumptions	3,162	-
Net difference between projected and actual earnings on pension plan investments	-	8,486
Changes in proportion and differences between District contributions and proportionate share of contributions	20	370
District contributions subsequent to the measurement date	<u>4,514</u>	<u>-</u>
Total	<u>\$ 7,696</u>	<u>\$ 10,883</u>

\$4,514 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31:

2021	\$ (1,872)
2022	(1,872)
2023	(1,872)
2024	<u>(1,873)</u>
Total	<u>\$ (7,489)</u>

Actuarial assumptions. The total pension liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation date	December 31, 2019
Actuarial cost method	Entry Age Normal Cost
Investment rate of return	6.50%, net of pension plan investment expense, including inflation
Inflation rate	2.40%
Mortality	Pub-2010 Public Retirement Plans Mortality Table for Health Retirees multiplied by 130% for males and 125% for females using MP2018 scale for annuitant and beneficiary mortality. For employees, the Pub-2010 Public Retirement Plans Mortality Table for General Employees multiplied by 130% for males and 125% for females using MP2018 scale. Pub-2010 Public Retirement Plans Mortality Table for General Disabled Retirees multiplied by 130% for males and 125% for females using MP2018 scale for disabled annuitants.
Salary increases	4.75%

SEWERAGE DISTRICT NO. 1 OF THE PARISH OF CONCORDIA
 (A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
 FERRIDAY, LOUISIANA
 NOTES TO FINANCIAL STATEMENTS
 AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

NOTE 7 - PLAN DESCRIPTION AND BENEFITS (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

The long-term expected rate of return on pension plan investments was determined using a triangulation method which integrated the capital asset pricing model (top-down), a treasury yield curve approach (bottom-up), and an equity building-block model (bottom-up). Risk return and correlations are projected on a forward looking basis in equilibrium, in which best estimates of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These rates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.00% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return is 7.18% for the year ended December 31, 2019. Best estimates of arithmetic real rates of return for each major asset class included in the System's target asset allocation as of December 31, 2019 are summarized in the following table:

Asset Class	Target Asset Allocation	Long-Term Expected Portfolio Real Rate of Return
Fixed Income	35%	1.22%
Equity	52%	3.45%
Alternatives	11%	0.65%
Real Assets	2%	0.11%
Totals	100%	5.42%
Inflation		2.00%
Expected Arithmetic Nominal Return		7.43%

Discount Rate.

The discount rate used to measure the total pension asset was 6.50% for the years ended December 31, 2020 and 2019. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by PERSAC, taking into consideration the recommendation of the System's actuary. Based on these assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension asset.

Sensitivity to Changes in Discount Rate:

In accordance with GASB Statement 67, regarding the disclosure of the sensitivity of the net pension liability (asset) to changes in the discount rate, the following presents the net pension liability of the participating employers calculated as of December 31, 2020, using the discount rate of 6.50%, as well as what the employers' net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.50%) or one percentage point higher (7.50%) than the current rate.

SEWERAGE DISTRICT NO. 1 OF THE PARISH OF CONCORDIA
 (A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
 FERRIDAY, LOUISIANA
 NOTES TO FINANCIAL STATEMENTS
 AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

NOTE 7 - PLAN DESCRIPTION AND BENEFITS (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

Changes in the discount rate for the years ended December 31, 2020 and 2019, are as follows:

	Changes in Discount Rate		
	1% Decrease 5.50%	Current Discount Rate 6.50%	1% Increase 7.50%
Net Pension Liability (Asset) - December 31, 2020	\$ 24,468	\$ 226	\$ (20,087)
Net Pension Liability (Asset) - December 31, 2019	\$ 47,440	\$ 22,338	\$ 1,335

NOTE 8 - SUBSEQUENT EVENTS

The District evaluated the events subsequent to its December 31, 2020 year-end date through June 7, 2021, the date on which the financial statements were available to be issued.

Beginning in March 2020, the District began to see the impact of the COVID-19 virus. As of June 7, 2021, the economic impact COVID-19 will have on the District's financial statements is unable to be estimated.

SECTION III
REQUIRED SUPPLEMENTAL SCHEDULES - PART II

SEWERAGE DISTRICT NO. 1 OF THE PARISH OF CONCORDIA
(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
FERRIDAY, LOUISIANA
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
District's proportion of the net pension liability (asset)	0.004809%	0.005033%	0.004952%	0.006094%	0.008748%	0.009170%
District's proportionate share of the net pension liability (asset)	\$ 4,812	\$ 22,338	\$ (7,001)	\$ 12,551	\$ 23,027	\$ 2,507
District's covered-employee payroll	\$ 30,499	\$ 30,490	\$ 30,480	\$ 36,138	\$ 32,834	\$ 50,157
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	15.78%	73.24%	12.06%	34.73%	70.13%	5.00%
Plan fiduciary net position as a percentage of the total pension liability (asset)	99.84%	88.86%	101.98%	94.15%	92.23%	99.15%

- This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

SEWERAGE DISTRICT NO. 1 OF THE PARISH OF CONCORDIA
 (A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
 FERRIDAY, LOUISIANA
 SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS
 PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 4,514	\$ 3,507	\$ 3,570	\$ 3,939	\$ 4,698	\$ 4,761
Contributions in relation to the contractually required contribution	<u>(4,514)</u>	<u>(3,507)</u>	<u>(3,570)</u>	<u>(3,939)</u>	<u>(4,698)</u>	<u>(4,761)</u>
Contribution deficiency (excess)	<u>\$ -</u>					
District's covered-employee payroll	\$ 36,852	\$ 30,499	\$ 30,940	\$ 30,480	\$ 36,138	\$ 32,834
Contributions as a percentage of covered-employee payroll	12.25%	11.50%	11.54%	12.92%	13.00%	14.50%

