



- 🏠 **Location:** Executive Boardroom
- 📅 **Date:** Wednesday, January 18, 2023
- 🕒 **Time:** 9:00 am
- Tamika Duplessis, Chair
 - Robin Barnes
 - Joseph Peychaud
 - Maurice Sholas
 - Alejandra Guzman

Audit Committee Meeting Agenda

I. Roll Call

II. Introduction

- a) Chief Audit Executive – Edwin Sutherland

III. Presentation Items

- a) 2021 Final Annual Audit Report – Brandy Smith, P&N

IV. Public Comment

V. Adjournment



Annual Comprehensive Financial Report

For the years ended December 31, 2021 and 2020

**SEWERAGE AND WATER BOARD
OF NEW ORLEANS, LOUISIANA**



COVER: May 6, 2021 was a monumental day for the Sewerage and Water Board of New Orleans (SWBNO), our city and our State. Together with Mayor Cantrell, we hosted the President of the United States of America, Joe Biden, and showed him firsthand the dire need for investment in our infrastructure. We also showed him the good work that our men and women do each day with the limited resources that we have. He was genuinely impressed with the hard work that we have accomplished and in awe of the craftsmanship that it takes to maintain and operate our equipment. President Biden saw New Orleans' needs and he saw the investments we can make together. As public servants, our work is never done. We will continue to work toward a culture of replacement and not deferment. The work we have been doing over the past years has prepared us for this moment and positioned us well to partner with the federal government in funding our massive infrastructure needs.

**THE SEWERAGE AND WATER BOARD
OF NEW ORLEANS, LOUISIANA**

**Annual Comprehensive Financial Report
For The Years Ended
December 31, 2021 and 2020**

**Prepared By:
Finance Department**

Vision

To be a model utility that earns and holds the trust and confidence of our customers, community, and partners through reliable and sustainable water services.

Mission

Our team of experts serves the people of New Orleans and improves their quality of life by reliably and affordably providing safe drinking water; removing wastewater for safe return to the environment; and draining stormwater to protect our community.

Core Values

We Are:

Customer
Focused



Safety
Minded

Accountable



Transparent
& Honest

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA

Annual Comprehensive Financial Report
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INTRODUCTORY SECTION



VISION: As part of our 5-year Strategic Plan, we identified a new vision for our utility. The Sewerage and Water Board of New Orleans' vision is to be a model utility that earns and holds the trust and confidence of our customers, community, and partners through reliable and sustainable water services.



TO: The Honorable LaToya Cantrell, President, and
Members of the Sewerage and Water Board of New Orleans
625 St. Joseph Street
New Orleans, LA 70165

DATE: June 29, 2022

We respectfully submit the enclosed Annual Comprehensive Financial Report (ACFR) for the Sewerage and Water Board of New Orleans (SWBNO) for the years ended December 31, 2021, and 2020. This yearly report provides our Board of Directors, investors, customers, and the public at large with the utility's latest, most complete financial portrait.

We believe that the data, as presented, is accurate in all material respects. This report is designed to fairly present SWBNO's financial position and operation results for the SWBNO Enterprise and Pension Trust Funds. Necessary disclosures are included for the reader to understand SWBNO's financial activities.

SWBNO retained Postlethwaite & Netterville (P&N), a professional accounting corporation, to serve as its independent auditor. P&N has issued an unmodified opinion on SWBNO's financial statements for the years ended December 31, 2021, and 2020. The independent auditors' report is located at the front of the Financial Section in this report.

THE ANNUAL COMPREHENSIVE FINANCIAL REPORT

The ACFR is organized into four sections:

Introductory Section: This section includes this letter of transmittal, as well as various governance, leadership, and organizational charts. This transmittal letter is designed to complement the Management's Discussion and Analysis (MD&A) (see Financial Section) and should be read in conjunction with it.

Financial Section: This section includes the Independent Auditors' Report, the MD&A, basic financial statements, accompanying notes, and required supplementary information (RSI). The MD&A is required by the Governmental Accounting Standards Board (GASB) and provides an overview and analysis of the basic financial statements.

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Statistical Section: This section presents graphs and details demonstrating financial trends as well as revenue and debt information as context for understanding SWBNO's overall financial health and operating capacity.

Supplemental Section: This section includes additional historical schedules.

The basic financial statements were prepared in accordance with U.S. Generally Accepted Accounting Principles (GAAP) and audited by independent, certified public accountants retained by SWBNO.

Pursuant to LA Revised Statutes § 24:513 (A), SWBNO is required to have its financial position examined and audited each year by licensed, certified public accountants.

SWBNO's management is responsible for the reliability of the information in this report, based upon a comprehensive internal control framework established for this purpose. The internal control framework is designed to give reasonable assurance that the cost of internal controls should not exceed the benefits derived from the controls and that the financial statements are free from material misstatements. The internal control over financial reporting is a process designed by, or under the supervision of, SWBNO's Executive Director, Chief Financial Officer, and Finance Director and effected by the Board of Directors, management, and other personnel to provide reasonable assurance regarding the reliability of financial reporting in accordance with GAAP.

PROFILE OF SEWERAGE AND WATER BOARD OF NEW ORLEANS

SWBNO is a public utility that owns, maintains, and operates New Orleans' vast networks of water and sewer mains, as well as the components of the city's drainage system that are 36" or greater in diameter (primarily drainage canals).

SWBNO meets the criteria for classification as a "stand-alone entity" as described in GASB Statement No. 61. The reporting entity includes the Enterprise Fund and the Pension Trust Fund. The Enterprise Fund comprises three (3) independent systems: Water, Sewerage, and Drainage.

SWBNO was founded in 1899 by state law and merged with the New Orleans Drainage Commission in 1903 to eventually assume its present-day mission: To serve the people of New Orleans and improve their quality of life by providing safe drinking water, removing wastewater for safe return to the environment, and draining stormwater to protect the community. Its team of experts does this reliably, continuously, and at a reasonable cost. SWBNO's vision is to earn and hold the trust and confidence of our customers and community for reliable and sustainable water services and to be a model utility in the water industry.

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Today, SWBNO serves 364 square miles of the City of New Orleans and provides drainage services to approximately 2,550 acres of neighboring Jefferson Parish. Raw water is sourced from the Mississippi River for treatment. The utility operates a drainage system of approximately 280 miles of open and underground canals and 24 pumping stations that house 120 drainage pumps. The drainage and water systems are powered by a combination of modern, 60-Hertz electricity and self-generated, 25-Hertz power that dates to the early 20th century. SWBNO is under a federal Consent Decree to overhaul the New Orleans sewerage system. This effort is scheduled to be completed in 2025. An independent contractor manages sewer operations.

This utility operates independently of the city government under the oversight of its 11-member Board of Directors. Effective June 11, 2021, under state law, this governing body consists of:

- The Mayor of the City of New Orleans, serving as president
- A member of the City Council's Public Works, Sanitation and Environmental Committee or his/her designee
- Two members of the city's debt manager, the Board of Liquidation, City Debt
- Seven citizen members appointed by the mayor with the consent of the City Council

Citizen members must represent New Orleans' five City Council districts; two must be considered consumer advocates. The Board of Directors is responsible for, amongst other things, passing resolutions, adopting the budget, appointing committees, and hiring the Board's Executive Director and General Superintendent. The Executive Director is responsible for carrying out the policies and resolutions of the Board and overseeing day-to-day operations.

The water and sewerage systems, and the overall administration of SWBNO, are primarily funded through services rates, which the New Orleans City Council approves. Maintenance, operations, and improvements to the drainage system are primarily financed through three ad valorem taxes set at rates of three-(3) mill, six-(6) mill, and nine-(9) mill, which expire in 2046, 2027, and 2032, respectively. The SWBNO employs approximately 1,300 people and manages a \$275-million pension trust fund.

ECONOMIC GROWTH AND OUTLOOK

As one of the last major ports before the Mississippi River empties into the Gulf of Mexico, New Orleans is a central hub for commerce and an economic engine for the broader Gulf Coast region. It is also a large nexus for rail and truck routes. The latest mid-year estimates (July 2021) revealed the City of New Orleans experienced a slight decrease in population to 376,971 (*U.S. Census Bureau, Population Division*).

New Orleans has a diverse economy, with the main sectors being energy, advanced manufacturing, international trade, healthcare, and tourism. It is the home to internationally known universities and

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hospitals. Some of the largest companies in New Orleans include Ochsner Health System, Tulane University, Woodward Design + Build, Entergy Corporation, Hancock Whitney Corporation, Boh Bros Construction, and Superior Energy Services, Inc.

The New Orleans metropolitan area unemployment rate (4.2%) was slightly lower than the State of Louisiana's rate (4.4%) and higher than the national rate (3.9%) at the end of 2022, according to the US Bureau of Labor Statistics, due to the high volume of hospitality and tourism jobs impacted by COVID-19.

The median household income in the City of New Orleans is \$41,604 compared to \$49,469 for the State of Louisiana and \$62,843 for the United States, with almost 25% of residents falling below the federal poverty line.

MANAGEMENT INITIATIVES

In 2021, the Utility initiated a strategic planning process to serve as a catalyst for organizational change and to guide the next phase of rebuilding the organization for the future. The new 5-year Strategic Plan was adopted in early 2022 and has 6 key focus areas – Financial Stability, Workforce Development and Enrichment, Customer Service Excellence and Stakeholder Engagement, Infrastructure Resiliency and Reliability, and Organizational and Operational Improvement. Along with challenges brought on by a global pandemic, SWBNO faced critical challenges with our power generation systems and Hurricane Ida, which made landfall on August 29, 2021, the 16th anniversary of Hurricane Katrina. As a result of Hurricane Ida, the EOC was activated for eight days. While there were no major interruptions in SWBNO services, backup power resources were required when Entergy power failed. The EBWWTP was flooded, and there was a significant need to rely on emergency measures to maintain services. The estimated cost of Hurricane Ida's damages is approximately \$23 million. Immediately, plans were set in motion to work with local, state, and federal partners to minimize the impacts of the Category 5 hurricane on our ratepayers. That difficult hurricane season highlighted the need to establish more resilient power sources and self-generated backup power.

SWBNO continues to aggressively execute its plan for a new West Power Complex—made possible by the City of New Orleans—that will house a dedicated substation and provide additional, more reliable power sources. The initial phase of the West Power Complex is planned to be completed in the first quarter of 2024.

In 2021, SWBNO leadership sought creative financing solutions for New Orleans' long-existing infrastructure challenges and realized Fair Share recurring monthly funds from the 2019 agreement with the City of New Orleans, the State of Louisiana, and the hospitality industry. Due to the global pandemic's

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impact on the hospitality industry, the actual funds received were lower in 2021 and 2020 at \$8.7 million and \$6.6 million, respectively, but have improved in recent months as recovery progresses.

In November 2021, SWBNO closed a major federal water infrastructure loan to fund the full rehabilitation of New Orleans' sewer system as part of our Consent Decree. Under the Water Infrastructure Financing and Innovation Act (WIFIA) program, the U.S. Environmental Protection Agency (EPA) chose SWBNO to apply for a low-interest, long-term loan planned to yield up to \$275 million. This loan will facilitate the 2025 federal Consent Decree deadline to restore the sewer system completely. The below-market interest rate and flexible repayment terms with our WIFIA loan will save the ratepayers significant interest costs over the repayment term, which runs through 2057.

FINANCIAL PLANNING

SWBNO is conducting a comprehensive financial plan to determine revenue requirements for all financial needs and assess the affordability of rates, with the goal of investing in the infrastructure needed to improve our services to the community while recognizing the real financial struggles that exist in the City of New Orleans. Our financial planning provides for required funding of our operating and maintenance costs needed to operate the systems daily, debt services costs required, cash financed capital costs, externally financed capital costs, and other sources of revenue, which come from the generosity of local, state, and federal partners. As stated above, SWBNO also receives revenues from the three-(3) mill, six-(6) mill, and nine-(9) mill ad valorem taxes, which are restricted exclusively to the drainage system.

In March 2021, as a part of our financial plan to reduce borrowing costs and generate immediate savings on debt service costs, SWBNO issued \$372 million in refunding bonds for most of the 2014 and 2015 Sewer and Water General Revenue Bonds. The proceeds were used to refund outstanding principle and created net present value savings of \$36 million over the expected term of the 2021 refunding bonds.

GENERAL OPERATIONS

The change in net position for the year ended December 31, 2021, was an increase of approximately \$134.5 million, as opposed to an approximately \$216.3 million increase for the year ended December 31, 2020, primarily due to lower capital contributions in 2021. The Board's total operating revenues increased by 2.5% to approximately \$275.3 million, primarily from increases in consumption and billed usage. Total non-operating revenue decreased by 22.0% to approximately \$50.9 million due primarily to 1) the adoption of a new accounting pronouncement resulting in interest expense no longer being capitalized and 2) one-time bond issuance costs related to the bond refunding done for the majority of the 2014 and 2015 revenue bonds in March 2021.

BUDGETARY CONTROL

SWBNO maintains internal budgetary control by preparing and monitoring an annual operating and capital budget for the Water, Sewerage, and Drainage funds. The statement of revenues, expenses, and

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changes in net position; statement of net position; and statement of cash flows are prepared for each system. Also, monthly budget reports are provided to assist each department-level manager in fiscal decision-making.

The 2021 approved operating budget was \$317.9 million, which was 1% lower than the prior year. The Board has \$517.7 million in outstanding senior lien debt: \$2.0 million in Drainage Bonds, \$294.9 million in Sewer Revenue Bonds, and \$222.7 million in Water Revenue Bonds. SWBNO has been issued an “A” and an “A-” rating from Standard & Poor’s Ratings Services (S&P) for the sewer system and water system, respectively, and a “BBB+” for the water system and sewer system from the Fitch Ratings. In addition, the S&P and Fitch Ratings for Special Tax Bonds are “AA-” and “A,” respectively.

CAPITAL IMPROVEMENT PROGRAM

SWBNO's 10-year capital improvement program factors resources and expenses to repair, rehabilitate, and replace water, sewer, and drainage capital assets. The program allows the utility to compare the impact of future stability over the next ten years. This includes capital improvements to infrastructure for completing projects related to Hurricane Katrina repairs, ongoing rehabilitation, handling anticipated growth, maintaining compliance with regulatory requirements, technology changes, and bringing the system into the 21st century.

At the close of 2021, there were approximately 26 active contracts for capital projects in addition to a major joint project with the City - Joint Infrastructure Recovery Roads Program (JIRR). There are also active emergency contracts, which are those not anticipated in the capital improvement program, including:

2021 – Sewer Pump Station D (SPS D): Following heavy showers in August 2021, a leak was detected in the 60-inch-diameter sewer force main crossing the Peoples Avenue Canal, necessitating the use of a temporary pumping operation and emergency declaration on August 18, 2021, to make emergency repairs and replacements to stabilize the situation.

2021 – D Pump at DPS 12: DPS 12 went out of service on August 2, 2021. A subsequent investigation by SWBNO's Facility Maintenance department identified the cause of the outage as a failed pump bearing, requiring immediate repairs to resume pumping capabilities at DPS 12 to protect the Lakeview Basin served by the station. The work was completed by the end of December 2021.

2021 – MV Bow Trident: In March 2021, a vessel on the Mississippi River collided with elements of the SWBNO river intake system. Damage assessments were undertaken, and cost estimates to repair the facilities were completed in 2021, in conjunction with other repairs needed due to a previous incident in 2016. SWBNO's ability to pump river water for treatment as potable water was ultimately not impacted. Still, repairs to the facilities are needed and are anticipated to be advertised for construction in 2022.

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2020 – Turbine 4 Outage: On October 24, 2020, Turbine 4, which had been serving as the primary turbine for daily operations and rain events, tripped offline unexpectedly. The General Superintendent declared an extreme emergency to determine and address the cause of the event, prevent further damage, make all necessary repairs, and, where necessary, repair or improve other system components to fortify the remaining 25-Hz power generation and distribution facilities. Repair contracts for the turbine were subsequently issued in early 2021, and work was completed by the end of summer 2021.

As of December 31, 2021, the Board's budget for its ten-year capital improvements program totaled approximately \$2.5 billion and included \$532 million in budget authority for the year ending December 31, 2022, for the following activities:

- Continue Joint Infrastructure Recovery Road in conjunction with the City of New Orleans Department of Public Works
- Comply with regulatory requirements under the Sewer Consent Decree
- Rehabilitate and upgrade facilities at the Carrollton Water Plant
- Participate in drainage system improvements in coordination with SELA Program
- Continue the Smart Metering Infrastructure project

Due to certain regulatory and legislative changes, additional capital improvements will probably be required. Future capital improvement program expenditures may require the issuance of additional debt depending on the amount and timing of expenditures.

WATER SYSTEM MAJOR INITIATIVES

Below is a list of the major water system initiatives completed in 2021 and those that are still in progress:

CARROLLTON WATER PURIFICATION PLANT

- Design of valves, actuators, and controls at Sycamore Filter Gallery in progress. Construction to begin in 2022
- Design of new sludge line to the Mississippi River in progress
- Design and construction for the demolition of basins C7 and C8 ongoing to allow the repurposed site to house the West Power Complex
- Design of improvements to Claiborne Ave. Pumping, Panola, and High Lift Stations complete. Construction of Claiborne Pumping Station in progress and scheduled for completion in Q4 2022. Construction of Panola and High Lift Stations to begin in 2022
- Design of the repairs to the fender system at New River and Oak St. Raw Water Intake Structures in progress
- Design of a new facility for the consolidated bulk storage and feed of water purification chemicals at the Carrollton Water Plant complete.

