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, 2025 AND 2024

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, 2025 AND 2024
WITH SUPPLEMENTARY INFORMATION SCHEDULES

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SEWERAGE DISTRICT NO. 1 OF THE PARISH OF CONCORDIA
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FERRIDAY, LOUISIANA

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INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the accompanying financial statements of the business-type activities and the major 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, 2025 and 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the major fund information of the Sewerage District No. 1 of the Parish of Concordia as of December 31, 2025 and 2024, and the respective changes in financial position and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4 through 6, the Schedule of the District's Proportionate Share of the Net Pension Liability on page 20, and the Schedule of the District's Contributions on page 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.

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 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. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, 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 August 10, 2026, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Silas Simmons, LLP

Natchez, Mississippi
August 10, 2026

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, 2025 AND 2024

INTRODUCTION

The Management's Discussion and Analysis (MD&A) of Sewerage District No. 1 of the Parish of Concordia's (the District) financial performance provides an overall narrative review of the District's financial activities for the years ended December 31, 2025 and 2024. 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 $2,523,677 and $2,791,621 at December 31, 2025 and 2024, respectively.
- Total expenses exceeded revenues by $267,944 for 2025 and $342,561 for 2024.
- The District had net capital assets of $4,286,135 and $4,647,347 at December 31, 2025 and 2024, respectively.
- The District had salaries, payroll taxes, and benefits of $111,868 and $94,022 in 2025 and 2024, 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) financial statements and (2) notes to the financial statements.

Financial Statements

The basic 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 19 of this report.

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, 2025 AND 2024

FUND FINANCIAL ANALYSIS

The following is a condensed statement of the District's net position as of December 2025 and 2024:

	2025	2024
ASSETS		
Current assets	$ 328,822	$ 330,276
Restricted assets	71,767	55,250
Noncurrent assets - capital assets	4,286,135	4,647,347
Total assets	$ 4,686,724	$ 5,032,873
Deferred outflows of resources	$ 17,479	$ 31,973
LIABILITIES		
Current liabilities - payable from restricted assets	$ 158,558	$ 167,340
Long-term liabilities	2,011,000	2,100,000
Total liabilities	$ 2,169,558	$ 2,267,340
Deferred inflows of resources	$ 10,968	$ 5,885
NET POSITION		
Investment in capital assets, net of related debt	$ 2,186,135	$ 2,460,347
Unrestricted	337,542	331,274
Total net position	$ 2,523,677	$ 2,791,621

The largest portion of the District's net position ($2,186,135 or 87%) is its investment in capital assets such as equipment less related debt expended in the acquisition of those assets.

The remaining balance of the net position ($337,542 or 13%) may be used to pay current operating expenses and utility deposits. The District refinanced their bonds from USDA to United Mississippi Bank in 2021.

The District has long-term debt of $2,100,000 which was used to finance additions to the utility system. More information concerning this debt may be found on pages 14 through 15 of the notes to the financial statements. Total liabilities of $2,169,558 are equal to 46% of the total assets of the District.

The following is a summary of the statement of activities for 2025 and 2024:

	2025	2024
Revenues:		
Sewerage fees and penalty charges	$ 840,947	$ 674,264
Interest income	1,343	6,139
Total revenues and transfers	$ 842,290	$ 680,403
Expenses:		
Operating expenses	$ 1,056,825	$ 967,412
Interest expense	53,409	55,552
Total expenses	$ 1,110,234	$ 1,022,964

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, 2025 AND 2024

FUND FINANCIAL ANALYSIS (continued)

	2025	2024
Change in net position	$ (267,944)	$ (342,561)
Net position - beginning	2,791,621	3,134,182
Net position - ending	$ 2,523,677	$ 2,791,621

CAPITAL ASSETS AND DEBT

As of December 31, 2025, the District had $14,072,292 invested in capital assets net of accumulated depreciation of $9,786,157. During the year, there were additions of $66,000 in capital assets.