- This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

SECTION IV
OTHER SUPPLEMENTARY INFORMATION

SEWERAGE DISTRICT NO. 1 OF THE PARISH OF CONCORDIA
 (A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
 FERRIDAY, LOUISIANA
 SUPPLEMENTARY INFORMATION SCHEDULES
 SCHEDULE OF INSURANCE COVERAGE
 FOR THE YEAR ENDED DECEMBER 31, 2020

Below is a listing of insurance policies in force as of December 31, 2020:

<u>Policy Type</u>	<u>Number</u>	<u>Company</u>	<u>Coverage</u>	<u>Expiration</u>
1. Workers' Comp. (LA) employer's liability	M710134	CCMSI		12/31/2021
Each accident			\$1,000,000	
Disease/each employee			\$1,000,000	
Disease/policy limit			\$1,000,000	
2. Property insurance	6303127R869 08/01/2021	Travelers Indemnity	Blanket Coverage	
3. General liability	11N17540 08/01/2021	Travelers Indemnity		
General aggregate			\$3,000,000	
Personal/advertising			\$1,000,000	
Each occurrence			\$1,000,000	
Damages to rental premises (each occurrence)			\$1,000,000	
4. Crime/directors/officers	69381717 08/01/2021	Western Surety Company		
Employee theft			\$175,000	
5. Business auto	9157P83A 08/01/2021	Travelers Indemnity		
Combined single limit			\$1,000,000	

See Independent Auditor's Report.

SEWERAGE DISTRICT NO. 1 OF THE PARISH OF CONCORDIA
(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
FERRIDAY, LOUISIANA
SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF COMPENSATION, REIMBURSEMENTS, BENEFITS,
AND OTHER PAYMENTS TO AGENCY HEAD
FOR THE YEAR ENDED DECEMBER 31, 2020

Agency Head Name: Debi T. Duncan, Manager

Salary	\$	19,900
Benefits - insurance		<u>9,792</u>
Total	\$	<u>29,692</u>

See Independent Auditor's Report.

SEWERAGE DISTRICT NO. 1 OF THE PARISH OF CONCORDIA
(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
FERRIDAY, LOUISIANA
SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF COMPENSATION OF COMMISSIONERS
FOR THE YEAR ENDED DECEMBER 31, 2020

The Commissioners of the District consist of five members, and their compensation is as follows:

Mr. Charles Turner	\$	1,500
Mr. Melvin Ferrington		1,535
Mr. Eddie Nugent		1,500
Mr. Richard Crews		1,535
Mr. Cornell Lewis		<u>1,400</u>
Total	\$	<u>7,470</u>

See Independent Auditor's Report.

SECTION V
OTHER REPORTS REQUIRED BY
GOVERNMENT AUDITING STANDARDS

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

To the Board of Commissioners
 Sewerage District No. 1 of the Parish of Concordia
 Ferriday, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities, the major fund, and the aggregate remaining fund information of Sewerage District No. 1 of the Parish of Concordia (the District), a component unit of the Concordia Parish Police Jury, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated June 7, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we 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 our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we 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 entity's financial statements will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

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

Purpose of This Report

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

A handwritten signature in cursive script that reads "Silas Simmons, LLP".

Natchez, Mississippi
June 7, 2021

SECTION VI
SCHEDULE OF FINDINGS

SEWERAGE DISTRICT NO. 1 OF THE PARISH OF CONCORDIA
 (A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
 FERRIDAY, LOUISIANA
 SCHEDULE OF FINDINGS
 FOR THE YEAR ENDED DECEMBER 31, 2020

SECTION I: SUMMARY OF AUDITOR'S RESULTS

Financial Statements:

- | | |
|--|-------------|
| 1. Type of auditor's report issued on the financial statements: | Unqualified |
| 2. Internal control over financial reporting: | |
| a. Material weakness(es) identified? | No |
| b. Significant deficiency(ies) identified that are not considered to be material weaknesses? | No |
| 3. Material noncompliance relating to the financial statements? | No |

SEWERAGE DISTRICT NO. 1 OF THE PARISH OF CONCORDIA
 (A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
 FERRIDAY, LOUISIANA
 STATUS OF PRIOR AUDIT FINDINGS
 FOR THE YEAR ENDED DECEMBER 31, 2020

Reference No.	Fiscal Year Finding Initially Occurred	Description of Finding	Corrective Action Taken (Yes, No, Partially)	Planned Corrective Action/Partial Corrective Action Taken
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Section I - Internal Control and Compliance Material to the Financial Statements:

No current- or prior-year findings.

Section II - Internal Control and Compliance Material to Federal Awards:

None

Section III - Management Letter:

None

SEWERAGE DISTRICT NO. 1 OF THE PARISH OF CONCORDIA
 (A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
 FERRIDAY, LOUISIANA
 CURRENT-YEAR FINDINGS, RECOMMENDATIONS, AND CORRECTIVE ACTION PLAN
 FOR THE YEAR ENDED DECEMBER 31, 2020

<u>Reference No.</u> <u>Date</u>	<u>Description of Finding</u>	<u>Corrective Action Planned</u>	<u>Name of Contact Person</u>	<u>Anticipated Completion</u>
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Section I – Internal Control and Compliance Material to the Financial Statements:

None

Section II – Internal Control and Compliance Material to Federal Awards:

None

Section III – Management Letter:

None