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ALGIERS WATER PURIFICATION PLANT

- Design of water storage tank mixing in progress
- Improvements to the Algiers Water Plant in progress, including replacement of Clarifier 1; improvements to Clarifiers 2, 3, and 4; a new fluorosilicic acid storage and feed system; and SCADA system complete
- Staff design of filter media replacement and repair to valves and actuators in progress

WATER DISTRIBUTION SYSTEM

- Ongoing coordination with the Department of Public Works to rehabilitate water mains in association with the Joint Infrastructure Recovery Roads Program (JIRR) and other roadway rehabilitation projects
- Ongoing management of 22 engineering consultants designing water main replacement projects for approximately 62 neighborhoods

WATER PUMPING AND POWER

- Replacement of various 25-Hz power distribution cables in progress
- Design of new VFDs and motors for distribution pumps in progress

SEWER SYSTEM INITIATIVES

Below is a list of the major sewer system initiatives completed in 2021 and those that are still in progress:

SEWERAGE PUMPING STATIONS

- SPS A design of structural improvements complete. Construction ongoing
- Planning for a replacement station at SPS 1 has begun. Bids for the demolition of SWBNO-owned houses adjacent to the existing station solicited and to be completed in 2022
- Planning for expansion of SPS 14 ongoing
- Design of replacement pumps and motors for multiple SPS ongoing
- Planning for the purchase of portable generators for deployment to the sewerage pumping stations ongoing

SEWER COLLECTION SYSTEM

- Ongoing coordination with the Department of Public Works to rehabilitate sewer mains in association with the Joint Infrastructure Recovery Roads Program (JIRR) and other roadway rehabilitation projects
- Construction within the South Shore Basin currently 100% complete
- Construction within the Mid-City Basin currently 50% complete
- Construction within the Carrollton Basin currently 30% complete

WASTEWATER TREATMENT PLANTS

- WBWWTP – Cosmetic rehab of Trickling Filter #1 complete

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- WBWWTP – Bar Screen #4 Mounting Base replacement complete
- WBWWTP – Recycle Pump #3 motor rebuild complete
- EBWWTP – Installation of the sludge dryer complete. Startup in progress
- EBWWTP – Repair of Clarifier #6's underground RAS pipeline complete
- EBWWTP – Installation of Train 4 Mixers complete
- EBWWTP – Replacement of #6 Grit Screw complete
- EBWWTP – Replacement and installation of Bar Screen #6 complete
- EBWWTP – Coating of MLSS pipe to Clarifier #8 in progress
- EBWWTP – Replacement of River Sampling Station in progress
- EBWWTP – Purchase and installation of RAS rotating assemblies in progress
- EBWWTP – FBI Incinerator Refractory and Shell rehab in progress
- EBWWTP – Clarifier #2 Baffle Plates in progress

DRAINAGE SYSTEM INITIATIVES

Below is a list of the major drainage system initiatives completed in 2021 and those that are still in progress:

DRAINAGE PUMPING STATIONS

- Construction of anti-siphon mechanisms at Drainage Pumping Station 4 complete
- Additional SCADA instrumentation purchase and installation in progress
- Design of Discharge Pump Station #13 in Algiers in progress (USACE project)
- Construction of anti-siphon mechanisms at Drainage Pumping Station 12 ongoing

CANALS

- Construction of Florida Ave. Canal Phase IV in progress
- Construction of General DeGaulle Canal improvements from Shirley Dr. to Holiday Dr. in progress
- Design of Donner Canal from Algiers Outfall Canal to Pump Station #13 in progress
- Design of General DeGaulle Canal from Behrman Place to Algiers Outfall Canal in progress

OTHER FINANCIAL INFORMATION AND SUBSEQUENT EVENTS

SWBNO is pursuing several priority projects in 2022:

SMART METERING INFRASTRUCTURE

As of the submission of this letter, SWBNO has selected a vendor for our smart metering replacement project, which will span approximately 36 months, to update all our meters to automated meter reading technology. Smart metering will benefit SWBNO and its ratepayers in numerous ways, including generating real-time, accurate billing information, reducing estimated readings and re-billing costs, reducing billing errors and disputes, preventing tampering and theft, and promoting energy conservation and customer savings with time-of-use consumption. Additional benefits of the program include customer-facing alerts for high usage and conservation efforts, acoustic leak detection, and district meter monitoring. The project

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will be funded in part with Fair Share dollars as well as additional savings realized from our 2021 Bond Refunding.

WEST POWER COMPLEX

The West Power Complex, part of the overall SWBNO Power Master Plan, ensures a more reliable source of power for SWBNO to better serve customers and make a transformative change to address the critical need for reliable power. This large capital program consists of multiple professional services, equipment procurement, and construction contracts. The current cost estimate for the entire program, including the new Entergy substation, is over \$200 million. In 2021, SWBNO made significant progress with the site preparation activities required for other construction work to begin. SWBNO worked with consulting engineers to begin detailed design of the other components of the facility, such as the equipment foundations and new Operations Center, and managed ongoing projects for site preparation and manufacturing of Static Frequency Changer 1. Funding for the program comes from a combination of FEMA, HUD, and State Capital Outlay sources. Additionally, a grant application for the FEMA BRIC application was submitted for the FY2021 funding cycle. While all the necessary funding has not yet been secured for the multi-year capital project, it is excellently supported by the City of New Orleans and multiple other stakeholders. The team will continue to pursue all the necessary funding sources to ensure this critical project remains a priority.

ACKNOWLEDGEMENTS

The preparation of this report could not have been accomplished without the efficient and dedicated services of the entire staff of SWBNO, particularly the Finance and Accounting departments.

We also acknowledge all members of the Board of Directors for their unfailing support, leadership, and professionalism in managing SWBNO's finances. Of course, we extended our great appreciation to the President of the Board, Mayor Latoya Cantrell, Governor John Bel Edwards, and our hospitality partners, who played a vital role in obtaining much-needed funding for SWBNO as we look toward rebuilding a strong infrastructure for the citizens and visitors of New Orleans.

Because of the dedication of its employees, SWBNO received the Government Finance Officers Association of the United States and Canada (GFOA) Certificate of Achievement for Excellence in Financial Reporting for past submissions of its AFR for thirty-seven (37) of the past forty (40) years. This Certificate of Achievement is a prestigious national award, recognizing conformance with the highest standards for preparing state and local government financial reports. To receive a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized ACFR that conforms to program standards. Such an ACFR must satisfy both generally accepted accounting principles and applicable legal requirements. The award is valid for one (1) year only. We believe the current report meets the Certificate of Achievement Program requirements, and we will submit this ACFR to the GFOA.

Board of Directors: LaToya Cantrell – President, Tamika Duplessis – President Pro Tem, Freddie King – Councilmember, Joseph Peychaud, Robin Barnes, Ralph Johnson, Alejandra Guzman, Lynes Sloss, Maurice Sholas, Janet Howard, Nichelle Taylor



SWBNO hereby submits its Annual Comprehensive Financial Report for the fiscal year ended December 31, 2021.

Respectfully submitted,

ghassan korban Digitally signed by ghassan korban
Date: 2022.06.29 09:26:42 -05'00'

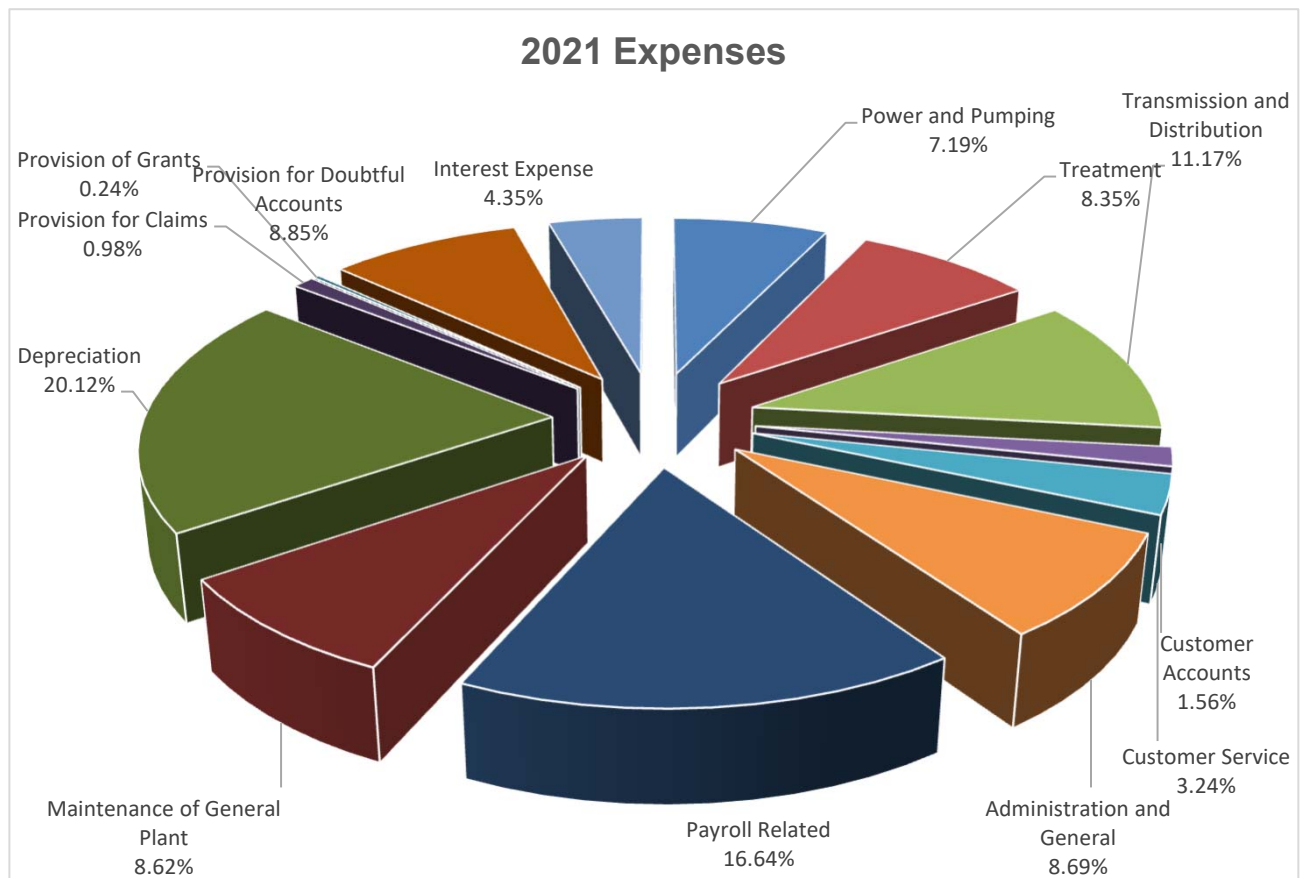
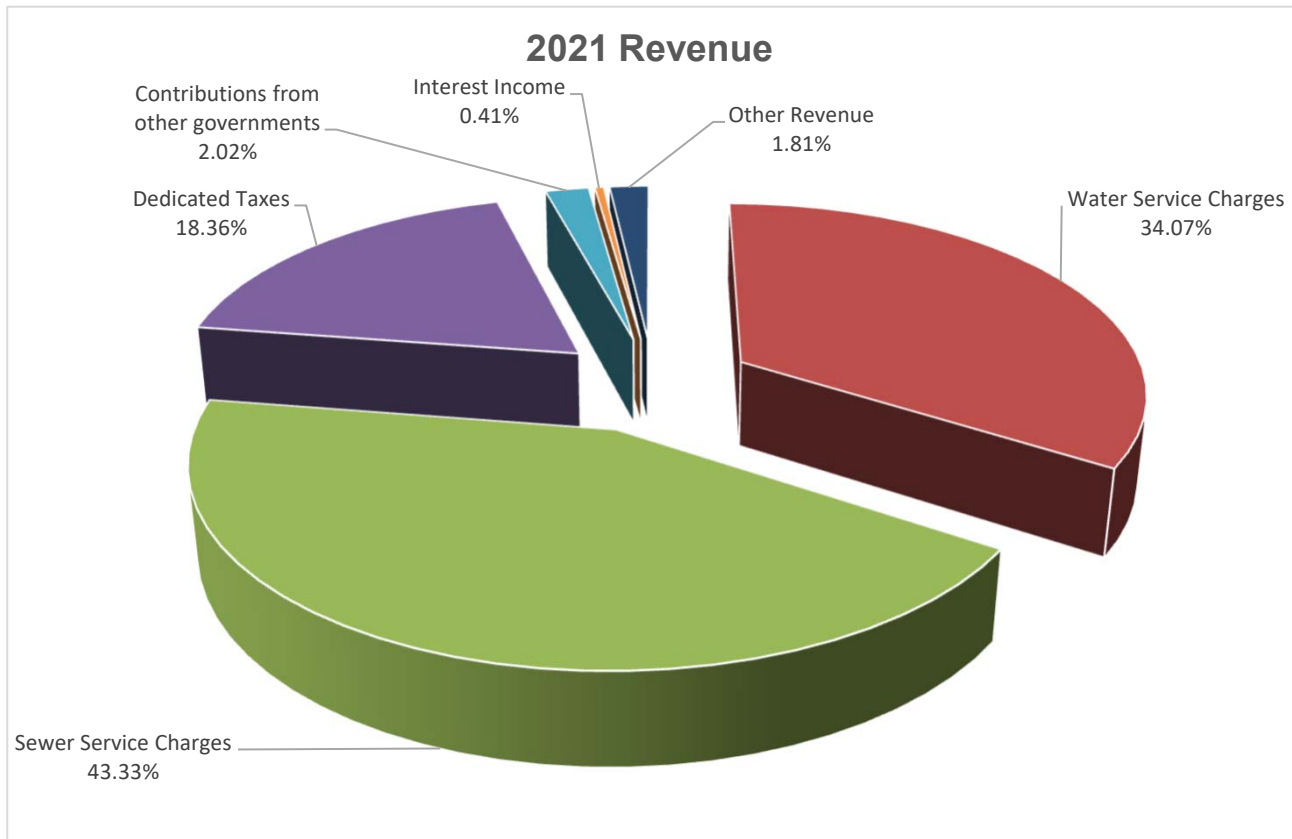
Ghassan Korban, Executive Director

E. Grey Lewis Digitally signed by E. Grey Lewis
Date: 2022.06.29 10:46:08 -05'00'

E. Grey Lewis, Chief Financial Officer

Board of Directors: LaToya Cantrell – President, Tamika Duplessis – President Pro Tem, Freddie King – Councilmember, Joseph Peychaud, Robin Barnes, Ralph Johnson, Alejandra Guzman, Lynes Sloss, Maurice Sholas, Janet Howard, Nichelle Taylor

Sewerage and Water Board of New Orleans





Government Finance Officers Association

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**New Orleans Sewer & Water Board
Louisiana**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2020

Christopher P. Morill

Executive Director/CEO

Sewerage & Water Board of New Orleans

2021 BOARD OF DIRECTORS

MAYOR LATOYA CANTREL

President

Mayor of the City of New Orleans, Ms. Cantrell serves as the President of the Board of Directors. Elected to the City Council in 2012, she began her term as President of the SWBNO Board once she was sworn in as the first female Mayor of New Orleans on May 7, 2018—just in time to celebrate the City's tricentennial!



TAMIKADUPLESSIS, PH.D.

President Pro-Tem

Representing District E, Dr. Duplessis is the Executive Dean at Delgado Community College.



JAYH. BANKS

Mr. Banks was selected to represent the City Council on the Board of Directors in 2019. He is the former Director of the Dryades UMCA and serves as councilman for District B.



ROBIN BARNES

Representing District B, Ms. Barnes retired in 2019 as the Executive Vice President and Chief Operating Officer of Greater New Orleans, Inc.



ALEJANDRA GUZMAN

Representing as a Consumer / Community Advocate, Ms. Guzman has served as the Vice President of Performance Management and Strategy at the New Orleans Business Alliance since 2016.



JANET HOWARD

Representing District B, Ms. Howard previously served as President and CEO of the Bureau of Governmental Research and is currently principal of Howard Policy Solutions LLC.



RALPH JOHNSON

Representing the Board of Liquidation, Mr. Johnson is the Chief Financial Officer and Vice President of Business and Administrative Affairs at Dillard University.



JOSEPH PEYCHAUD

Representing as a Consumer/Community Advocate, Mr. Peychaud is a lifelong resident of New Orleans and currently serves as Principal of the Waldorf School of New Orleans.



LYNESR. "POCO" SLOSS

As a representative of the Board of Liquidation, Mr. Sloss is the President and CEO of Bellwether Technology Corporation and served on the New Orleans City Planning Commission for ten years.



MAURICE G. SHOLAS, M.D., PH.D.

Representing District C, he is the principal for Sholas Medical Consulting, LLC.