As of December 31, 2025, the District had outstanding bonded indebtedness of $2,100,000. Principal is due annually on June 1 and interest payments are due semiannually on December 1 and June 1. The debt is follows:

Original balance of $2,433,000 issued 2021 at 2.50% interest	$ 2,100,000

REQUEST FOR INFORMATION

The financial report is desinged 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 Kristie Sherbia, 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, 2025 AND 2024

	2025	2024
Assets		
Current assets:		
Cash and cash equivalents	$ 271,647	$ 281,313
Accounts receivable, net of allowance	42,159	48,805
Prepaid expenses	14,591	-
Other receviables	425	158
Total current assets	$ 328,822	$ 330,276
Restricted assets:		
Customer deposits - cash	$ 60,000	$ 55,250
Net pension asset	11,767	-
Total restricted assets	$ 71,767	$ 55,250
Capital assets:		
Property, plant, and equipment	$ 14,072,292	$ 14,006,292
Less accumulated depreciation	(9,786,157)	(9,358,945)
Total capital assets, net	$ 4,286,135	$ 4,647,347
Total assets	$ 4,686,724	$ 5,032,873
Deferred Outflows of Resources		
Deferred outflows - pensions	$ 17,479	$ 31,973
Liabilities		
Current liabilities		
Accrued interest payable	$ 4,315	$ 4,494
Payroll taxes payable	5,243	10,033
Customer deposits	60,000	55,250
Net pension liability	-	10,563
Notes payable, current portion	89,000	87,000
Total current liabilities	$ 158,558	$ 167,340
Long-term liabilities		
Notes payable, net of current portion	$ 2,011,000	$ 2,100,000
Total long-term liabilities	$ 2,011,000	$ 2,100,000
Total liabilities	$ 2,169,558	$ 2,267,340
Deferred Inflows of Resources		
Deferred inflows - pensions	$ 10,968	$ 5,885
Net Position		
Invested in capital assets, net of related debt	$ 2,186,135	$ 2,460,347
Unrestricted	337,542	331,274
Total net position	$ 2,523,677	$ 2,791,621

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

STATEMENT B

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, 2025 AND 2024

	2025	2024
Operating Revenues		
Sewerage fees	$ 832,290	$ 667,501
Penalty charges	8,657	6,763
Total revenues	$ 840,947	$ 674,264
Operating Expenses		
Salaries and benefits	$ 111,868	$ 94,022
Operating expenses	265,256	217,691
Commissioners' fees	9,300	6,900
Payroll taxes	2,823	1,740
Collection fees	80,333	62,086
Professional fees	24,500	20,600
Utility expense	91,927	91,564
Insurance	43,606	44,860
Depreciation	427,212	427,949
Total operating expenses	$ 1,056,825	$ 967,412
Operating loss	$ (215,878)	$ (293,148)
Nonoperating Revenue (Expense)		
Interest income	$ 1,343	$ 6,139
Interest expense	(53,409)	(55,552)
Total nonoperating revenue (expense)	$ (52,066)	$ (49,413)
Change in net position	$ (267,944)	$ (342,561)
Net position - beginning of year, as adjusted	2,791,621	3,134,182
Net position - end of year	$ 2,523,677	$ 2,791,621

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)
STATEMENTS OF CASH FLOWS
FERRIDAY, LOUISIANA
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025	2024
Cash flows from operating activities		
Cash received from sewer fees	$ 851,918	$ 674,264
Cash paid to suppliers and employees	(651,747)	(537,421)
Net cash provided by operating activities	$ 200,171	$ 136,843
Cash flows from capital and related financing activities		
Principal paid on notes payable	$ (87,000)	$ (84,000)
Interest paid on notes payable	(53,588)	(57,627)
Interest income	1,501	6,139
Cash paid for capital assets	(66,000)	-
Net cash used for financing activities	$ (205,087)	$ (135,488)
Net increase (decrease) in cash and cash equivalents	$ (4,916)	$ 1,355
Cash and cash equivalents - beginning of year	336,563	335,208
Cash and cash equivalents - end of year	$ 331,647	$ 336,563
Reconciliation of operating loss to net cash provided by operating activities		
Operating loss	$ (215,878)	$ (293,148)
Adjustments to reconcile operating loss to net cash provided by operating activities:		
Depreciation expense	$ 427,212	$ 427,949
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable	6,221	-
(Increase) decrease in prepaid expenses	(14,591)	-
Increase (decrease) in accrued liabilities and pension items	(2,753)	(1,877)
Increase (decrease) in payroll taxes payable	(4,790)	5,569
Increase (decrease) in customer deposits	4,750	(1,650)
Total adjustments	$ 416,049	$ 429,991
Net cash provided by operating activities	$ 200,171	$ 136,843