**COMMITTEES OF THE
SEWERAGE AND WATER BOARD OF NEW ORLEANS**
December 31, 2021

BOARD OF DIRECTORS

MAYOR LATOYA CANTRELL, President

JAY H. BANKS
ROBIN BARNES
Dr. TAMIKA DUPLESSIS – President Pro-Term
ALEJANDRA GUZMAN
JANET HOWARD

RALPH JOHNSON
JOSEPH E. PEYCHAUD
DR. MAURICE SHOLAS
LYNES “POCO” SLOSS
VACANT, DISTRICT D

BOARD OF TRUSTEES

MAYOR LATOYA CANTRELL, Chairperson

JAY H. BANKS
ROBIN BARNES
Dr. TAMIKA DUPLESSIS – President Pro-Term
ALEJANDRA GUZMAN
JANET HOWARD
LATRESSIA MATTHEWS
KENNETH DAVIS

RALPH JOHNSON
JOSEPH E. PEYCHAUD
DR. MAURICE SHOLAS
LYNES “POCO” SLOSS
HAROLD HELLER
MUBASHIR MAQBOOL
VACANT, DISTRICT D

AUDIT COMMITTEE

DR. TAMIKA DUPLESSIS – CHAIRPERSON

ROBIN BARNES
ALEJANDRA GUZMAN

JOSEPH E. PEYCHAUD
DR. MAURICE SHOLAS

FINANCE AND ADMINISTRATION COMMITTEE

LYNES “POCO” SLOSS – Chairperson

ALEJANDRA GUZMAN
JANET HOWARD

RALPH JOHNSON
JOSEPH E. PEYCHAUD

GOVERNANCE COMMITTEE

RALPH JOHNSON – Chairperson

JAY H. BANKS
ROBIN BARNES

JANET HOWARD
LYNES “POCO” SLOSS

PENSION COMMITTEE

JOSEPH E. PEYCHAUD – Chairperson

JAY H. BANKS
KENNETH DAVIS
ALEJANDRA GUZMAN
HAROLD HELLER

RALPH JOHNSON
MUBASHIR MAQBOOL
LATRESSIA MATTHEWS
DR. MAURICE SHOLAS

STRATEGY COMMITTEE

ROBIN BARNES – Chairperson

DR. TAMIKA DUPLESSIS
JANET HOWARD

DR. MAURICE SHOLAS
LYNES “POCO” SLOSS

OPERATIONS COMMITTEE

JANET HOWARD – Chairperson

JAY H. BANKS
DR. TAMIKA DUPLESSIS

JOSEPH E. PEYCHAUD

RUDD & WISDOM, ACTUARY

**SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA
EXECUTIVE STAFF**

December 31, 2021

EXECUTIVE DIRECTOR

Ghassan Korban

CHIEF OF STAFF

Christy Harowski

GENERAL SUPERINTENDENT – CONSTRUCTION/OPERATIONS

Ron Spooner (Interim)

CHIEF COMMUNICATIONS OFFICER

Grace Birch

CHIEF FINANCIAL OFFICER

E. Grey Lewis

CHIEF ADMINISTRATIVE OFFICER

David Callahan

SPECIAL COUNSEL

Yolanda Grinstead

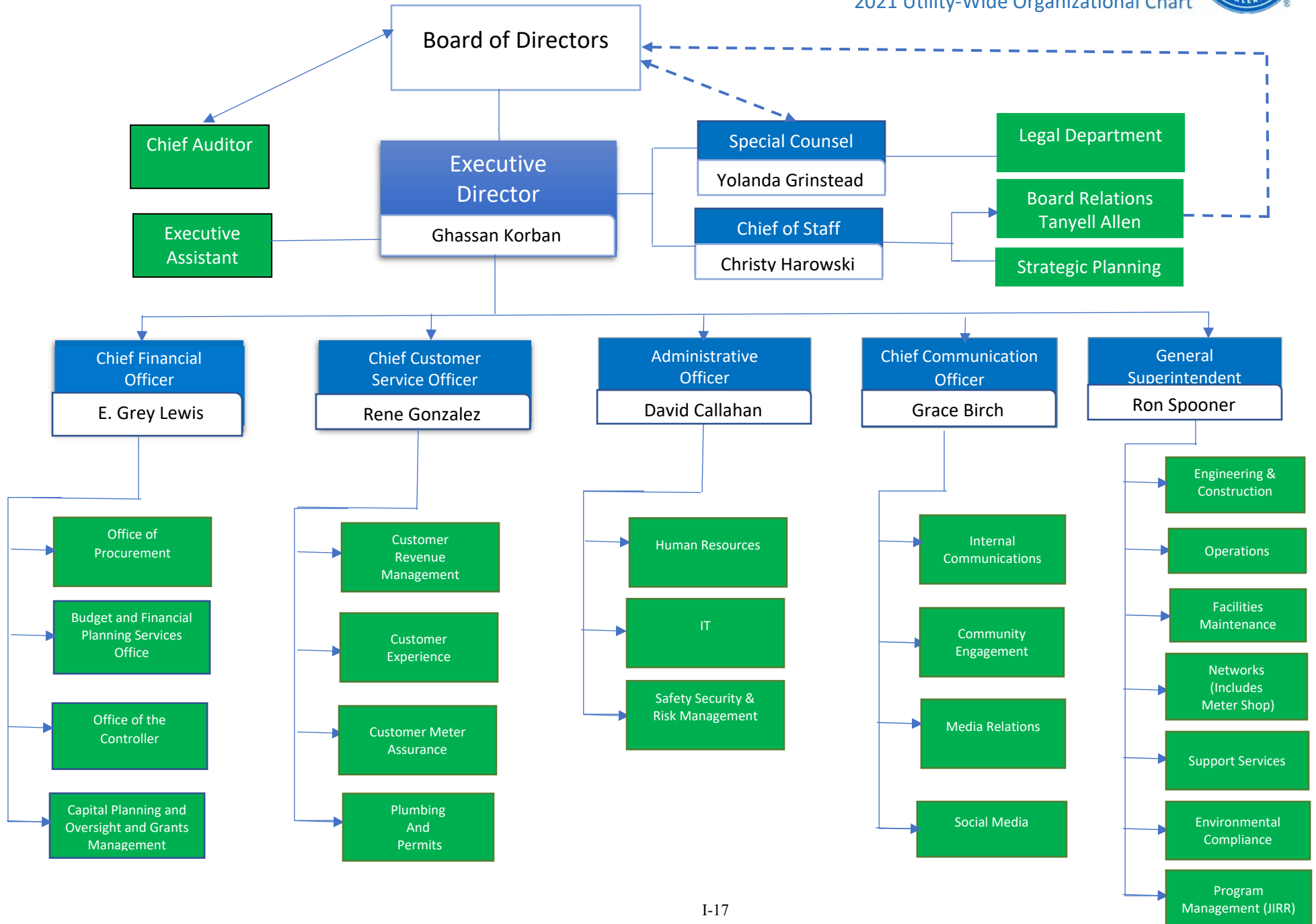
CHIEF CUSTOMER SERVICE OFFICER

Rene Gonzalez

CHIEF AUDITOR

Vacant

SEWERAGE AND WATER BOARD
OF NEW ORLEANS
2021 Utility-Wide Organizational Chart



FINANCIAL SECTION



Spotlight on Financial Stability

The Sewer System Evaluation and Rehabilitation Program (SSERP) was initiated in 1998 with the goal of addressing the rehabilitation and repair needs of the City's sewer collection system. In August of 2005, SSERP was interrupted by Hurricane Katrina. While much of New Orleans has recovered, the population and associated tax base is still below pre-Katrina levels. This loss of revenue has created challenges for maintaining water, sewer, and drainage services because maintenance and operations costs did not see a similar decline. Despite the many challenges, SWBNO has made great strides to comply with the Modified Consent Decree, systematically improving collection system infrastructure. The FEMA-funded hurricane recovery repairs to the sewer collection system, also known as the Emergency Sewer System Assessment (ESSA) projects, are delivered as part of SSERP.

In 2021, SWBNO closed on a \$275 Million WIFIA loan that allows the utility to better serve the people of New Orleans by meeting the remaining obligations of the Consent Decree and protecting the environment. With this 35-year loan, and SWBNO revenues pledged for repayment, an injection of capital will move SSERP forward immediately. EPA estimates SWBNO will save \$100 million in financing costs over the life of the WIFIA loan versus traditional bond financing. This program is an excellent example of blending previously unused Federal Funding sources, disaster recovery funds, and system funds to efficiently deliver critical projects for SWBNO's customers.

FINANCIAL STABILITY: We are committed to practicing strong fiscal stewardship and ensuring timely revenue recovery while balancing affordability with investments necessary to deliver critical services.

INDEPENDENT AUDITORS' REPORT

Members of the Board of Directors
Sewerage and Water Board of New Orleans

Opinions

We have audited the accompanying financial statements of the Sewerage and Water Board of New Orleans (the "Board"), comprised of its business type activities and its fiduciary fund, as of and for the years ended December 31, 2021 and 2020, and the related notes to the financial statements, which collectively comprise the Board'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 fiduciary fund of the Board, as of December 31, 2021 and 2020, and the respective changes in financial position, and, where applicable, cash flows thereof 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. 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 Board, 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 the 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 Board'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 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, 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 Board'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 Board'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 II-5 through II-16 and the schedules presented on pages II-70 through II-72 be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Required Supplementary Information (continued)

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 audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the Board's basic financial statements. Schedules 1 through 7 on pages II-73 to II-80 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 schedules 1 through 7 are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report.

The other information comprises the Introductory section on pages I-1 to I-17, Statistical section on pages III-0 to III-24, and Supplemental section, pages IV-1 to IV-32, but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 29, 2022, on our consideration of the Board'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.

Other Reporting Required by *Government Auditing Standards* (continued)

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 Board's internal control over financial reporting and compliance.

Postlethwaite & Netterville

New Orleans, Louisiana
June 29, 2022

SEWERAGE & WATER BOARD OF NEW ORLEANS, LOUISIANA

MANAGEMENT'S DISCUSSION AND ANALYSIS YEARS ENDED DECEMBER 31, 2021 AND 2020

The following Management Discussion and Analysis provides an overview of the financial performance of the Sewerage & Water Board of New Orleans (the Board) for the fiscal years that ended December 31, 2021 and 2020. We encourage readers to consider the information presented here in conjunction with the additional information that we have furnished in our letter of transmittal. The Board's financial statements follow this section.

FINANCIAL HIGHLIGHTS

The Board adopted a financial plan for 2011 through 2020 that resulted in improved debt service coverage, increased funding for operations and maintenance, and additional funding for the capital improvement programs. This financial plan was updated in 2016 to cover 2017 through 2020 and in 2021 the Board began a new comprehensive plan through fiscal 2027.

Recovery from Hurricane Katrina, the resulting flooding and an ongoing consent decree program continued to have significant impacts on operations and capital activities during 2021. Repairs and replacements to the water, sewerage, and drainage systems, and rehabilitation and replacement of buildings will continue through 2025.

On August 5, 2017, New Orleans experienced a significant storm event resulting in localized flooding. In response, an investment was made in the emergency repair and upgrade to various aspects of the drainage system that have continued since this date and highlighted modernization needs.

In May 2019, in an effort to replenish funding for the Board, Mayor LaToya Cantrell led the charge to obtain \$50 million in one-time funding to support various operations and capital needs of the Board. During 2019, the Board received \$28 million in one-time funding through the Fair Share program. In addition, the Mayor was able to secure ongoing funding under House Bills 522, 617 & 43 for additional recurring tax revenue of which the Board received \$6 million in 2020 through the Fair Share program.

In 2020, the Board issued sewerage service revenue bonds, series 2020A and 2020B providing \$75 million of capital funding for the consent decree program and then in 2021 closed on a major federal water infrastructure loan to fund the remaining full rehabilitation of New Orleans' sewer system.

Additionally in 2021, the Board continued progress on a comprehensive Power program to stabilize and modernize primary and back up sources of power via a new substation and additional power generation equipment. Funding sources include State Capital Outlay funding which was utilized to substantially complete the site preparation work for the new West Power Complex as well as HUD funding, City of New Orleans funding, FEMA Hazard mitigation funding and system funds to cover professional design services, equipment purchases and integration components of the West Power Complex.

SEWERAGE & WATER BOARD OF NEW ORLEANS, LOUISIANA

MANAGEMENT'S DISCUSSION AND ANALYSIS YEARS ENDED DECEMBER 31, 2021 AND 2020

Enterprise Fund

The major highlights in the Board's enterprise fund were as follows:

2021

- The SWBNO's total assets and deferred outflows totaled \$4.04 billion in 2021 compared to \$3.9 billion in 2020, an increase of 4.4%, while net position totaled \$2.7 billion in 2021 compared to \$2.6 billion in 2020, an increase of 5.2%.
- Operating revenues increased by approximately \$6.7 million from 2020 to 2021, to a total of approximately \$275.3 million for the year ended December 31, 2021.
- Total operating expenses increased in 2021 by \$16.8 million, or 5.8% compared to 2020.
- For the year ended December 31, 2021, the Board had total outstanding senior lien municipal debt of \$516.9 million, which includes \$2.0 million in Drainage bonds, \$292.1 million in Sewer Revenue Bonds, and \$222.8 million in Water Revenue Bonds.
- The Board's net additions to construction in progress approximated \$136.9 million.
- The Southeast Louisiana (SELA) drainage system project, a major upgrade by the Corps of Engineers, resulted in additions of approximately \$16.2 million to work in progress during the year.
- Federal Emergency Management Agency (FEMA) Disaster Public Assistance grants revenues totaled approximately \$72.1 million and Hazard Mitigation grants totaled approximately \$14.3 million.

2020

- The SWBNO's total assets and deferred outflows totaled \$3.9 billion in 2020 compared to \$3.6 billion in 2019, an increase of 8.8%, while net position totaled \$2.6 billion in 2020 compared to \$2.4 billion in 2019, an increase of 9.2%.
- Operating revenues increased by approximately \$5.7 million from 2019 to 2020, to a total of approximately \$268.6 million for the year ended December 31, 2020.
- Total operating expenses decreased in 2020 by \$10.2million, or 3.4% compared to 2019.
- Total assets and deferred outflows increased \$313.9 million, or 8.8% from 2019 to 2020.
- For the year ended December 31, 2020, the Board had total outstanding senior lien municipal debt of \$462.3 million, which includes \$3.9 million in Drainage bonds, \$268.5 million in Sewer Revenue Bonds, and \$189.9 million in Water Revenue Bonds.
- The Board's net additions to construction in progress approximated \$71.8 million.
- The Southeast Louisiana (SELA) drainage system project, a major upgrade by the Corps of Engineers, resulted in additions of approximately \$82.2 million to work in progress during the year.
- Federal Emergency Management Agency (FEMA) Disaster Public Assistance grants revenues totaled approximately \$28.1 million and Hazard Mitigation grants totaled approximately \$7.4 million.

SEWERAGE & WATER BOARD OF NEW ORLEANS, LOUISIANA

MANAGEMENT'S DISCUSSION AND ANALYSIS YEARS ENDED DECEMBER 31, 2021 AND 2020

OVERVIEW OF THE FINANCIAL STATEMENTS

This financial report consists of five parts: management's discussion and analysis (this section), the financial statements, the notes to the financial statements, required supplementary information, and other supplementary information.

Government-wide Financial Statements – Enterprise Fund

The Board's principal activities of providing water, sewerage, and drainage services are accounted for in a single proprietary fund – the enterprise fund. Enterprise funds are used to report business activities. Since the enterprise fund is the Board's single activity, its financial statements are presented as the Board's government-wide financial statements.

The financial statements provide both long-term and short-term information about the Board's overall financial status. The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information and other supplementary information that further explain and support the information in the financial statements.

The Board's financial statements are prepared on an accrual basis in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. Under this basis of accounting, revenues are recognized in the period in which they are earned, expenses are recognized in the period in which they are incurred, and depreciation of property, plant, and equipment is recognized in the Statements of Revenues, Expenses, and Changes in Net Position. All assets and liabilities associated with the operation of the Board are included in the Statements of Net Position.

The Statement of Net Position presents financial information on all of the Board's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases and decreases in net position may serve as a useful indicator of whether the financial position of the Board is improving or deteriorating.

SEWERAGE & WATER BOARD OF NEW ORLEANS, LOUISIANA

MANAGEMENT'S DISCUSSION AND ANALYSIS YEARS ENDED DECEMBER 31, 2021 AND 2020

FINANCIAL ANALYSIS OF THE BOARD

ENTERPRISE FUND

2021 Net Position

The Board's total assets and deferred outflows at December 31, 2021 were approximately \$4.0 billion, a 4.4% increase from December 31, 2020 (see Table A-1).

Table A-1				
Sewerage & Water Board of New Orleans				
Net Position				
	2021	2020	Increase (Decrease)	Increase (Decrease)
Current unrestricted assets	\$ 213,110,163	\$ 170,112,872	\$ 42,997,291	25.3%
Restricted assets	140,683,315	149,357,298	(8,673,983)	-5.8%
Property, plant, and equipment - net	3,596,394,508	3,473,319,986	123,074,522	3.5%
Other assets	13,940,444	13,283,529	656,915	4.9%
Total assets	3,964,128,430	3,806,073,685	158,054,745	4.2%
Deferred outflows of resources	75,600,403	64,869,698	10,730,705	16.5%
Total deferred outflows of resources	75,600,403	64,869,698	10,730,705	16.5%
Total assets and deferred outflows	\$ 4,039,728,833	\$ 3,870,943,383	\$ 168,785,450	4.4%
Current liabilities	\$ 170,625,896	\$ 148,597,924	\$ 22,027,972	14.8%
Long-term liabilities	1,125,397,594	1,125,165,612	231,982	0.0%
Total liabilities	1,296,023,490	1,273,763,536	22,259,954	1.7%
Deferred inflows of resources	36,407,062	24,572,402	11,834,660	48.2%
Total deferred inflows of resources	36,407,062	24,572,402	11,834,660	48.2%
Net position:				
Net investment in capital assets	2,967,492,611	2,856,741,717	110,750,894	3.9%
Restricted	25,799,973	44,544,164	(18,744,191)	-42.1%
Unrestricted	(285,994,303)	(328,678,436)	42,684,133	-13.0%
Total net position	2,707,298,281	2,572,607,445	134,690,836	5.2%
Total liabilities, deferred inflows, and net position	\$ 4,039,728,833	\$ 3,870,943,383	\$ 168,785,450	4.4%

The increase in total assets and deferred outflows of \$168.8 million resulted primarily due to a net increase in net property, plant, and equipment of \$123.1 million. Additionally, current unrestricted assets increased by \$43.0 million in 2021 mainly due to an increase in cash and cash equivalents of \$10.3 million, an increase in outstanding customers receivable balance, net of related allowance of \$8.0 million and an increase in grants receivable of \$24.4 million offset by decreases in taxes and miscellaneous receivables.

SEWERAGE & WATER BOARD OF NEW ORLEANS, LOUISIANA

MANAGEMENT'S DISCUSSION AND ANALYSIS YEARS ENDED DECEMBER 31, 2021 AND 2020

Current liabilities increased by \$22.0 million primarily due to an increase in accounts payable of \$13.3 million, an increase in retainers and estimates payables of \$3.3 million due to timing of payments to vendors and an increase in current portion of bonds payable of \$5.7 million.

2020 Net Position

The Board's total assets and deferred outflows at December 31, 2020 were approximately \$3.9 billion, a 8.8% increase from December 31, 2019 (see Table A-2).

Table A-2				
Sewerage & Water Board of New Orleans				
Net Position				
	2020	2019	Increase (Decrease)	Increase (Decrease)
Current unrestricted assets	\$ 170,112,872	\$ 129,867,392	\$ 40,245,480	31.0%
Restricted assets	149,357,298	49,943,476	99,413,822	199.1%
Property, plant, and equipment - net	3,473,319,986	3,318,295,115	155,024,871	4.7%
Other assets	13,283,529	12,845,142	438,387	3.4%
Total assets	3,806,073,685	3,510,951,125	295,122,560	8.4%
Deferred outflows of resources	64,869,698	46,121,097	18,748,601	40.7%
Total deferred outflows of resources	64,869,698	46,121,097	18,748,601	40.7%
Total assets and deferred outflows	\$ 3,870,943,383	\$ 3,557,072,222	\$ 313,871,161	8.8%
Current liabilities	\$ 148,597,924	\$ 114,879,776	\$ 33,718,148	29.4%
Long-term liabilities	1,125,165,612	1,070,754,335	54,411,277	5.1%
Total liabilities	1,273,763,536	1,185,634,111	88,129,425	7.4%
Deferred inflows of resources	24,572,402	15,170,059	9,402,343	62.0%
Total deferred inflows of resources	24,572,402	15,170,059	9,402,343	62.0%
Net position:				
Net investment in capital assets	2,856,741,717	2,631,802,752	224,938,965	8.5%
Restricted	44,544,164	43,839,618	704,546	1.6%
Unrestricted	(328,678,436)	(319,374,318)	(9,304,118)	2.9%
Total net position	2,572,607,445	2,356,268,052	216,339,393	9.2%
Total liabilities, deferred inflows, and net position	\$ 3,870,943,383	\$ 3,557,072,222	\$ 313,871,161	8.8%

The increase in total assets and deferred outflows of \$313.9 million resulted primarily due to a net increase in net property, plant, and equipment of \$155.0 million. There was also an increase in restricted assets of about \$99.4 million for bond proceeds which will be used to funds construction projects. Additionally, current unrestricted assets increased by \$40.2 million in 2020 mainly due to an increase in cash and cash equivalents of \$23.7 million, an increase in outstanding customers receivable balance, net of related allowance of \$8.0 million and an increase in grants receivable of \$11.7 million offset by decreases in taxes and miscellaneous receivables.

SEWERAGE & WATER BOARD OF NEW ORLEANS, LOUISIANA

**MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED DECEMBER 31, 2021 AND 2020**

Current liabilities increased by \$33.7 million primarily due to an increase in accounts payable of \$26.6 million and an increase in retainers and estimates payables of \$2.7 million due to timing of payments to vendors. Long-term liabilities increased by \$54.4 million primarily due to an increase of \$37.2 million in total other post-employment benefits liability (total OPEB liability), an increase in bonds payable of \$69.1 million, offset by a decrease in net pension liability of \$7.5 million due to changes in actuarial assumption and investment returns, and a decrease in the Southeast Louisiana project liability of \$40.5 million due to changes in final payback amounts and current year activity. Deferred outflows of resources and deferred inflows of resources increased by \$18.7 million and \$9.4 million, respectively, due to changes in the actuary's assumptions on investment returns and demographic factors related to the pension and OPEB liabilities.

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SEWERAGE & WATER BOARD OF NEW ORLEANS, LOUISIANA

MANAGEMENT'S DISCUSSION AND ANALYSIS YEARS ENDED DECEMBER 31, 2021 AND 2020

2021 Changes in Net Position

The change in net position for the year ended December 31, 2021 was an increase of approximately \$134.7 million, as opposed to approximately \$216.3 million for the year ended December 31, 2020. The Board's total operating revenues increased by 2.5% to approximately \$275.3 million due to increased consumption and billed usage. Total non-operating revenue (expenses) decreased by 21.7% to approximately \$51.1 million primarily due to bond issuance costs associated with 2021 bond refunding of \$6.3 million and higher interest costs upon adoption of a new accounting standard in 2021 whereby eligible interest expenses are no longer capitalized. Capital contributions from federal grants and construction of Board property was approximately \$112.9 million resulting primarily from capital additions reimbursable under the FEMA Disaster Public Assistance and FEMA Hazard Mitigation grants of approximately \$72.1million and \$14.3 million, respectively, and approximately \$12.7 million of capital contributions from the Army Corps of Engineers. The changes in net position are detailed in Table A-3; operating expenses are detailed in Table A-4.

Table A-3				
Sewerage & Water Board of New Orleans				
Revenues , Expenses and Change in Net Position				
	2021	2020	Increase (Decrease)	Increase (Decrease)
Operating revenues:				
Sales of water and delinquent fees	\$ 118,236,180	\$ 116,603,501	\$ 1,632,679	1.4%
Sewerage service charges	150,364,182	146,261,741	4,102,441	2.8%
Plumbing inspection and license fees	461,410	462,987	(1,577)	-0.3%
Other revenue	6,280,427	5,318,766	961,661	18.1%
Total operating revenues	275,342,199	268,646,995	6,695,204	2.5%
Operating expenses (Table A-4)	304,732,630	287,908,080	16,824,550	5.8%
Operating loss	(29,390,431)	(19,261,085)	(10,129,346)	-52.6%
Non-operating revenues (expenses):				
Property taxes	63,405,365	64,424,226	(1,018,861)	-1.6%
Other taxes	297,387	595,099	(297,712)	-50.0%
Contributions from other governments	6,996,364	6,657,172	339,192	5.1%
Federal noncapital grants	15,843	60,082	(44,239)	-73.6%
Interest income	1,423,215	527,381	895,834	169.9%
Interest expense	(13,892,169)	(276,737)	(13,615,432)	4920.0%
Bond issuance costs	(6,328,655)	(886,582)	(5,442,073)	613.8%
Recovery (provision) for grants	(779,631)	(5,812,199)	5,032,568	-86.6%
Total non-operating revenues (expenses)	51,137,719	65,288,442	(14,150,723)	-21.7%
Income before capital contributions	21,747,288	46,027,357	(24,280,069)	-52.8%
Capital contributions	112,943,548	170,312,036	(57,368,488)	-33.7%
Change in net position	134,690,836	216,339,393	(81,648,557)	-37.7%
Net position, beginning of year	2,572,607,445	2,356,268,052	216,339,393	9.2%
Net position, end of year	\$ 2,707,298,281	\$ 2,572,607,445	\$ 134,690,836	5.2%

SEWERAGE & WATER BOARD OF NEW ORLEANS, LOUISIANA

MANAGEMENT'S DISCUSSION AND ANALYSIS YEARS ENDED DECEMBER 31, 2021 AND 2020

Table A-4				
Sewerage & Water Board of New Orleans				
Operating Expenses				
	2021	2020	Increase (Decrease)	Increase (Decrease)
Power and pumping	\$ 22,965,240	\$ 20,302,317	\$ 2,662,923	13.1%
Treatment	26,668,794	21,680,572	4,988,222	23.0%
Transmission and distribution	35,662,527	34,160,672	1,501,855	4.4%
Customer accounts	4,992,999	4,656,250	336,749	7.2%
Customer service	10,350,482	8,343,631	2,006,851	24.1%
Administration and general	27,751,610	29,522,990	(1,771,380)	-6.0%
Payroll related	53,155,580	57,836,511	(4,680,931)	-8.1%
Maintenance of general plant	27,528,429	26,343,420	1,185,009	4.5%
Depreciation	64,250,898	55,037,867	9,213,031	16.7%
Provision for doubtful accounts	28,278,609	26,960,777	1,317,832	4.9%
(Recovery) provision for claims	3,127,462	3,063,073	64,389	2.1%
Total operating expenses	\$ 304,732,630	\$ 287,908,080	\$ 16,824,550	5.8%

Total operating expenses increased by approximately \$16.8 million or 5.8% compared to 2020. Depreciation expenses increased by \$9.2 million, or 16.7% based on new assets placed in service and changes in the estimated depreciation costs in the current year. Treatment increased by 5.0 million, or 23.0% due to increases in chemical costs. In addition, power and pumping increased by \$2.7 million, or 13.1%, due to increases in natural gas and electricity costs as well as disruption caused by Hurricane Ida. Customer Service expenses increased by \$2.0 million, or 24.1% from an expansion of customer service efforts and build out of the department led by a new Chief of Customer Service.

2020 Changes in Net Position

The change in net position for the year ended December 31, 2020 was an increase of approximately \$216.3 million. The Board's total operating revenues increased by 2.2% to approximately \$268.6 million due primarily to a 10% rate increase effective January 1, 2020 offset by lower billed usage in 2020. Total non-operating revenue (expenses) decreased by 24.4% to approximately \$65.3 million primarily due to a reduction in contributions from other governments of \$29.1 million offset by a \$8.5 million increase in property tax revenues. Capital contributions from federal grants and construction of Board property was approximately \$170.3 million resulting primarily from capital additions reimbursable under the FEMA Disaster Public Assistance and FEMA Hazard Mitigation grants of approximately \$28.1 million and \$7.4 million, respectively, and approximately \$122.1 million of capital contributions from the Army Corps of Engineers. The changes in net position are detailed in Table A-5; operating expenses are detailed in Table A-6.

SEWERAGE & WATER BOARD OF NEW ORLEANS, LOUISIANA

MANAGEMENT'S DISCUSSION AND ANALYSIS YEARS ENDED DECEMBER 31, 2021 AND 2020

Table A-5				
Sewerage & Water Board of New Orleans				
Revenues , Expenses and Change in Net Position				
	2020	2019	Increase (Decrease)	Increase (Decrease)
Operating revenues:				
Sales of water and delinquent fees	\$ 116,603,501	\$ 113,339,213	\$ 3,264,288	2.9%
Sewerage service charges	146,261,741	143,686,137	2,575,604	1.8%
Plumbing inspection and license fees	462,987	582,056	(119,069)	-20.5%
Other revenue	5,318,766	5,351,115	(32,349)	-0.6%
Total operating revenues	268,646,995	262,958,521	5,688,474	2.2%
Operating expenses (Table A-6)	287,908,080	298,150,127	(10,242,047)	-3.4%
Operating loss	(19,261,085)	(35,191,606)	15,930,521	45.3%
Non-operating revenues (expenses):				
Property taxes	64,424,226	55,888,326	8,535,900	15.3%
Other taxes	595,099	594,985	114	0.0%
Contributions from other governments	6,657,172	35,839,141	(29,181,969)	-81.4%
Federal noncapital grants	60,082	48,716	11,366	23.3%
Interest income	527,381	1,610,012	(1,082,631)	-67.2%
Interest expense	(276,737)	(228,235)	(48,502)	21.3%
Bond issuance costs	(886,582)	(127,550)	(759,032)	595.1%
Recovery (provision) for grants	(5,812,199)	(7,230,828)	1,418,629	-19.6%
Total non-operating revenues (expenses)	65,288,442	86,394,567	(21,106,125)	-24.4%
Income before capital contributions	46,027,357	51,202,961	(5,175,604)	-10.1%
Capital contributions	170,312,036	60,263,100	110,048,936	182.6%
Change in net position	216,339,393	111,466,061	104,873,332	94.1%
Net position, beginning of year	2,356,268,052	2,244,801,991	111,466,061	5.0%
Net position, end of year	\$ 2,572,607,445	\$ 2,356,268,052	\$ 216,339,393	9.2%

Table A-6				
Sewerage & Water Board of New Orleans				
Operating Expenses				
	2020	2019	Increase (Decrease)	Increase (Decrease)
Power and pumping	\$ 20,302,317	\$ 20,013,016	\$ 289,301	1.4%
Treatment	21,680,572	19,688,222	1,992,350	10.1%
Transmission and distribution	34,160,672	38,176,467	(4,015,795)	-10.5%
Customer accounts	4,656,250	5,431,786	(775,536)	-14.3%
Customer service	8,343,631	5,304,138	3,039,493	57.3%
Administration and general	29,522,990	29,023,557	499,433	1.7%
Payroll related	57,836,511	53,838,316	3,998,195	7.4%
Maintenance of general plant	26,343,420	27,142,840	(799,420)	-2.9%
Depreciation	55,037,867	64,156,230	(9,118,363)	-14.2%
Provision for doubtful accounts	26,960,777	33,306,195	(6,345,418)	-19.1%
(Recovery) provision for claims	3,063,073	2,069,360	993,713	48.0%
Total operating expenses	\$ 287,908,080	\$ 298,150,127	\$ (10,242,047)	-3.4%

SEWERAGE & WATER BOARD OF NEW ORLEANS, LOUISIANA

MANAGEMENT'S DISCUSSION AND ANALYSIS YEARS ENDED DECEMBER 31, 2021 AND 2020

Total operating expenses decreased by approximately \$10.2 million or 3.4% compared to 2019. The decrease of \$6.3 million in provision for doubtful accounts was mainly due to additional expenses in 2019 and improved collection rates, and the \$1.0 million increase in the provision for claims was mainly attributable to the impact of the revised estimated general liabilities claims. In addition, transmission and distribution decreased by \$4.0 million, or 10.5%, due to the Board focusing on cost cutting measures during the global pandemic and deferring certain repairs and maintenance expenditures on the water, sewer, and drainage systems where possible. Depreciation expenses decreased by \$9.1 million, or 14.2% based on changes in the estimated depreciation costs in the current year. Furthermore, payroll related expenses increased by approximately \$4.0 million or 7.4% due to increased costs of fringe related benefits.

CAPITAL ASSET AND DEBT ADMINISTRATION

2021 Capital Assets

As of December 31, 2021, the Board had invested approximately \$4.80 billion in capital assets. Net of accumulated depreciation, the Board's net capital assets at December 31, 2021 totaled approximately \$3.60 billion. This amount represents a net increase (including additions and disposals, net of depreciation) of approximately \$123.1 million, or 3.5%, over December 31, 2020.

2020 Capital Assets

As of December 31, 2020, the Board had invested approximately \$4.62 billion in capital assets. Net of accumulated depreciation, the Board's net capital assets at December 31, 2020 totaled approximately \$3.47 billion. This amount represents a net increase (including additions and disposals, net of depreciation) of approximately \$155.0 million, or 4.7%, over December 31, 2019.

2021 Debt Administration

The Board continues to make its regularly scheduled payments on its bonds. During 2021, \$321.7 million in principal payments were made.

The Louisiana Department of Environmental Quality has loaned the Board up to \$9.0 million to fund construction of sewerage treatment works, implementing a management program under Section 1329 of the Water Quality Act of 1987, and developing and implementing a conservation and management plan under Section 1330 of the Federal Act. The outstanding balance is \$5.2 million at December 31, 2021.

The Coastal Protection and Restoration Authority of Louisiana entered into an agreement with the Department of the Army for the Southeast Louisiana Flood Control Program. The United States Government has committed to 65% of the project costs and The Board is responsible for 35% of the project costs. At December 31, 2021, the accumulated amount due to the U.S. Government totaled approximately \$206.7 million. This amount is estimated based on the actual cost of construction incurred to date. Repayment of principal and interest for completed project started in 2021. Total principal payment for the project is estimated to be approximately \$209.8 million through 2055. The total cost of the project may increase in the upcoming years as additional construction costs continue to add to the project.

SEWERAGE & WATER BOARD OF NEW ORLEANS, LOUISIANA

MANAGEMENT'S DISCUSSION AND ANALYSIS YEARS ENDED DECEMBER 31, 2021 AND 2020

The Louisiana Department of Environmental Quality has committed to loan the Board an additional \$10 million to fund certain sewer main replacements and repairs. The loan is to be advanced in incremental amounts as project costs are incurred. Semi-annual interest and administrative fee payments begin in 2021. Annual principal payments are due beginning in 2022 and continuing through 2040. At December 31, 2021, the outstanding balance is \$3.1 million. See Note 6 for detailed long term debt activity during 2021.

SWBNO has been issued an "A" and an "A-" rating from Standard & Poor's Ratings Services (S&P) for the sewer system and water system bonds, respectively, and a "BBB+" for the water system and sewer system from the Fitch Ratings. In addition, the S&P and Fitch Ratings for Special Tax Bonds are "AA-" and "A," respectively.

2020 Debt Administration

The Board continues to make its regularly scheduled payments on its bonds. During 2020, \$17.8 million in principal payments were made.

The Louisiana Department of Environmental Quality has loaned the Board up to \$9.0 million to fund construction of sewerage treatment works, implementing a management program under Section 1329 of the Water Quality Act of 1987, and developing and implementing a conservation and management plan under Section 1330 of the Federal Act. The outstanding balance is \$5.6 million at December 31, 2020.

The Coastal Protection and Restoration Authority of Louisiana entered into an agreement with the Department of the Army for the Southeast Louisiana Flood Control Program. The United States Government has committed to 65% of the project costs and The Board is responsible for 35% of the project costs. At December 31, 2020, the accumulated amount due to the U.S. Government totaled approximately \$209.8 million. This amount is estimated based on the actual cost of construction incurred to date. Repayment of principal and interest started in 2021. Total payment for the project is estimated to be approximately \$209.8 million through 2055. The total cost of the project may increase in the upcoming years as additional construction costs continue to add to the project.