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, 2025 AND 2024

INTRODUCTION

The Sewerage District No. 1 of the Parish of Concordia (District) was created by ordinance of the Concordia Parish Police Jury (Police Jury) in 1976 for the purpose of providing sewerage and waste treatment services to the rural areas of eastern Concordia Parish, Louisiana. The District is governed by a board of commissioners consisting of five members appointed by the Police Jury. The commissioners serve at the will of the Police Jury and are compensated $100 per meeting attended. The District serves approximately 1,138 customers with a staff of one full-time employee and 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 a discrete component unit.

B. Fund Accounting and 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
(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
FERRIDAY, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. **Fund Accounting and 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 the 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 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**

Restricted assets are comprised of customer deposits restricted to customer activity. The balance of customer deposits was $55,250 and $56,900 as of December 31, 2025 and 2024, respectively.

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, 2025 AND 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

H. Capital Assets

Capital assets of the District are included on the Statement of Net Position of the fund. Depreciation of all exhaustible fixed assets is charged as an expense against operations. Fixed assets reported on the Statement of Net Position are net of accumulated depreciation. 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 attributable 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, 2025 and 2024, the District had cash and cash equivalents (book balances) totaling:

	2025	2024
Interest-bearing demand deposits	$ 313,826	$ 318,742
Time deposits	17,821	17,821
	$ 331,647	$ 335,208

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, 2025 AND 2024

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, 2025, the District's total deposits with financial institutions (collected bank balances) were $335,981. These deposits are secured from risk by $329,378 of federal deposit insurance.

At December 31, 2024, the District's total deposits with financial institutions (collected bank balances) were $336,563. These deposits are secured from risk by $324,395 of federal deposit insurance.

NOTE 3 - ACCOUNTS RECEIVABLE

The accounts receivable at December 31, 2025 and 2024, were as follows:

	2025	2024
Sewer billings	$ 55,473	$ 58,805
Less allowance for bad debts	(13,314)	(10,000)
Total revenues and transfers	$ 42,159	$ 48,805

NOTE 4 - CAPITAL ASSETS

A summary of the District's capital assets at December 31, 2025, follows:

Primary Government	Balance, Beginning	Additions	Deletions	Balance, Ending
Capital assets not being depreciated:				
Land	$ 142,888	$ -	$ -	$ 142,888
Capital assets being depreciated	$ 13,863,404	$ 66,000	$ -	$ 13,929,404
Less accumulated depreciation	(9,358,945)	(427,212)	-	(9,786,157)
Total depreciable capital assets, net	$ 4,504,459	$ (361,212)	$ -	$ 4,143,247
Total capital assets, net	$ 4,647,347	$ (361,212)	$ -	$ 4,286,135

Depreciation expense of $427,212 for the year ended December 31, 2025, was charged to operating expense.

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, 2025 AND 2024

NOTE 4 - CAPITAL ASSETS (continued)

A summary of the District's capital assets at December 31, 2024, follows:

Primary Government	Balance, Beginning	Additions	Deletions	Balance, Ending
Capital assets not being depreciated:				
Land	$ 142,888	$ -	$ -	$ 142,888
Capital assets being depreciated	$ 13,863,404	$ -	$ -	$ 13,863,404
Less accumulated depreciation	(8,930,996)	(427,949)	-	(9,358,945)
Total depreciable capital assets, net	$ 4,932,408	$ (427,949)	$ -	$ 4,504,459
Total capital assets, net	$ 5,075,296	$ (427,949)	$ -	$ 4,647,347

Depreciation expense of $427,949 for the year ended December 31, 2024, was charged to operating expense.