The Louisiana Department of Environmental Quality has committed to loan the Board an additional \$10 million to fund certain sewer main replacements and repairs. The loan is to be advanced in incremental amounts as project costs are incurred. Semi-annual interest and administrative fee payments begin in 2020. Annual principal payments are due beginning in 2022 and continuing through 2040. At December 31, 2020, the outstanding balance is \$127,550. See Note 6 for detailed long term debt activity during 2020.

SWBNO has been issued an "A" and an "A-" rating from Standard & Poor's Ratings Services (S&P) for the sewer system and water system bonds, respectively, and a "BBB+" for the water system and sewer system from the Fitch Ratings. In addition, the S&P and Fitch Ratings for Special Tax Bonds are "AA-" and "A," respectively.

SEWERAGE & WATER BOARD OF NEW ORLEANS, LOUISIANA

MANAGEMENT'S DISCUSSION AND ANALYSIS YEARS ENDED DECEMBER 31, 2021 AND 2020

ECONOMIC FACTORS AND RATES

The Board, the City Council, and the Board of Liquidation City Debt approved a rate increase of ten percent for the Water and Sewer Departments effective January 1, 2013 and annually thereafter through 2020. The Board is currently undergoing a rate and affordability study to recommend potential future rate increases as well as working with state and local partners to receive federal funds intended to provide relief to low-income households unable to pay water bills due to the global pandemic as part of the Low-Income Household Water Assistance Program. As a result of Hurricane Ida, the 2022 Tax Roll was reduced because of property damages due to the hurricane which further reduced the tax base after a reduction in 2021 related to the global pandemic.

The total number of open customer accounts continue to increase modestly on an annual basis. The total open accounts in 2021 were 139,688, an increase of 1,562 over 2020 open customer accounts of 138,126.

CONTACTING THE BOARD'S FINANCIAL MANAGEMENT

This financial report is designed to provide our bondholders, patrons, and other interested parties with a general overview of the Board's finances and to demonstrate the Board's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Finance Department at (504) 585-2356.

BASIC FINANCIAL STATEMENTS

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA
STATEMENTS OF NET POSITION
December 31, 2021 and 2020

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>2021</u>	<u>2020</u>
Current assets:		
Unrestricted and undesignated		
Cash and cash equivalents	\$ 97,436,881	\$ 87,128,904
Investments	286,334	282,595
Accounts receivable:		
Customers, net of allowance	49,969,928	42,005,146
Taxes	3,104,961	3,144,460
Grants	53,149,882	28,681,595
Miscellaneous	2,481,393	2,492,600
Inventory of supplies	5,965,985	5,519,485
Prepaid expenses	714,799	858,087
Total unrestricted and undesignated	<u>213,110,163</u>	<u>170,112,872</u>
Total current assets	<u>213,110,163</u>	<u>170,112,872</u>
Noncurrent assets:		
Restricted cash, cash equivalents, and investments:		
Cash and cash equivalents restricted for capital projects	109,841,619	99,658,411
Investments restricted for capital projects	2,641,723	2,641,723
Debt service	25,799,973	44,544,164
Health insurance reserve	2,400,000	2,513,000
Total restricted cash, cash equivalents, and investments	<u>140,683,315</u>	<u>149,357,298</u>
Property, plant and equipment	4,801,260,440	4,620,839,109
Less: accumulated depreciation	<u>1,204,865,932</u>	<u>1,147,519,123</u>
Property, plant and equipment, net	<u>3,596,394,508</u>	<u>3,473,319,986</u>
Other assets:		
Customer deposits - cash	10,639,129	9,982,214
Customer deposits - investments	3,250,000	3,250,000
Deposits	51,315	51,315
Total other assets	<u>13,940,444</u>	<u>13,283,529</u>
Total noncurrent assets	<u>3,751,018,267</u>	<u>3,635,960,813</u>
Total assets	<u>3,964,128,430</u>	<u>3,806,073,685</u>
Deferred outflows of resources:		
Deferred amounts related to net pension liability	7,792,527	16,506,210
Deferred amounts related to total OPEB liability	33,681,384	46,025,000
Deferred amounts related to bond refunding	34,126,492	2,338,488
Total deferred outflows of resources	<u>75,600,403</u>	<u>64,869,698</u>
Total assets and deferred outflows of resources	<u>\$ 4,039,728,833</u>	<u>\$ 3,870,943,383</u>

(Continued)

SEWERAGE AND WATER BOARD OF NEW ORLEANS
STATEMENTS OF NET POSITION
December 31, 2021 and 2020
(Continued)

LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	<u>2021</u>	<u>2020</u>
Current liabilities (payable from current unrestricted assets):		
Accounts payable	\$ 108,127,604	\$ 94,808,127
Due to City of New Orleans	2,885,762	2,027,009
Retainers and estimates payable	9,528,911	6,228,235
Due to pension trust fund	332,013	632,978
Accrued salaries	1,943,833	1,795,600
Claims payable	4,340,341	4,315,238
Total OPEB liability, due within one year	7,455,588	6,569,277
Southeast Louisiana Project liability	1,900,202	3,334,582
Debt Service Assistance Fund loan payable	2,902,502	2,773,797
Advances from federal government	4,731,373	4,731,373
Other liabilities	1,743,174	1,224,098
Total current liabilities (payable from current unrestricted assets):	<u>145,891,303</u>	<u>128,440,314</u>
Current liabilities (payable from current restricted assets):		
Accounts payable	-	-
Accrued interest	1,591,593	2,618,169
Bonds payable	23,143,000	17,453,000
Retainers and estimates payable	-	86,441
Total current liabilities (payable from current restricted assets):	<u>24,734,593</u>	<u>20,157,610</u>
Total current liabilities	<u>170,625,896</u>	<u>148,597,924</u>
Long-term liabilities:		
Claims payable, net of current portion	42,773,093	43,290,856
Accrued vacation and sick pay	10,621,943	9,904,897
Net pension liability	76,003,536	97,515,105
Total OPEB liability, net of current portion	231,405,068	225,866,429
Bonds payable, net of current maturities	511,552,210	491,609,883
Southeast Louisiana Project liability, net of current portion	204,789,827	206,480,938
Debt Service Assistance Fund loan payable, net of current maturities	34,362,788	37,265,290
Customer deposits	13,889,129	13,232,214
Total long-term liabilities	<u>1,125,397,594</u>	<u>1,125,165,612</u>
Total liabilities	<u>1,296,023,490</u>	<u>1,273,763,536</u>
Deferred inflows of resources:		
Deferred amounts related to net pension liability	26,331,804	15,076,677
Deferred amounts related to total OPEB liability	10,075,258	9,495,725
Total deferred inflows of resources	<u>36,407,062</u>	<u>24,572,402</u>
Net position:		
Net investment in capital assets	2,967,492,611	2,856,741,717
Restricted for debt service	25,799,973	44,544,164
Unrestricted (deficit)	(285,994,303)	(328,678,436)
Total net position	<u>2,707,298,281</u>	<u>2,572,607,445</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 4,039,728,833</u>	<u>\$ 3,870,943,383</u>

See accompanying notes to financial statements.

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
For the years ended December 31, 2021 and 2020

	2021	2020
Operating revenues:		
Sales of water and delinquent fees	\$ 118,236,180	\$ 116,603,501
Sewerage service charges	150,364,182	146,261,741
Plumbing inspection and license fees	461,410	462,987
Other revenue	6,280,427	5,318,766
Total operating revenues	275,342,199	268,646,995
Operating expenses:		
Power and pumping	22,965,240	20,302,317
Treatment	26,668,794	21,680,572
Transmission and distribution	35,662,527	34,160,672
Customer accounts	4,992,999	4,656,250
Customer service	10,350,482	8,343,631
Administration and general	27,751,610	29,522,990
Payroll related expenses	53,155,580	57,836,511
Maintenance of general plant	27,528,429	26,343,420
Depreciation	64,250,898	55,037,867
Provision for doubtful accounts	28,278,609	26,960,777
Provision for claims	3,127,462	3,063,073
Total operating expenses	304,732,630	287,908,080
Operating loss	(29,390,431)	(19,261,085)
Non-operating revenues (expenses):		
Three-mill tax	17,545,136	17,906,032
Six-mill tax	18,345,424	18,614,966
Nine-mill tax	27,514,521	27,902,527
Two-mill tax	284	701
Other taxes	297,387	595,099
Contributions from other governments	6,996,364	6,657,172
Federal noncapital grants	15,843	60,082
Interest income	1,423,215	527,381
Bond issuance costs	(6,328,655)	(886,582)
Interest expense	(13,892,169)	(276,737)
(Provision) recovery for grants	(779,631)	(5,812,199)
Total non-operating revenues (expenses)	51,137,719	65,288,442
Income before capital contributions	21,747,288	46,027,357
Capital contributions	112,943,548	170,312,036
Change in net position	134,690,836	216,339,393
Net position, beginning of year	2,572,607,445	2,356,268,052
Net position, end of year	\$ 2,707,298,281	\$ 2,572,607,445

See accompanying notes to financial statements.

SEWERAGE AND WATER BOARD OF NEW ORLEANS
STATEMENTS OF CASH FLOWS
ENTERPRISE FUND
For the years ended December 31, 2021 and 2020

	2021	2020
Cash flows from operating activities		
Cash received from customers	\$ 232,853,768	\$ 226,947,153
Cash received for sanitation charges for the City of New Orleans	33,962,361	36,772,027
Cash payments for sanitation charges to the City of New Orleans	(32,943,490)	(34,009,260)
Cash payments to suppliers for goods and services	(109,770,252)	(68,730,327)
Cash payments to employees for services	(93,017,181)	(95,848,721)
Other revenue	6,753,044	9,071,951
Net cash provided by operating activities	37,838,250	74,202,823
Cash flows from noncapital financing activities		
Proceeds from property taxes	63,742,251	66,964,001
Contributions from other governments	6,996,364	6,657,172
Proceeds from federal grants	15,843	60,082
Net cash provided by noncapital financing activities	70,754,458	73,681,255
Cash flows from capital and related financing activities		
Acquisition and construction of capital assets	(153,056,410)	(174,334,030)
Principal payments and refundings on bonds payable	(382,515,202)	(17,557,745)
Proceeds from bonds payable	376,359,525	88,860,541
Payments for bond issuance costs	(6,328,655)	(886,582)
Principal payments on Debt Service Assistance Fund loan	(2,773,797)	(2,650,800)
Interest paid on bonds payable	(14,399,669)	(21,054,193)
Capital contributed by developers and federal grants	74,992,933	104,060,520
Net cash used in capital and related financing activities	(107,721,275)	(23,562,289)
Cash flows from investing activities		
Investment income	1,419,476	674,286
Net cash provided by investing activities	1,419,476	674,286
Net increase in cash and cash equivalents	2,290,909	124,996,075
Cash and cash equivalents at the beginning of the year	243,826,693	118,830,618
Cash and cash equivalents at the end of the year	<u>\$ 246,117,602</u>	<u>\$ 243,826,693</u>
Reconciliation of cash, cash equivalents, and restricted cash (Note 2)		
Current assets - cash and cash equivalents	\$ 97,436,881	\$ 87,128,904
Cash and cash equivalents restricted for capital projects	109,841,619	99,658,411
Debt service reserve	25,799,973	44,544,164
Health insurance reserve	2,400,000	2,513,000
Customer deposits - cash	10,639,129	9,982,214
Total cash	<u>\$ 246,117,602</u>	<u>\$ 243,826,693</u>

(Continued)

SEWERAGE AND WATER BOARD OF NEW ORLEANS
STATEMENTS OF CASH FLOWS
ENTERPRISE FUND
For the years ended December 31, 2021 and 2020
(Continued)

	<u>2021</u>	<u>2020</u>
Reconciliation of operating loss to net cash provided by operating activities is as follows:		
Operating loss	\$ (29,390,431)	\$ (19,261,085)
Adjustments to reconcile net operating loss to net cash provided by operating activities:		
Depreciation	64,250,898	55,037,867
Provision for claims	3,127,462	3,063,073
Provision for doubtful accounts	28,278,609	26,960,777
Change in operating assets and liabilities:		
Increase in customer receivables	(36,243,391)	(34,910,164)
Increase in inventory	(446,500)	(382,486)
Decrease in prepaid expenses and other receivables	154,495	3,002,708
Decrease (increase) in deferred outflows of resources related to net pension liability and total OPEB liability	21,057,299	(19,009,856)
Decrease in net pension obligation	(21,511,569)	(7,526,313)
(Decrease) increase in accounts payable	(8,158,092)	20,417,807
Increase in accrued salaries, due to pension and accrued vacation and sick pay	564,314	736,515
Increase in customer deposits	656,915	438,387
Increase in total OPEB liability	6,424,950	37,207,612
Decrease in other liabilities	(2,761,369)	(974,362)
Increase in deferred inflows of resources related to net pension liability and total OPEB liability	11,834,660	9,402,343
Net cash provided by operating activities	<u>\$ 37,838,250</u>	<u>\$ 74,202,823</u>
Schedule of non-cash capital and related financing activities		
Contributions of capital assets	<u>\$ 12,702,697</u>	<u>\$ 48,803,227</u>
Additions of property, plant and equipment in accounts payable	<u>\$ 46,334,771</u>	<u>\$ 24,857,202</u>

See accompanying notes to financial statements.

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA
STATEMENTS OF FIDUCIARY NET POSITION
PENSION TRUST FUND
December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Assets:		
Cash	\$ 2,393,781	\$ 3,535,423
Receivables:		
Investment income	19,805	37,384
Employee contributions receivable	97,817	503,669
Due from other fund	332,013	632,978
Investments:		
Money market	646,036	893,427
LAMP	9,055,895	8,496,289
Debt securities	79,070,763	78,892,473
Equities	<u>182,864,067</u>	<u>155,409,381</u>
Total assets	<u>274,480,177</u>	<u>248,401,024</u>
Liabilities:		
Other liabilities	<u>-</u>	<u>-</u>
Total liabilities	<u>-</u>	<u>-</u>
Net position - restricted for pension benefits	<u>\$ 274,480,177</u>	<u>\$ 248,401,024</u>

See accompanying notes to financial statements.

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA
STATEMENTS OF CHANGES IN FIDUCIARY PLAN NET POSITION
PENSION TRUST FUND

For the years ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Additions:		
Contributions:		
Employee contributions	\$ 3,008,648	\$ 3,015,231
Employer contributions	9,861,935	10,392,532
City annuity and other transfers in	457,390	747,818
	<u>13,327,973</u>	<u>14,155,581</u>
Investment income:		
Interest income	6,424	91,374
Dividend income	1,225,104	1,682,886
Net appreciation	36,600,897	19,987,500
	<u>37,832,425</u>	<u>21,761,760</u>
Less: investment expenses	<u>960,332</u>	<u>901,325</u>
Net investment income	<u>36,872,093</u>	<u>20,860,435</u>
	<u>50,200,066</u>	<u>35,016,016</u>
Deductions:		
Benefits	(23,511,087)	(25,733,330)
Employee refunds	(609,826)	(559,364)
	<u>(24,120,913)</u>	<u>(26,292,694)</u>
Change in net position	26,079,153	8,723,322
Net position restricted for pension benefits at beginning of year	<u>248,401,024</u>	<u>239,677,702</u>
Net position restricted for pension benefits at end of year	<u>\$ 274,480,177</u>	<u>\$ 248,401,024</u>

See accompanying notes to financial statements.

**NOTES TO
BASIC FINANCIAL STATEMENTS**

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA

NOTES TO FINANCIAL STATEMENTS (Continued)

1. Summary of Significant Accounting Policies

A. History and Organization

The major operation of the Sewerage and Water Board of New Orleans (the Board) is providing water, sewerage, and drainage services for the City of New Orleans (the City). The Sewerage and Water Board of New Orleans was created by Act 6 of the Louisiana Legislature of 1899 as a special board independent of the City's government to construct, maintain, and operate a water treatment and distribution system and a public sanitary sewerage system for the City. In 1903, the Legislature gave the Board control of and responsibility for the City's major drainage system and relieved the City of the duty of providing in its annual operating budget or otherwise for the maintenance and operations of the water, sewerage, and drainage systems.

In accordance with the Louisiana Revised Statutes (LRS) 33:4096 and 4121, the Board has the authority to establish the water and sewerage rates to charge to its customers. The rates are based on the actual water consumed and on the costs of maintenance and operation of the water and sewerage systems, including the costs of improvements and replacements. The collections of water and sewerage revenues are to be used by the Board for the maintenance and operation of the systems, the cost of improvements, betterments, and replacements and to provide for the payments of interest and principal on the bonds payable. On November 14, 2012, the Board approved both sewer and water rate increases commencing January 1, 2013. The sewer and water rates increased by 10% each year through 2020. This increase was approved by the New Orleans City Council on November 14, 2012.

The Board has also been given the authority to levy and collect various tax millages, which are used for the operation and maintenance of the drainage operations. All excess revenues collected are made available for capital development of the system. The proceeds of the rate collections and tax millage are invested in such investments as authorized by the LRS. These investments are reflected in the combined statements of net position, as "restricted assets," as they are restricted to the purposes as described above.

The Sewerage and Water Board of New Orleans' eleven-member Board of Directors consists of the Mayor, the chair of the Public Works, Sanitation and Environment Committee of the New Orleans City Council or his designee, two representatives of the Board of Liquidation, and seven citizen members, of which five represent council districts and two consumer advocates and one of the appointments shall be a retired civil engineer.

On March 11, 2020, the World Health Organization declared the novel strain of coronavirus (COVID-19) a global health pandemic and recommended containment and mitigation measures worldwide. Subsequent to that date, the Mayor of the City of New Orleans ordered citizens and businesses to follow specific measures designed to slow the spread of the virus. In support of our customers, the Board temporarily suspended service disconnections and late fee charges and launched a Customer Care Pay Plan for customers impacted by COVID-19 and the economic downturn. The current impact is an increase in the age of customer receivables and a reduction in billed collections. The Board has also taken actions to protect the health and safety of its employees.

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA

NOTES TO FINANCIAL STATEMENTS (Continued)

1. Summary of Significant Accounting Policies (continued)

A. History and Organization

The Board's accounting policies conform to accounting principles generally accepted in the United States of America as applicable to utilities and to governmental units as set forth through the Governmental Accounting Standards Board. The following is a summary of the more significant policies.

B. Reporting Entity

In conformity with the Governmental Accounting Standards Board's definition of a reporting entity, the Board includes an enterprise fund and a pension trust fund for financial reporting purposes. The Board is considered a reporting entity based on the following criteria:

- 1) Responsibility for surpluses/deficits. The Board is solely responsible for its surpluses/deficits. In accordance with LRS, no other governmental unit is responsible for the Board's deficits or has a claim to its surpluses. The Board's operations are self-sustaining; revenues are generated through charges to customers and dedicated property taxes. Other than grants, no funding is received from the State of Louisiana or the City of New Orleans.
- 2) Budget Approval. The Board is solely responsible for reviewing, approving, and revising its budget.
- 3) Responsibility for Debt. The LRS authorize the Board to issue bonds; such bonds must bear on their face a statement that they do not constitute a debt of the City. The Board is solely responsible for payments to bondholders. No other governmental unit is required by statute to make any payments to bondholders nor have any payments to bondholders ever been made by any governmental unit, except the Board.
- 4) Designation of Management. The Board controls the hiring of management and employees.
- 5) Special Financial Relationship. The Board has no special financial relationships with any other governmental unit.
- 6) Statutory Authority. The Board's statutory authority was created by the State of Louisiana as an independent governmental unit. Only an amendment to the state statutes can change or abolish the Board's authority.

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA

NOTES TO FINANCIAL STATEMENTS (Continued)

1. Summary of Significant Accounting Policies (continued)

B. Reporting Entity (continued)

The Board is a component unit of the City of New Orleans as defined by Governmental Accounting Standards Board Statement 61, *The Financial Reporting Entity: Omnibus—an amendment of GASB Statements No. 14 and No. 34 and GASB Codification Section 2100*. As a result of a Louisiana Supreme Court decision on March 21, 1994, the Board was declared to be an autonomous or self-governing legal entity, legally independent of the City, State, and other governments, created and organized pursuant to Louisiana Revised Statutes 33:4071 as a board, separate and independent of the governing authorities of the City and vested with autonomous or self-governing authority. No other government can mandate actions of the Board nor impose specific financial burdens, except the approval of the City Council and the Board of Liquidation in the case of bond issues and certain rate increases. As such, the City considers the Board to be a component unit of the City and includes the Board, as a discretely presented component unit, in the City's annual financial statements. However, the Board is fiscally independent to operate under its bond covenant and the provisions of LRS provisions.

C. Basis of Financial Statement Presentation

The Board's basic financial statements consist of the government-wide statements which include the proprietary fund (the enterprise fund) and the fund financial statements which includes the fiduciary fund (the pension trust fund).

The operations of the Board are accounted for in the following fund types:

Proprietary Fund Type

The proprietary fund is used to account for the Board's ongoing operations and activities, which are similar to those often found in the private sector. The proprietary fund is accounted for using a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the statement of net position. Net position is segregated into amounts invested in capital assets (net of related debt), restricted for debt service, and unrestricted. The Board's restricted assets are expendable for their purposes. The Board utilizes available unrestricted assets before utilizing restricted assets. The operating statements present increases (revenues) and decreases (expenses) in net position. The Board maintains one proprietary fund type – the enterprise fund. The enterprise fund is used to account for operations (a) that are financed and operated in a manner similar to private business enterprises--where the intent of the governing body is that the cost (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance.

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA

NOTES TO FINANCIAL STATEMENTS (Continued)

1. Summary of Significant Accounting Policies (continued)

C. Basis of Financial Statement Presentation (continued)

Operating revenues include all charges for services; other revenues include plumbing permitting fees and other miscellaneous charges. Operating expenses include the costs associated with providing water, sewerage, and drainage services. Interest income, interest expense, grants from other governments, and tax revenues are presented as non-operating items.

The enterprise fund is presented in the government-wide financial statements.

Fiduciary Fund Type

The fiduciary fund is used to account for assets held by the Board in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds. The Board maintains one fiduciary fund type - the pension trust fund. The pension trust fund uses the flow of economic resources measurement focus. All assets and liabilities associated with the operation of this fund are included in the statement of plan net assets. The pension trust fund is used to account for the activity of the Board's employee retirement plan, which is a blended component unit of the Board as defined by Section 2100 of the GASB Codification.

The pension trust fund is presented in the fund financial statements.

D. Basis of Accounting

The enterprise fund and the pension trust fund prepare their financial statements on the accrual basis of accounting. Unbilled utility service charges are not recorded as management considers the effect of not recording such unbilled receivables as not material. Property taxes are recorded as revenue in the year for which they are levied. Plan member contributions are recognized in the period in which contributions are due. Employer contributions to the pension plan are recognized when due and the employer has made a commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

E. Investments

Investments are recorded at fair value, except for short-term investments (maturity of one year or less), which are recorded at amortized cost, which approximates fair value. Securities traded in a national or international exchange are valued at the last recorded sales price at current exchange rates. Investments that do not have an established market are recorded at estimated fair value. Investment income and expenses, including changes in the fair value of the investments, are recognized in the Statements of Revenues, Expenses, and Changes in Net Position.

F. Inventory of Supplies

Inventory of supplies is valued at cost. Cost is determined by the weighted average cost method.

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA

NOTES TO FINANCIAL STATEMENTS (Continued)

1. Summary of Significant Accounting Policies (continued)

G. Vacation and Sick Pay

Vacation (annual leave) and sick pay (sick leave) are accrued when earned. Annual leave is accrued at the rate of .6923 of a workday for each bi-weekly accrual period for all employees on the payroll as of December 31, 1978. Employees hired after that date earn leave at a rate of .5 of a workday per bi-weekly pay period.

All employees on the payroll as of December 31, 1978 receive three bonus days each year; all employees hired after that date receive three bonus days each year for five through nine calendar years of continuous service; six bonus days each year for ten through fourteen years; nine bonus days each year for fifteen through nineteen years; and, twelve days for twenty or more years of continuous service. Civil Service's policy permits employees a limited amount of earned but unused annual leave which will be paid to employees upon separation from the Board. The amount shall not exceed ninety days for employees hired before January 1, 1979, and forty-five days for employees hired after December 31, 1978.

Sick leave is accumulated on a bi-weekly basis by all employees hired prior to December 31, 1978 at an accrual rate of .923 of a workday. For employees hired subsequent to December 31, 1978, the accrual rate is .5 of a workday for each bi-weekly period, plus a two-day bonus each year for employees with six through fifteen calendar years of continuous service, and seven bonus days each year for employees with sixteen or more calendar years of continuous service.

Upon separation from the Board, an employee can elect to convert unused sick leave for retirement credits or cash. The conversion to cash is determined by a rate ranging from one day of pay for five days of leave for the 1st through 100th leave day to one day of pay for one day of leave for all days in excess of the 400th leave day. The total liability for unconverted sick leave as of December 31, 2021 and 2020 is \$15,441,334 and \$14,396,999, respectively. The amount included in the statements of net position as of December 31, 2021 and 2020 is \$10,621,943 and \$9,904,897, respectively, which represents the annual leave and the converted sick leave for cash since virtually all employees convert their sick leave to cash. The amounts for compensated absences include the salary cost as well as certain salary related costs, such as the Board's share of social security expense and are classified as a long-term liability. The following table summarizes changes in the Board's vacation and sick pay liability.

Year	Beginning of Year Liability	Current Year Earned and Changes in Estimate	Payments	End of Year Liability
2021	\$ 9,904,897	\$ 3,095,892	\$ (2,378,846)	\$ 10,621,943
2020	\$ 9,068,334	\$ 5,454,708	\$ (4,618,145)	\$ 9,904,897

H. Property, Plant, and Equipment

Property, plant, and equipment are carried at historical cost. The Board capitalizes moveable equipment with a value of \$10,000 or greater and stationary, network, real estate, and other equipment with a value of \$5,000 or greater. The cost of additions includes contracted work, direct labor, materials, and allocable cost. Donated capital assets are recorded at their acquisition value at the date of donation.

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA

NOTES TO FINANCIAL STATEMENTS (Continued)

1. Summary of Significant Accounting Policies (continued)

H. Property, Plant, and Equipment (continued)

Depreciation is computed using the straight-line method over the estimated useful life of the asset. When assets are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts and any resulting gain or loss is recognized in revenue for the period. The cost of maintenance and repairs is charged to operations as incurred, and significant renewals and betterments are capitalized. Deductions are made for retirements resulting from renewals or betterments. In 2020, interest was capitalized on property, plant, and equipment acquired and/or constructed with tax exempt debt. As described in Note 15, GASB Statement No. 89, *Accounting for Interest Costs Incurred Before the End of a Construction Period*, was implemented in 2021, and as a result, interest is no longer capitalized.

I. Self-Insurance/Risk Management

The Board is self-insured for general liability, workers' compensation, unemployment compensation, and hospitalization benefits and claims. The accrued liability for the various types of claims represents an estimate by management of the eventual loss on the claims arising prior to year-end, including claims incurred and not yet recorded including estimates of both future payments of losses and related claims adjustment and expense. Estimated expenses and recoveries are based on a case-by-case review.

J. Bond Issuance Costs and Refinancing Gains (Losses)

Costs related to issuing bonds are expensed when incurred. Premiums and discounts associated with bond issues are amortized over the interest yield method.

K. Deferred Inflows/Outflows of Resources

Deferred outflows of resources represent a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense) until then. Deferred inflows of resources represent an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources until that time. The deferred charge on refunding recorded on the statements of net position results from the difference in carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

Deferred inflows and outflows have been recognized for the net difference between the projected and actual investment earnings for the pension plan, this amount is deferred and amortized over a period of five years. In addition, deferred inflows and outflows have been recognized for the differences between the actuarial expectation and the actual economic experience and changes in actuarial assumptions related to the defined benefit pension plan and the other post-employment benefit plan. These amounts are deferred and amortized over the average of the expected service lives of pension plan members. See Note 7 and Note 8 for additional information on deferred inflows and outflows related to the pension plan and the other post-employment benefits plan, respectively.

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA

**NOTES TO FINANCIAL STATEMENTS
(Continued)**

1. Summary of Significant Accounting Policies (continued)

L. Pension

The Board may fund all or part of the accrued pension cost, depending on the resources that are available at the time of contribution, for its contributory pension plan which covers substantially all employees. Annual costs are actuarially computed using the entry age normal cost method.

M. Drainage System

In 1903, the Legislature gave the Board control of and responsibility for the City's drainage system. The Drainage System was established as a department of the enterprise fund to account for the revenues from three-mill, six-mill, and nine-mill ad valorem taxes designated exclusively for drainage services. These revenues have been supplemented by inspection and license fees collected by the Board. There exists a potential for additional financing by additional user service charges. Expenditures from the system are for the debt service of nine-mill tax bonds and drainage related operation, maintenance, and construction.

N. Capital Contributions

Contributions from developers and others, and receipts of Federal, State, and City grants for acquisition of property, plant, and equipment are recorded as capital contributions in the statements of revenues, expenses, and changes in net position.

O. Net Position Flow Assumption

The Board may fund outlays for a particular purpose from both restricted (e.g. restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position, a flow assumption must be made about the order in which the resources are considered to be applied. The Board's policy is to consider restricted net position to have been depleted before unrestricted-net position is applied.

P. Net Position

Net investment in capital assets – This component of net position consists of capital assets, net of accumulated depreciation, and reduced by the outstanding debt attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds is not included in this component of net position. Rather, that portion of debt is included in the same component of net position as the unspent proceeds.

Restricted – This net position component reports externally imposed constraints placed on their use by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

Unrestricted – Unrestricted net position is the balance (deficit) of all other elements in a statement of net position remaining after net investment in capital assets and restricted net position.

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA

NOTES TO FINANCIAL STATEMENTS
(Continued)

1. Summary of Significant Accounting Policies (continued)

Q. Cash Flows

For purposes of the statements of cash flows, only cash on hand and on deposit at financial institutions are considered to be cash equivalents. Certificates of deposits, treasury bills, and other securities are considered investments.

R. Operating and Nonoperating Revenues

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and delivering goods in connection with principal ongoing operations. The principal operating revenues of the Board are charges to customers for services. Operating expenses include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are recorded as nonoperating revenues and expenses.

S. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the recorded amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements and the recorded amounts of revenue and expenditures during the period. Actual results could differ from those estimates.

2. Cash, Cash Equivalents, and Investments

The Board's investments, cash, and cash equivalents (including customer deposits) consist primarily of investments in direct obligations of the United States or agencies thereof and deposits with financial institutions.

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. Statutes require that the Board's cash and certificates of deposit be covered by federal depository insurance or collateral. At December 31, 2021 the Board's interest bearing deposits with banks consisted of cash and money market funds totaling \$251,756,812 and investments of \$286,334. At December 31, 2020, the Board's interest bearing deposits with banks consisted of cash and money market funds totaling \$204,175,191 and investments of \$282,595. The Board's cash bank balances and all certificates of deposit for 2021 and 2020 were covered by federal depository insurance or collateral held by custodial agents of the financial institutions in the name of the Board.

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA

NOTES TO FINANCIAL STATEMENTS (Continued)

2. Cash, Cash Equivalents, and Investments (continued)

The following are the components of the Board's cash, cash equivalents, and investments as of December 31 for the Enterprise and Pension Trust Funds:

Statement of Net Position - Enterprise Funds	2021	2020
Cash and cash equivalents	\$ 97,436,881	\$ 87,127,904
Investments	286,334	282,595
Restricted cash, cash equivalents, and investments	140,683,315	149,357,298
Customer deposits - cash	10,639,129	9,982,214
Customer deposits - investments	3,250,000	3,250,000
Total cash, cash equivalents, and investments - Enterprise Funds	252,295,659	250,000,011
Statement of Net Position - Pension Trust Fund	2021	2020
Cash	2,393,781	3,535,423
Money Market	646,036	893,427
LAMP	9,055,895	8,496,289
Debt Securities	79,070,763	78,892,473
Equities	182,864,067	155,409,381
Total cash, cash equivalents, and investments - Pension Trust Fund	274,030,542	247,226,993
Total cash, cash equivalents, and investments	\$ 526,326,201	\$ 497,227,004

A. Fair Value Measurement

To the extent available, the Board's investments are recorded at fair value as of December 31, 2021 and 2020. GASB Statement No. 72 – Fair Value Measurement and Application, defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This statement establishes a hierarchy of valuation inputs based on the extent to which the inputs are observable in the marketplace. Inputs are used in applying the various valuation techniques and take into account the assumptions that market participants use to make valuation decisions. Inputs may include price information, credit data, interest and yield curve data, and other factors specific to the financial instrument. Observable inputs reflect market data obtained from independent sources. In contrast, unobservable inputs reflect the entity's assumptions about how market participants would value the financial instrument. Valuation techniques should maximize the use of observable inputs to the extent available.

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. The following describes the hierarchy of inputs used to measure fair value and the primary valuation methodologies used for financial instruments measured at fair value on a recurring basis.

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA

**NOTES TO FINANCIAL STATEMENTS
(Continued)**

2. Cash and Investments (continued)

A. Fair Value Measurement (continued)

The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements).

The three levels of the fair value hierarchy are described as follows:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Board has the ability to access at the measurement date.

Level 2: Inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability; inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement determined using model-based techniques that include option pricing models, discounted cash flow models, and similar techniques.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Investments - Statutes authorize the Board to invest in obligations of the U.S. Treasury, agencies, and instrumentalities, commercial paper rated A-1 by Standard & Poor's Corporation or P-1 by Moody's Commercial Paper Record, repurchase agreements, and the Louisiana Asset Management Pool (LAMP). In addition, the pension trust fund is authorized to invest in corporate bonds rated BBB or better by Standard & Poor's Corporation or Baa or better by Moody's Investors Service and equity securities.

Cash equivalents such as money market funds, LAMP, and certificate of deposit are measured using NAV as a practical expedient. These cash equivalents have not been classified in the fair value hierarchy table. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the line items presented in the statements of net position.