NOTE 5 - LONG-TERM LIABILITIES

The following is a summary of the note payable for the year ended December 31, 2025:

	Sewer Revenue Refunding Bond	Total
Note payable at January 1, 2025	$ 2,187,000	$ 2,187,000
Less principal paid	(87,000)	(87,000)
Note payable at December 31, 2025	$ 2,100,000	$ 2,100,000

The following is a summary of the note payable for the year ended December 31, 2024:

	Sewer Revenue Refunding Bond	Total
Note payable at January 1, 2024	$ 2,271,000	$ 2,271,000
Less principal paid	(84,000)	(84,000)
Note payable at December 31, 2024	$ 2,187,000	$ 2,187,000

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, 2025 AND 2024

NOTE 5 - LONG-TERM LIABILITIES (continued)

Long-term debt as of December 31, 2025 and 2024, was comprised of the following:

	2025	2024
Sewer Revenue Refunding Bonds privately placed with United Mississippi Bank issued June 8, 2021, in the original amount of $2,433,000 at an interest rate of 2.50% with principal due in yearly installments beginning on June 1, 2022, with interest payable every December 1 and June 1, beginning December 1, 2021.	$ 2,100,000	$ 2,187,000
Total debt	$ 2,100,000	$ 2,187,000
Less current portion	(89,000)	(87,000)
Total long-term debt	$ 2,011,000	$ 2,100,000

The annual requirements to amortize notes payable as of December 31, 2025, including interest payments, are as follows:

	Principal	Interest	Total Payment
2026	$ 89,000	$ 51,388	$ 140,388
2027	92,000	49,129	141,129
2028	94,000	46,800	140,800
2029	97,000	44,413	141,413
2030	100,000	41,950	141,950
2030-2034	549,000	169,988	718,988
2035-2039	639,000	96,013	735,013
2040-2043	440,000	16,775	456,775
Totals	$ 2,100,000	$ 516,457	$ 2,616,457

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, 2025 AND 2024

NOTE 6 - PENSION PLAN

Plan Description - Substantially all employees of the District are members of the Parochial Employees' Retirement System of Louisiana (PERS), a cost-sharing, multiple-employer, defined-benefit pension plan administered by a separate Board of Trustees. PERS 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.

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 PERS. 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. PERS also provides death and disability benefits. Benefits are established or amended by state statute.

PERS issues an annual publicly available financial report that includes financial statements and required supplementary information for PERS. 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 PERS 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 PERS under Plan A for the years ending December 31, 2025 and 2024, were $10,408 and $9,241, 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, 2025 and 2024, the District reported a net pension asset (liability) of $11,767 and ($10,563), respectively, for its proportionate share of the net pension asset (liability). The net pension asset was measured as of December 31, 2024, 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, 2025 and 2024, the District's proportion was 0.0011701% and 0.0011087% respectively, which was an increase of .0000614% and .0076643% from its proportion measured as of December 31, 2024 and 2023, respectively.

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, 2025 AND 2024

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)

For the year ended December 31, 2025, the District recognized pension expense of $9,947, plus net amortization of deferred amounts from changes in proportion, ($2,401). At December 31, 2025, the District reported deferred outlfows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 7,181	$ (1,023)
Changes of assumptions	-	(1,295)
Net difference between projected and actual earnings on pension plan investments	-	(7,748)
Changes in proportion and differences between District contributions and proportionate share of contributions	-	(902)
District contributions subsequent to the measurement date	10,298	-
Total	$ 17,479	$ (10,968)

The District reported $10,298 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 in the year ended December 31, 2025. Other amounts reported as deferred outflows of resources and inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31:	
2026	$ 3,689
2027	10,378
2028	(12,015)
2029	(5,839)
Total	$ (3,787)

Actuarial Assumptions - The total pension liability in the December 31, 2025, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation date	December 31, 2024
Actuarial cost method	Entry Age Normal Cost
Investment rate of return	6.40%, net of pension plan investment expense, including inflation
Inflation rate	2.30%
Mortality	Pub-2010 Public Retirement Plans Mortality Table for Health Retirees multiplied by 130% for males and 125% for females using MP2018 scale annuitant and beneficiary mortality. For employees, the Pub-2010 Retirement Plans Mortality Table for General Employees 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, 2025 AND 2024

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 6.40% for the years ended December 31, 2025 and 2024.

Best estimates of arithmetic real rates of return for each major asset class included in PERS target asset allocation as of December 31, 2025, are summarized in the following table:

Asset Class	Target Asset Allocation	Long-Term Expected Portfolio Real Rate of Return
Fixed Income	37%	1.08%
Equity	47%	2.82%
Alternatives	15%	0.76%
Real Assets	1%	0.07%
Totals	100%	4.73%
Inflation		2.40%
Expected Arithmetic Nominal Return		7.13%

Discount Rate - The discount rate used to measure the total pension liability was 6.40% for each of the years ended December 31, 2025 and 2024. 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 PRSAC taking into consideration the recommendation of the PERS's actuary. Based on those assumptions, the PERS'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 liability.

Sensitivity to Changes in Discount Rate - The following presents the District's proportionate share of the net pension liability (asset) as of December 31, 2023, calculated using the discount rate of 6.40%, as well as what the District's net pension liability (asset) would be if it were calculated using a discount rate that is one percentage point lower (5.40%) or one percentage point higher (7.40%) 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, 2025 AND 2024

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 discout rate for the year ended December 31, 2025, is as follows:

Changes in Discount Rate		
1% Decrease 5.40%	Current Discount Rate 6.40%	1% Increase 7.40%
$ 60,050	$ (11,767)	$ (72,049)

NOTE 8 - SUBSEQUENT EVENTS

The District evaluated the events subsequent to its December 31, 2025, year-end date through August 10, 2026, the date on which the financial statements were available to be issued.

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

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
District's proportion of the net pension liability (asset)	0.011700%	0.011087%	0.008773%	0.006069%	0.005517%	0.004809%	0.005033%	0.004952%	0.006094%	0.008748%
District's proportionate share of the net pension liability (asset)	$ (11,767)	$ 10,563	$ 33,765	$ (28,588)	$ (9,674)	$ 4,812	$ 22,338	$ (7,001)	$ 12,551	$ 23,027
District's covered-employee payroll	$ 91,571	$ 94,423	$ 72,718	$ 53,855	$ 36,852	$ 30,499	$ 30,499	$ 30,480	$ 36,138	$ 32,834
District's proportionate share of the net penion liability (asset) as a percentage of its covered-employee payroll	0.00%	11.19%	46.43%	-53.08%	-26.25%	15.78%	73.24%	-22.97%	34.73%	70.13%
Plan fiduciary net position of the total pension liability (asset)	101.97%	98.03%	91.74%	110.46%	104.00%	99.84%	88.86%	101.98%	94.15%	99.23%

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
SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS
PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	$ 10,408	$ 9,827	$ 9,241	$ 8,066	$ 3,169	$ 4,514	$ 3,507	$ 3,507	$ 3,939	$ 4,698
Contributions in relation to the contractually required contribution	(10,408)	(9,827)	(9,241)	(8,066)	(3,169)	(4,514)	(3,507)	(3,507)	(3,939)	(4,698)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered-employee payroll	$ 91,571	$ 94,423	$ 72,718	$ 53,855	$ 26,143	$ 36,852	$ 30,499	$ 30,940	$ 30,480	$ 36,138
Contributions as a percentage of the covered-employee payroll	11.37%	10.41%	12.71%	14.98%	12.12%	12.25%	11.50%	11.33%	12.92%	13.00%

See Independent Auditor's Report.