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA

NOTES TO FINANCIAL STATEMENTS (Continued)

2. Cash and Investments (continued)

A. Fair Value Measurement (continued)

A summary of the Board's investments and cash equivalents, including the Pension Trust Fund, along with the Fair value hierarchy levels of each type of investment as of December 31, 2021 and 2020 are as follows:

2021				
	Total	Quoted Prices in Active Markets (Level 1 Inputs)	Significant Other Observable Inputs (Level 2 Inputs)	Significant Unobservable Inputs (Level 3 Inputs)
Investment by Fair Value Level:				
Equities	\$ 182,864,067	\$ 182,864,047	\$ -	\$ -
Debt Securities	79,070,763	-	79,070,763	
Total Investments at Fair Value Level	<u>\$ 261,934,830</u>	<u>\$ 182,864,047</u>	<u>\$ 79,070,763</u>	<u>\$ -</u>

Cash equivalents measured at the
at the net asset value (NAV):

Money market funds	\$ 169,969,343
LAMP	14,947,618
Certificate of Deposit	286,334
Total Cash equivalents at NAV	<u>\$ 185,203,295</u>

Total Investments and cash equivalents \$ 447,138,125

2020				
	Total	Quoted Prices in Active Markets (Level 1 Inputs)	Significant Other Observable Inputs (Level 2 Inputs)	Significant Unobservable Inputs (Level 3 Inputs)
Investment by Fair Value Level:				
Equities	\$ 155,409,381	\$ 155,409,363	\$ -	\$ -
Debt Securities	78,892,473	-	78,892,473	
Total Investments at Fair Value Level	<u>\$ 234,301,854</u>	<u>\$ 155,409,363</u>	<u>\$ 78,892,473</u>	<u>\$ -</u>

Cash equivalents measured at the
at the net asset value (NAV):

Money market funds	\$ 164,935,680
LAMP	14,388,012
Certificate of Deposit	282,595
Total Cash equivalents at NAV	<u>\$ 179,606,287</u>

Total Investments and cash equivalents \$ 413,908,141

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA

NOTES TO FINANCIAL STATEMENTS (Continued)

2. Cash and Investments (continued)

A. Fair Value Measurement (continued)

A reconciliation of the enterprise and pension funds to the total investments and cash and cash equivalents at December 31, 2021 and 2020 is as follows:

	2021		
	Enterprise	Pension	Total
Cash Deposits	\$ 76,794,295	\$ 2,393,781	\$ 79,188,076
Money market	169,323,307	646,036	169,969,343
LAMP	5,891,723	9,055,895	14,947,618
Certificate of deposit	286,334	-	286,334
Other investments	-	261,934,830	261,934,830
Total cash and investments	<u>\$ 252,295,659</u>	<u>\$ 274,030,542</u>	<u>\$ 526,326,201</u>

	2020		
	Enterprise	Pension	Total
Cash Deposits	\$ 79,784,440	\$ 3,535,423	\$ 83,319,863
Money market	164,042,253	893,427	164,935,680
LAMP	5,891,723	8,496,289	14,388,012
Certificate of deposit	282,595	-	282,595
Other investments	-	234,301,854	234,301,854
Total cash and investments	<u>\$ 250,001,011</u>	<u>\$ 247,226,993</u>	<u>\$ 497,228,004</u>

Pension trust fund investments are held in trust and governed pursuant to an indenture between the trustee financial institution and the Board.

B. Louisiana Asset Management Pool (LAMP)

LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with Louisiana R.S. 33:2955.

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA

NOTES TO FINANCIAL STATEMENTS
(Continued)

2. Cash and Investments (continued)

B. Louisiana Asset Management Pool (LAMP) (continued)

GASB Statement No. 40, *Deposit and Investment Risk Disclosure*, requires disclosure of credit risk, custodial credit risk, concentration of credit risk interest rate risk, and foreign currency risk for all public entity investments.

LAMP is an investment pool that, to the extent practical, invests in a manner consistent with GASB Statement No. 79. The following facts are relevant for investment pools:

- Credit risk: LAMP is rated AAA by Standard & Poor's.
- Custodial credit risk: LAMP participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.
- Concentration of credit risk: Pooled investments are excluded from the 5 percent disclosure requirement.
- Interest rate risk: LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP prepares its own interest rate risk disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 60 days and consists of no securities with a maturity in excess of 397 days or 762 days for U.S. Government floating/variable rate investments. The WAM for LAMP's total investments is 58 as of December 31, 2021.
- Foreign currency risk: Not applicable.

The investments in LAMP are stated at fair value. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the net asset value of the pool shares.

LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company.

C. Credit and Interest Risk

Credit Risk - State law limits investments in securities issued, or backed by United States Treasury obligations, and U.S. Government instrumentalities, which are federally sponsored. The Board's investment policy does not further limit its investment choices. LAMP is rated AAA by Standard & Poor's. The Pension Trust Fund's investment policy requires that fixed income investments be investment grade (BBB or higher as rated by Standard & Poor's or Baa or higher as rated by Moody's). Bonds rated below BBB/Baa are not to exceed 15% of the portfolio, and non-rated bonds are not to exceed 1% of the portfolio.

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA

NOTES TO FINANCIAL STATEMENTS (Continued)

2. Cash and Investments (continued)

C. Credit and Interest Risk (continued)

Interest Rate Risk - Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. In general, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The Board has a formal investment policy that states that the investment portfolio shall remain sufficiently liquid to meet all operating and capital requirements that may be reasonably anticipated and that maturities of investments are to be structured concurrent with cash needs to meet anticipated demand.

Foreign Currency Risk – The Pension Trust Fund’s exposure to foreign currency risk derives from its positions in foreign currency-denominated fixed-income investments. The Pension Trust Fund's investment policy permits it to invest up to 5 percent of total investments in foreign currency-denominated fixed-income investments. The investments in foreign currency-denominated corporate bonds were rated by Standard & Poor's.

Following are the credit risk ratings of the Pension Trust Fund’s investments in debt securities as of December 31, 2021:

Rating	Corporate Bonds	Foreign Government Bonds	Government Bonds and U.S. Treasury Notes	Other	Total	Percentage of Total
AAA	\$ -	\$ -	\$ 25,419,870	\$ 18,635,245	\$ 44,055,115	55.72%
AA+	-	-	-	-	-	0.00%
AA	151,639	155,657	-	124,440	431,736	0.55%
AA-	965,831	336,310	-	382,798	1,684,939	2.13%
A+	1,782,472	207,754	-	197,508	2,187,734	2.77%
A	2,258,198	9,427	-	415,167	2,682,792	3.39%
A-	2,522,791	26,477	-	354,558	2,903,826	3.67%
BBB+	5,995,804	51,949	-	162,631	6,210,384	7.85%
BBB	3,383,116	1,168,074	-	617,137	5,168,327	6.54%
BBB-	5,758,228	17,483	-	591,823	6,367,534	8.05%
BB+	1,804,140	62,755	-	21,677	1,888,572	2.39%
BB	939,520	38,919	-	132,231	1,110,670	1.40%
BB-	983,306	173,513	-	94,345	1,251,164	1.58%
B+	585,734	97,235	-	34,358	717,327	0.91%
B	895,641	90,387	-	61,537	1,047,565	1.32%
B-	317,016	67,183	-	108,992	493,191	0.62%
CCC+	350,416	61,252	-	-	411,668	0.52%
CCC	100,187	7,199	-	27,938	135,324	0.17%
CC	4,704	-	-	10,545	15,249	0.02%
C	7,199	-	-	4,753	11,952	0.02%
Not Rated	258,708	36,986	-	-	295,694	0.37%
Total	\$ 29,064,650	\$ 2,608,560	\$ 25,419,870	\$ 21,977,683	\$ 79,070,763	100.00%

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA

NOTES TO FINANCIAL STATEMENTS (Continued)

2. Cash and Investments (continued)

C. Credit and Interest Risk (continued)

Following are the credit risk ratings of the Pension Trust Fund's investments in debt securities as of December 31, 2020:

Rating	Corporate Bonds	Foreign Government Bonds	Government Bonds and U.S. Treasury Notes	Other	Total	Percentage of Total
AAA	\$ -	\$ -	\$ 16,406,212	\$ 18,871,942	\$ 35,278,154	44.72%
AA+	163,186	-	-	3,006	166,192	0.21%
AA	56,161	177,070	75,713	21,377	330,321	0.42%
AA-	950,550	369,367	-	192,355	1,512,272	1.92%
A+	2,030,840	290,837	-	12,074	2,333,751	2.96%
A	3,388,427	43,822	-	562,651	3,994,900	5.06%
A-	3,859,476	30,429	4,429	245,669	4,140,003	5.25%
BBB+	6,055,300	57,320	146,316	51,134	6,310,070	8.00%
BBB	4,141,987	1,352,519	10,180	387,562	5,892,248	7.47%
BBB-	5,381,843	51,332	363,107	554,604	6,350,886	8.05%
BB+	1,881,047	60,737	-	48,505	1,990,289	2.52%
BB	1,899,627	145,038	47,681	105,028	2,197,374	2.79%
BB-	864,676	226,944	-	117,238	1,208,858	1.53%
B+	1,091,997	126,209	3,868	63,950	1,286,024	1.63%
B	762,688	165,239	-	91,124	1,019,051	1.29%
B-	411,481	49,949	-	95,838	557,268	0.71%
CCC+	480,116	110,483	-	-	590,599	0.75%
CCC	185,023	40,358	-	45,611	270,992	0.34%
CCC-	11,495	12,603	-	11,960	36,058	0.05%
CC	3,763	-	-	990	4,753	0.01%
Not Rated	154,654	57,000	1,418,206	1,792,550	3,422,410	4.34%
Total	<u>\$ 33,774,337</u>	<u>\$ 3,367,256</u>	<u>\$ 18,475,712</u>	<u>\$ 23,275,168</u>	<u>\$ 78,892,473</u>	<u>100.00%</u>

D. Concentration of Credit Risk

Per GASB Statement 40, *Deposit and Investment Risk Disclosures*, concentration of credit risk is defined as the risk of loss attributed the magnitude of government's investment in a single issuer. GASB 40 further defines an at-risk investment to be one that represents more than five percent (5%) of the fair value of the total investment portfolio and requires disclosure of such at-risk investments. GASB 40 specifically excludes investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments from the disclosure requirement. The Board has no investment in a single issuer that represent more than 5% of the investment portfolio. In addition, the Board's investments consist of investments in mutual funds, external investment pools, and other pooled investments.

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA

NOTES TO FINANCIAL STATEMENTS (Continued)

2. Cash and Investments (continued)

E. Pension Trust Fund Investments

As of December 31, 2021, the Pension Trust Fund had the following investments in debt securities and maturities:

Investment Type	<u>2021</u> Maturity					Total
	Less than 1 Year	1 - 5 Years	6 - 10 Years	Greater Than 10 Years	Duration Not Available	
Corporate Bonds	\$ 1,747,891	\$ 14,102,032	\$ 9,116,794	\$ 3,965,455	\$ 132,478	\$ 29,064,650
Foreign Government Bonds	42,675	680,321	950,301	935,263	-	2,608,560
Government Bonds and U.S. Treasury Notes	-	10,992,271	7,540,851	6,879,895	6,853	25,419,870
Other	7,326,996	9,479,362	5,076,557	-	94,768	21,977,683
Total	<u>\$ 9,117,562</u>	<u>\$ 35,253,986</u>	<u>\$ 22,684,503</u>	<u>\$ 11,780,613</u>	<u>\$ 234,099</u>	<u>\$ 79,070,763</u>

As of December 31, 2020, the Pension Trust Fund had the following investments in debt securities and maturities:

Investment Type	<u>2020</u> Maturity					Total
	Less than 1 Year	1 - 5 Years	6 - 10 Years	Greater Than 10 Years	Duration Not Available	
Corporate Bonds	\$ 2,731,261	\$ 14,997,872	\$ 10,409,813	\$ 5,498,946	\$ 136,445	33,774,337.00
Foreign Government Bonds	100,514	734,909	1,207,521	1,324,150	162	3,367,256.00
Government Bonds and U.S. Treasury Notes	840	7,353,280	5,300,521	5,814,633	6,438	18,475,712.00
Other	11,945,403	11,006,124	9,165	269,934	44,542	23,275,168.00
Total	<u>\$ 14,778,018</u>	<u>\$ 34,092,185</u>	<u>\$ 16,927,020</u>	<u>\$ 12,907,663</u>	<u>\$ 187,587</u>	<u>\$ 78,892,473</u>

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA

NOTES TO FINANCIAL STATEMENTS (Continued)

2. Cash and Investments (continued)

F. Securities Lending

Under the provisions of its benefit plan and state law, the Board's pension benefit trust engaged in securities lending to broker dealers and other entities for cash collateral that would be returned for the same securities in the future. The cash collateral could not be liquidated by the Board unless the borrower defaults. Cash collateral was initially pledged at 102.25% of the market value of securities lent and additional collateral was provided by the next business day if the value fell to less than 100% of the market value of the securities lent. The value of securities lent at December 31, 2020 was \$40,883,526 and the market value of the cash collateral at December 31, 2020 was \$39,972,157. No collateral exposure existed at December 31, 2020. The securities lending arrangement ended during 2021.

3. Customer Receivables

Customer receivables as of December 31 consist of the following:

2021			
	Customer Accounts	Allowance for Doubtful Accounts	Net
Water	\$ 70,319,757	\$ 45,634,567	\$ 24,685,190
Sewer	81,487,494	56,202,756	25,284,738
	<u>\$ 151,807,251</u>	<u>\$ 101,837,323</u>	<u>\$ 49,969,928</u>
2020			
	Customer Accounts	Allowance for Doubtful Accounts	Net
Water	\$ 57,737,514	\$ 38,224,476	\$ 19,513,038
Sewer	68,463,125	45,971,017	22,492,108
	<u>\$ 126,200,639</u>	<u>\$ 84,195,493</u>	<u>\$ 42,005,146</u>

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA

NOTES TO FINANCIAL STATEMENTS (Continued)

4. Property, Plant, and Equipment

The useful lives of property, plant, and equipment consisted of the following:

Power and pumping stations – buildings and machinery	40 to 57 years
Distribution systems	75 years
Sewerage collection, treatment plant, general plant, and building	12 to 75 years
Canals and subsurface drains	75 to 100 years
Power transmissions, Connections, and meters	50 years
Treatment Plans, General Plant, and buildings	12 to 50 years

Property, plant, and equipment consisted of the following as of December 31:

	2021			
	Beginning Balance	Additions	Deletions/ Reclassifications	Ending Balance
Cost				
Real estate rights, non depreciable	\$ 10,618,190	\$ -	\$ -	\$ 10,618,190
Power and pumping stations - buildings and machinery	856,567,179	5,503,775	2,813,734	864,884,688
Distribution systems	408,237,429	83,026,157	(49,715,802)	441,547,784
Sewerage collection, treatment plant, general plant, and building	1,370,729,435	54,541,337	(31,887,713)	1,393,383,059
Canals and subsurface drainage	1,274,670,649	34,999,624	(46,940,681)	1,262,729,592
Power transmissions, Connections and meters	151,550,366	590,367	(9,426,485)	142,714,248
Total property, plant, and equipment in service	4,072,373,248	178,661,260	(135,156,947)	4,115,877,561
Construction in progress	548,465,861	315,578,278	(178,661,260)	685,382,879
Total property, plant, and equipment	4,620,839,109	494,239,538	(313,818,207)	4,801,260,440
Accumulated Depreciation				
Power and pumping stations - buildings and machinery	390,689,968	18,372,440	-	409,062,408
Distribution systems	64,547,198	5,872,586	(4,151,308)	66,268,476
Sewerage collection, treatment plant, general plant, and building	489,328,085	24,502,393	(2,727,067)	511,103,411
Canals and subsurface drainage	137,478,718	12,652,741	-	150,131,459
Power transmissions, Connections and meters	65,475,154	2,850,738	(25,714)	68,300,178
Total accumulated depreciation	1,147,519,123	64,250,898	(6,904,089)	1,204,865,932
Net property, plant, and equipment	\$ 3,473,319,986	\$ 429,988,640	\$ (306,914,118)	\$ 3,596,394,508

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA

NOTES TO FINANCIAL STATEMENTS (Continued)

4. Property, Plant, and Equipment (continued)

Cost	2020			
	Beginning Balance	Additions	Deletions/ Reclassifications	Ending Balance
Real estate rights, non depreciable	\$ 13,787,557	\$ -	\$ (3,169,367)	\$ 10,618,190
Power and pumping stations - buildings and machinery	763,592,533	16,585,195	76,389,451	856,567,179
Distribution systems	373,211,294	52,181,301	(17,155,166)	408,237,429
Sewerage collection, treatment plant, general plant, and building	1,399,693,886	37,031,405	(65,995,856)	1,370,729,435
Canals and subsurface drainage	1,032,784,864	101,152,304	140,733,481	1,274,670,649
Power transmissions, Connections and meters	144,902,115	3,696,865	2,951,386	151,550,366
Total property, plant, and equipment in service	3,727,972,249	210,647,070	133,753,929	4,072,373,248
Construction in progress	687,271,610	71,841,318	(210,647,067)	548,465,861
Total property, plant, and equipment	4,415,243,859	282,488,388	(76,893,138)	4,620,839,109
Accumulated Depreciation				
Power and pumping stations - buildings and machinery	372,435,603	18,254,365	-	390,689,968
Distribution systems	61,535,346	5,620,917	(2,609,065)	64,547,198
Sewerage collection, treatment plant, general plant, and building	478,648,015	12,531,640	(1,851,570)	489,328,085
Canals and subsurface drainage	121,861,538	15,617,180	-	137,478,718
Power transmissions, Connections and meters	62,468,242	3,013,765	(6,853)	65,475,154
Total accumulated depreciation	1,096,948,744	55,037,867	(4,467,488)	1,147,519,123
Net property, plant, and equipment	\$ 3,318,295,115	\$ 227,450,521	\$ (72,425,650)	\$ 3,473,319,986

Interest capitalized was as follows for the years ended December 31, 2020:

Interest income	\$ 2,501,252
Interest expense	(21,216,848)
Net interest capitalized	<u>\$ (18,715,596)</u>

As described in note 15, GASB Statement No. 89, *Accounting for Interest Costs Incurred Before the End of a Construction Period*, was implemented in 2021, and as a result, interest is no longer capitalized.

5. Due to City of New Orleans

The Board bills and collects sanitation charges on behalf of the City of New Orleans (the City). The Board is not liable for any uncollected sanitation charges. Additionally, amounts included in accounts payable due to the City for works performed by the Department of Public Works on behalf of the Board, were \$14,845,132 and \$6,056,556 at December 31, 2021 and 2020, respectively.