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
SCHEDULE OF COMPENSATION, REIMBURSEMENTS, BENEFITS,
AND OTHER PAYMENTS TO AGENCY HEAD
FOR THE YEAR ENDED DECEMBER 31, 2025

Agency Head Name: **Kristie Sherbia, Manager**

Salary	$	18,480
Insurance and retirement		11,436
Benefits - cell phone		480
Total	$	30,396

The District also provides Kristie Sherbia a gas allowance of 25 gallons per month.

SEWERAGE DISTRICT NO. 1 OF THE PARISH OF CONCORDIA
(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
FERRIDAY, LOUISIANA
SUPPLEMENTARY INFORMATION
SCHEDULE OF COMPENSATION OF COMMISSIONERS
FOR THE YEAR ENDED DECEMBER 31, 2025

Mr. Ronald Wilkerson	$	1,900
Mr. Clyde Boling		1,900
Mr. Eddie Nugent		1,900
Mr. Billy Harris		1,700
Mr. Charles Turner		1,900
Total	$	9,300

See Independent Auditor's Report.

SECTION V
OTHER REPORTS REQUIRED BY
GOVERNMENT AUDITING STANDARDS

SILAS SIMMONS LLP
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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF 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 and the major fund information of the 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, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated August 10, 2026.

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) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the 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 or significant deficiencies may exist that have not been identified.

Report on 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Responses as Item 2025-01.

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

Silas Simmons, LLP

Natchez, Mississippi
August 10, 2026

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 AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2025

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 weaknesses identified?	No
	b) Significant deficiencies identified that are not considered to be material weaknesses?	No
3.	Material noncompliance relating to the financial statements?	Yes

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, 2025

Reference No.	Description of Finding	Corrective Action Planned	Name of Contact Person	Anticipated Completion Date

Section I – Internal Control and Compliance Material to the Financial Statements:

2024-1 **Late Filing of Audited Financial Statements**

Condition: The District's audited financial statements were not submitted to the Louisiana Legislative Auditor by the statutory due date of June 30, 2025.

Criteria: To be in good standing with the State of Louisiana, the audited financial statements must be submitted to the Louisiana Legislative Auditor by June 30, 2025.

Cause of Condition: The audited financial statements were due on June 30, 2025, but the books and records were not available until June of 2025. This did not allow enough time to complete the audit.

Effect of Condition: The District is on the noncompliance list with the State of Louisiana.

Recommendation: We recommend that the District has its books and records available in a more timely manner.

Response: Management will work to correct this finding.

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, 2025

Reference No.	Description of Finding	Corrective Action Planned	Name of Contact Person	Anticipated Completion Date

Section I – Internal Control and Compliance Material to the Financial Statements:

2025-1 **Late Filing of Audited Financial Statements**

Condition: The District's audited financial statements were not submitted to the Louisiana Legislative Auditor by the statutory due date of June 30, 2026.

Criteria: To be in good standing with the State of Louisiana, the audited financial statements must be submitted to the Louisiana Legislative Auditor by June 30, 2026.

Cause of Condition: The audited financial statements were due on June 30, 2026, but the books and records were not available until June of 2026. This did not allow enough time to complete the audit.

Effect of Condition: The District is on the noncompliance list with the State of Louisiana.

Recommendation: We recommend that the District has its books and records available in a more timely manner.

Response: Management will work to correct this finding.

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

N/A

Section III – Management Letter:

N/A

SECTION VII – APPLYING AGREED-UPON PROCEDURES REPORT

SILAS SIMMONS LLP
CERTIFIED PUBLIC ACCOUNTANTS *and* ADVISORS

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INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES

To the Sewerage District No. 1 of the Parish of Concordia
and the Louisiana Legislative Auditor

We have performed the procedures in the attached supplement on the control and compliance (c/c) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2025, through December 31, 2025. The Sewerage District No. 1 of the Parish of Concordia's (the District) management is responsible for those c/c areas identified in the SAUPs.

The District has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the c/c areas identified in LLA's SAUPs for the fiscal period January 1, 2025 through December 31, 2025. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

Our procedures and findings are included in the attached supplement to this report.

We were engaged by the District to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those c/c areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

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

Silas Simmons, LLP

Natchez, Mississippi
August 10, 2026

SEWERAGE DISTRICT NO. 1 OF THE PARISH OF CONCORDIA
(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
SUPPLEMENTAL SCHEDULE OF AGREED-UPON PROCEDURES AND FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2025

Written Policies and Procedures

1. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:

   a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.

   b) ***Purchasing***, including (1) how purchases are initiated, (2) how vendors are added to the vendor list, (3) the preparation and approval process of purchase requisitions and purchase orders, (4) controls to ensure compliance with the Public Bid Law, and (5) documentation required to be maintained for all bids and price quotes.

   c) ***Disbursements***, including processing, reviewing, and approving.

   d) ***Receipts/Collections***, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

   e) ***Payroll/Personnel***, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee rates of pay or approval and maintenance of pay rate schedules.

   f) ***Contracting***, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.

   g) ***Travel and Expense Reimbursement***, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.

   h) ***Credit Cards (and debit cards, fuel cards, purchase cards, if applicable)***, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).

   i) ***Ethics***, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.

   j) ***Debt Service***, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

   k) ***Information Technology Disaster Recovery/Business Continuity***, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

l) ***Prevention of Sexual Harassment***, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

Board or Finance Committee

2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and

   a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

   b) For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual comparisons, at a minimum, on all proprietary funds, and semi-annual budget-to-actual comparisons, at a minimum, on all special revenue funds. *Alternatively, for those entities reporting on the not-for-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*

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

   d) Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

Bank Reconciliations

3. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select four additional accounts (or all accounts if less than five). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:

   a) Bank reconciliations include evidence that they were prepared within two months of the related statement closing date (e.g., initialed and dated or electronically logged);

   b) Bank reconciliations include written evidence that a member of management or a board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation within 1 month of the date the reconciliation was prepared (e.g., initialed and dated or electronically logged); and

   c) Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Collections (excluding electronic funds transfers)

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

5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (e.g., five collection locations for five deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if there are no written policies or procedures, then inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that

   a) Employees responsible for cash collections do not share cash drawers/registers;

   b) Each employee responsible for collecting cash is not also responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit;

   c) Each employee responsible for collecting cash is not also responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit; and

   d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or custodial fund additions, is (are) not also responsible for collecting cash, unless another employee/official verifies the reconciliation.

6. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe that the bond or insurance policy for theft was in force during the fiscal period.

7. Randomly select two deposit dates for each of the five bank accounts selected for Bank Reconciliations Procedure 3 (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternatively, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and

   a) Observe that receipts are sequentially pre-numbered.

   b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.

   c) Trace the deposit slip total to the actual deposit per the bank statement.

   d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than $100 and the cash is stored securely in a locked safe or drawer).

   e) Trace the actual deposit per the bank statement to the general ledger.

Nonpayroll Disbursements (excluding card purchases, travel reimbursements, and petty cash purchases)

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

9. For each location selected under Procedure 8 above, obtain a listing of those employees involved with nonpayroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, then inquire of employees about their job duties), and observe that job duties are properly segregated such that

a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order or making the purchase;

b) At least two employees are involved in processing and approving payments to vendors;

c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files;

d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments; and

e) Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.

[Note: Findings related to controls that constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality) should not be reported.]

10. For each location selected under Procedure 8 above, obtain the entity's nonpayroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select five disbursements for each location, obtain supporting documentation for each transaction, and

    a) Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation indicates that deliverables included on the invoice were received by the entity, and

    b) Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under Procedure 9 above, as applicable.

11. Using the entity's main operating account and the month selected in Bank Reconciliations Procedure 3, randomly select five nonpayroll-related electronic disbursements (or all electronic disbursements if less than five) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy. *Note: If no electronic payments were made from the main operating account during the month selected the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.*

Credit Cards/Debit Cards/Fuel Cards/Purchase Cards (Cards)

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

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

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

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

14. Using the monthly statements or combined statements selected under Procedure 13 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (e.g., each card should have 10 transactions subject to inspection). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and observe whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

Travel and Travel-Related Expense Reimbursements (excluding card transactions)

15. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select five reimbursements and obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the five reimbursements selected:

a) If reimbursed using a per diem, observe that the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov);

b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased;

c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by Written Policies and Procedures, Procedure 1(h); and

d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Contracts

16. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternatively, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select five contracts (or all contracts if less than five) from the listing, excluding the practitioner's contract, and:

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

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

c) If the contract was amended (e.g., change order), observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, the documented approval); and

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

Payroll and Personnel

17. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select five employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

18. Randomly select one pay period during the fiscal period. For the five employees or officials selected under Procedure 17 above, obtain attendance records and leave documentation for the pay period, and

    a) Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory);

    b) Observe whether supervisors approved the attendance and leave of the selected employees or officials;

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

    d) Observe the rate paid to the employees or officials agrees to the authorized salary/pay rate found within the personnel file.

19. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials and obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee's or official's cumulative leave records, agree the pay rates to the employee's or official's authorized pay rates in the employee's or official's personnel files, and agree the termination payment to entity policy.

20. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

Ethics

21. Using the five randomly selected employees/officials from Payroll and Personnel Procedure 17 obtain ethics documentation from management, and

    a) Observe whether the documentation demonstrates that each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and

    b) Observe whether the entity maintains documentation which demonstrates that each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

22. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

Debt Service

23. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each debt instrument issued as required by Article VII, Section 8 of the Louisiana Constitution.

24. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

Fraud Notice

25. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled as required by R.S. 24:523.

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

Information Technology Disaster Recovery/Business Continuity

27. Perform the following procedures, **verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."**

    a) Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if there is no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government's local server or network, and (c) was encrypted.

    b) Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if there is no written documentation, then inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past three months.

    c) Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select five computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

28. Randomly select five terminated employees (or all terminated employees if less than five) using the list of terminated employees obtained in Payroll and Personnel Procedure 9C. Observe evidence that the selected terminated employees have been removed or disabled from the network.

29. Using the five randomly selected employees/officials from Payroll and Personnel Procedure 9A, obtain cybersecurity training documentation from management, and observe that the documentation demonstrates that the following employees/officials with access to the agency's information technology assets have completed cybersecurity training as required by R.S. 42:1267. The requirements are as follows:

- Hired before June 9, 2020 - completed the training; and
- Hired on or after June 9, 2020 - completed the training within 30 days of initial service or employment.

Prevention of Sexual Harassment

30. Using the five randomly selected employees/officials from Payroll and Personnel Procedure 17, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.

31. Observe that the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).

32. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe that the report includes the applicable requirements of R.S. 42:344:

    a) Number and percentage of public servants in the agency who have completed the training requirements;

    b) Number of sexual harassment complaints received by the agency;

    c) Number of complaints which resulted in a finding that sexual harassment occurred;

    d) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and

    e) Amount of time it took to resolve each complaint.

CONCORDIA PARISH SEWER DISTRICT NO. 1
SCHEDULE OF EXCEPTIONS
FOR THE YEAR ENDED DECEMBER 31, 2025

Reference Number	Description of Exception
Policies and Procedures	
Procedure 1	The District does not have appropriate written policies and procedures for budgeting, purchasing, disbursements, receipts/collections, payroll/personnel, contracting, debt service, or information technology disaster recovery/business continuity.
Board or Finance Committee	
Procedure 2 (b)	Monthly budget-to-actual comparisons were not referenced or noted in the board minutes.
Ethics	
Procedure 20	Only one of two employees has completed ethics training. The employees have not verified through signature that the District's ethics policy has been read during the fiscal year.
Sexual Harassment	
Procedure 26	Employees did not complete sexual harassment training.
Procedure 27 (a)	The two public servants in the agency did not complete the training requirements.