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA

**NOTES TO FINANCIAL STATEMENTS
(Continued)**

6. Long-Term Obligations

A. Summary of Changes in Long-Term Debt

Following is a summary of changes in long-term debt for the year ended December 31, 2021:

	Balance 1/1/2021	Additions	Reductions	Balance 12/31/2021	Due Within One Year
Claims and judgments (Note 9)	\$ 47,606,094	\$ 13,895,884	\$ 14,388,544	\$ 47,113,434	\$ 4,340,341
Accrued annual and sick leave (Note 1)	9,904,897	3,095,892	2,378,846	10,621,943	-
Revenue Bonds	458,333,551	376,359,525	319,783,001	514,910,075	21,143,000
Drainage system tax bonds	3,955,000	-	1,955,000	2,000,000	2,000,000
Premium on bonds payable	46,774,333	-	28,989,198	17,785,135	-
Debt service assistance loan	40,039,087	-	2,773,797	37,265,290	2,902,502
Southeast Louisiana Project	209,815,520	-	3,125,491	206,690,029	3,334,582
	<u>\$ 816,428,482</u>	<u>\$ 393,351,301</u>	<u>\$ 373,393,877</u>	<u>\$ 836,385,906</u>	<u>\$ 33,720,425</u>

Following is a summary of changes in long-term debt for the year ended December 31, 2020:

	Balance 1/1/2020	Additions	Reductions	Balance 12/31/2020	Due Within One Year
Claims and judgments (Note 9)	\$ 46,833,838	\$ 23,821,224	\$ 23,048,968	\$ 47,606,094	\$ 4,315,238
Accrued annual and sick leave (Note 1)	9,068,334	5,454,708	4,618,145	9,904,897	-
Revenue Bonds	399,257,551	75,000,000	15,924,000	458,333,551	15,498,000
Drainage system tax bonds	5,850,000	-	1,895,000	3,955,000	1,955,000
Premium on bonds payable	35,257,801	13,860,541	2,344,009	46,774,333	-
Debt service assistance loan	42,689,887	-	2,650,800	40,039,087	2,773,797
Southeast Louisiana Project	250,343,870	-	40,528,350	209,815,520	3,334,582
	<u>\$ 789,301,281</u>	<u>\$ 118,136,473</u>	<u>\$ 91,009,272</u>	<u>\$ 816,428,482</u>	<u>\$ 27,876,617</u>

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA

**NOTES TO FINANCIAL STATEMENTS
(Continued)**

6. Long-Term Obligations (continued)

B. Bonds Payable

Bonds payable consisted of the following as of December 31:

	Principal Balances	
	2021	2020
2.00% to 4.00% drainage system limited tax bonds, series 2014 (initial average interest cost 1.88%); due in annual principal installments ranging from \$535,000 to \$2,000,000; final payment due December 1, 2022.	\$ 2,000,000	\$ 3,955,000
2.00% to 5.00% sewerage service revenue bonds, series 2014 (initial average interest cost 3.86%); due in annual principal installments ranging from \$1,970,000 to \$12,970,000; final payment due June 1, 2025.	17,095,000	87,705,000
5.00% water revenue bonds, series 2014 (initial average interest cost 4.43%); due in annual principal installments ranging from \$325,000 to \$6,225,000; final payment due December 1, 2026.	12,845,000	92,270,000
4.98% water revenue bonds, series 2015 (initial average interest cost 4.38%); due in annual principal installments ranging from \$700,000 to \$2,750,000; final payment due December 1, 2028.	15,615,000	97,630,000
5.00% sewerage service revenue bonds, series 2015 (initial average interest cost 4.39%); due in annual principal installments ranging from \$325,000 to \$6,225,000; final payment due June 1, 2027.	12,710,000	100,000,000
5.00% sewerage service revenue bonds, series 2020B; due in annual principal installments ranging from \$2,000,000 to \$2,660,000; final payment due June 1, 2050.	64,750,000	64,750,000
2.57% sewerage revenue refunding bonds, series 2021; due in annual principal installments ranging from \$2,335,000 to \$11,510,000; final payment due June 1, 2045.	178,195,000	-
2.62% water revenue refunding bonds, series 2021; due in annual principal installments ranging from \$2,500,000 to \$12,740,000; final payment due December 31, 2045.	194,300,000	-

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA

NOTES TO FINANCIAL STATEMENTS (Continued)

6. Long-Term Obligations (continued)

B. Bonds Payable (continued)

	Principal Balances	
	2021	2020
Direct Placements:		
0.45% sewerage service revenue bonds, series 2011 (initial average interest cost 0.95%); due in annual principal installments ranging from \$411,000 to \$491,000; final payment due December 1, 2032.	5,158,000	5,601,000
0.95% sewerage service revenue bonds, series 2019; due in annual principal installments ranging from 4.56% to 100% of outstanding principal balance; final payment due June 1, 2040.	3,055,227	127,550
1.50% sewerage service revenue bonds, series 2020A; due in annual principal installments ranging from \$1,765,000 to \$3,195,000; final payment due June 1, 2025.	10,250,000	10,250,000
1.85% sewerage service revenue bond (WIFIA loan); due in annual principal installments beginning December 1, 2031 with final payment due December 1, 2057.	936,848	-
	516,910,075	462,288,550
Plus: bond premiums	17,785,135	46,774,333
Total	534,695,210	509,062,883
Less: current maturities	(23,143,000)	(17,453,000)
Bond payable, long-term	<u>\$ 511,552,210</u>	<u>\$ 491,609,883</u>

The changes in long-term debt were as follows:

	2021	2020
Balance, beginning of year	\$ 462,288,550	\$ 405,107,550
Principal issued	376,359,525	75,000,000
Payments	(321,738,000)	(17,819,000)
Balance, end of year	<u>\$ 516,910,075</u>	<u>\$ 462,288,550</u>

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
(Continued)

6. Long-Term Obligations (continued)

B. Bonds Payable (continued)

The annual requirements to amortize bonds payable as of December 31, 2021, are as follows:

Total	Revenue Bonds		Direct Placement Revenue Bonds		Tax Bonds		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2022	\$ 18,475,000	\$ 14,366,875	\$ 2,668,000	\$ 223,771	\$ 2,000,000	\$ 45,000	\$ 23,143,000	\$ 14,635,646
2023	15,165,000	13,772,898	4,042,000	181,216	-	-	19,207,000	13,954,114
2024	15,245,000	13,238,152	4,116,000	127,410	-	-	19,361,000	13,365,562
2025	13,845,000	12,728,861	2,810,000	81,442	-	-	16,655,000	12,810,303
2026	16,300,000	12,226,277	654,000	60,017	-	-	16,954,000	12,286,294
2026-2030	89,820,000	53,935,764	3,374,000	219,929	-	-	93,194,000	54,155,693
2031-2035	100,195,000	42,572,595	1,736,075	32,265	-	-	101,931,075	42,604,860
2036-2040	112,100,000	28,114,932	-	-	-	-	112,100,000	28,114,932
2041-2045	103,995,000	9,829,519	-	-	-	-	103,995,000	9,829,519
2046-2050	10,370,000	826,600	-	-	-	-	10,370,000	826,600
	<u>\$ 495,510,000</u>	<u>\$ 201,612,473</u>	<u>\$ 19,400,075</u>	<u>\$ 926,050</u>	<u>\$ 2,000,000</u>	<u>\$ 45,000</u>	<u>\$ 516,910,075</u>	<u>\$ 202,583,523</u>

The indentures under which these bonds were issued provide for the establishment of restricted funds for debt service as follows:

1. Debt service funds are required for the payment of interest and principal on the revenue and tax bonds. Monthly deposits on revenue bonds, excluding bond anticipation notes, are required to be made into this fund from operations in an amount equal to 1/6 of the interest falling due on the next interest payment date, and an amount equal to 1/12 of the principal falling due on the next principal payment date. All debt service funds are administered by the Board of Liquidation. The required amount to be accumulated in this fund and on hand were \$13,009,742 and \$11,101,204 at December 31, 2021 and 2020, respectively.
2. The water bonds require an amount equal to the largest amount required in any future calendar year to pay the principal of and interest on outstanding bonds. The sewer bonds require an amount equal to 125% of average aggregate debt service. The amounts required to be accumulated in this fund and on hand were \$12,790,233 and \$32,442,960 at December 31, 2021 and 2020, respectively.

Operating revenues, net of operating expenses, are pledged as security for all revenue bond issues.

Events of default for the bond agreements include the failure to pay the principal and interest payments timely and failure of the Board to observe and perform any of its other covenants, conditions or agreements under the bond agreements Resolution for a period of 60 days after written notice either from the paying agent or the Board of Liquidation or holders of not less than 25% in aggregate principal amount of bonds then outstanding (unless the paying agent, the Board of Liquidation or the holders agree in writing to an extension of such time prior to its expiration), specifying such failure and requesting that it be remedied, or in the case of any such default that cannot with due diligence be cured within such 60 day period, failure of the Board to proceed promptly to cure the same and thereafter prosecute the curing of such default with due diligence within 60 days thereafter.

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA

**NOTES TO FINANCIAL STATEMENTS
(Continued)**

6. Long-Term Obligations (continued)

B. Bonds Payable (continued)

Upon the occurrence and continuation of an Event of Default, either the Board of Liquidation (by notice in writing by the Board) or holders of not less than 25% in aggregate principal amount of bonds then outstanding (by notice in writing to the Board and the Board of Liquidation) may declare the entire unpaid principal of the Bonds due and payable. Upon any such declaration the Board shall pay the entire unpaid principal of premium, if any, and accrued interest on the Bonds, but only from net revenues and other moneys herein specifically pledged for payments.

C. Louisiana Department of Environmental Quality

In 2011, the City entered into an agreement with the Louisiana Department of Environmental Quality (LDEQ) whereby the LDEQ committed to loan the Board \$9,000,000 to fund sewer main replacements, point repairs, replacement of associated service connections and laterals, sewer line rehabilitation by cured in-place pipe lining and manhole rehabilitation. The loan was advanced in incremental amounts as project costs were incurred. The indebtedness to the LDEQ is evidenced through the Sewerage Service Subordinate Revenue Bonds, Series 2011.

In 2019, the City entered into an agreement with the Louisiana Department of Environmental Quality (LDEQ) whereby the LDEQ has committed to loan the Board \$10,000,000 to fund sewer main replacements, point repairs, replacement of associated service connections and laterals, sewer line rehabilitation by cured in-place pipe lining and manhole rehabilitation. The loan is being advanced in incremental amounts as project costs are incurred. The indebtedness to the LDEQ is evidenced through the Sewerage Service Revenue Bonds, Series 2019.

D. Sewerage Service Revenue Bonds, Series 2020 Bonds

During 2020, the Board issued \$10,250,000 in Sewerage Service Revenue Bonds Series 2020A with a final maturity of June 1, 2025. In addition, the Board issued \$64,750,000 in Sewerage Service Revenue Bonds Series 2020B with an original issue premium of \$13,860,541 with a final maturity date of June 1, 2050.

E. Series 2021 Revenue Refunding Bonds

In 2021, the Board issued \$178,195,000 of Taxable Sewerage Service Revenue Refunding Bonds, Series 2021 for the purpose of partially advance refunding the Series 2014 and Series 2015 Sewerage Service Revenue and Refunding Bonds. The bond proceeds and investments, less issuance and insurance costs, were used to refund \$70,610,000 of the Series 2014 bonds and \$87,290,000 of the Series 2015 bonds, for a total of \$157,900,000. By refunding these bonds, the Board estimated \$23,762,182 in future savings related to future interest and principal payments. The Board estimated an economic gain of approximately \$18,430,995.

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA

**NOTES TO FINANCIAL STATEMENTS
(Continued)**

6. Long-Term Obligations (continued)

E. Series 2021 Revenue Refunding Bonds (continued)

The costs of issuance and bond insurance of the Series 2021 Sewerage Bonds totaled \$2,533,449, and the deferred loss on refunding was \$14,572,181. The outstanding balance of the defeased bonds at December 31, 2021 is \$146,850,000.

In 2021, the Board issued \$194,300,000 of Taxable Water Revenue Refunding Bonds, Series 2021 for the purpose of partially advance refunding the Series 2014 and Series 2015 Water Revenue and Refunding Bonds. The bond proceeds and investments, less issuance and insurance costs, were used to refund \$79,425,000 of the Series 2014 bonds and \$82,015,000 of the Series 2015 bonds, for a total of \$161,440,000. By refunding these bonds, the Board estimated \$22,811,372 in future savings related to future interest and principal payments. The Board estimated an economic gain of approximately \$18,122,740. The costs of issuance and bond insurance of the Series 2021 Sewerage Bonds totaled \$2,836,057, and the deferred loss on refunding was \$20,535,572. The outstanding balance of the defeased bonds at December 31, 2021 is \$157,435,000.

F. WIFIA Loan

On November 10, 2021, the Board closed on \$275,000,000 revenue debt issue through the Water Infrastructure Financing and Innovation Act (WIFIA) with the U.S. Environment Agency (EPA), a direct borrowing, to fund over 160 projects to modernize aging and storm damaged sewer pipelines throughout the city as part of comprehensive Sewer System Evaluation and Rehabilitation Program. The WIFIA Bond will be due in semi-annual installments of interest and annual payments of principal, with a final maturity date of 35 years following the substantial completion date of the Project. No interest accrues until the Board makes its first drawdown of funds from the WIFIA Bond. As of December 31, 2021, \$936,848 related to costs of issuance is included as bonds payable.

The Board has pledged the net revenues of the water and sewer systems as security for the WIFIA Bond for the duration of the bond on parity to its revenue bonds. The Board has also agreed to comply with various covenants, including a rate covenant similar to that of its revenue bonds.

G. Debt Service Assistance Loan

In July 2006, the Board and the State of Louisiana (the State) entered into a Cooperative Endeavor Agreement whereby the State agreed to lend up to \$77,465,247 from State funds on deposit in the Debt Service Assistance Fund, authorized by the Gulf Opportunity Zone Act of 2005 and Act 41 of the First Extraordinary Session of the Louisiana Legislature of 2006, to assist in payment of debt service requirements from 2006 through 2008 due to disruption of tax bases and revenue streams caused by Hurricanes Katrina and Rita. Draw downs on the loan were made as debt service payments became due. No principal or interest was payable during the initial five-year period of the loan. After the expiration of the initial five-year period, the loan shall bear interest at a fixed rate of 4.64 percent. Principal payments on the bonds began in July 2012. In July 2019, the Cooperative Endeavor Agreement was amended by the State and the Board to allow annual payments to be made through 2031. In addition, the outstanding loan balances for the Drainage and Water funds of the Board were assumed/transferred to the Sewerage fund.

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA

NOTES TO FINANCIAL STATEMENTS (Continued)

6. Long-Term Obligations (continued)

G. Debt Service Assistance Loan (continued)

Upon the amendment, interest is payable semi-annually on January 15 and July 15 beginning July 2020. The loan will mature in January 2031. The loan may be prepaid without penalty or premium.

As of December 31, 2021, debt service requirements relating to the loan is as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 2,902,502	\$ 738,838	\$ 3,641,340
2023	3,037,178	604,161	3,641,339
2024	3,178,103	463,236	3,641,339
2025	6,651,134	3,014,546	9,665,680
2026	6,959,746	322,932	7,282,678
2026-2030	14,536,627	3,326,933	17,863,560
	<u>\$ 37,265,290</u>	<u>\$ 8,470,646</u>	<u>\$ 45,735,936</u>

H. Southeast Louisiana Project

In 2010, the Coastal Protection and Restoration Authority of Louisiana entered into agreements (SELA PPA and SELA DPA) with the Department of the Army for the Southeast Louisiana, Louisiana Project in Jefferson and Orleans Parishes (the Project). The purpose of the Project is to provide flood damage reduction and interior drainage for Orleans and Jefferson Parishes in southeast Louisiana. The agreements set forth the obligations of the federal government and non-federal sponsors, including the Board, regarding the construction and the operation, maintenance, repair, rehabilitation, and replacement of the Project. For the projects, the federal government is responsible for 65% of the project costs and the non-federal sponsors are responsible for the remaining 35% less credits for work-in-kind contributions and other allowances. Project costs are included in the capital assets of the Board.

Under the agreement, the Department of the Army, subject to the availability of funds appropriated by the Congress of the United States, shall design and construct specified work at 100% federal expense. The Board will be allowed to defer payment of its required non-federal contribution of funds of 35% and to pay said contribution of funds with interest over a period of not more than 30 years from the date of completion of the project or separable element of the project. The interest rate to be used in computing the interest shall be determined by the Secretary of the Treasury, taking into consideration average market yields on outstanding marketable obligations of the United States with remaining periods of maturity comparable to the payment period during the month preceding the Government fiscal year in which the first federal construction contract for such separable element is awarded to the SELA PPA, plus a premium of one-eighth of one percentage point for transaction costs. The amount due, including estimated accrued interest, as of December 31, 2021 and 2020 is \$206,690,029 and \$209,815,520, respectively.

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA

**NOTES TO FINANCIAL STATEMENTS
(Continued)**

6. Long-Term Obligations (continued)

H. Southeast Louisiana Project (continued)

The Project consists of 16 contracts, grouped in 5 basins. Project completion date, payment start date, as well as interest rate for each basin are as follows:

<u>Basin</u>	<u>Completion Date</u>	<u>Payment Start Date</u>	<u>Interest Rate</u>
OP-2	2027 (Est.)	2027 (Est.)	3.75% (Est.)
OP-3	2020	2021	3.75%
OP-4	2020	2021	3.75%
OP-5	2020	2021	3.75%
OP-6	2020	2021	3.75%

The final amount due for OP-2 will be determined by the Department of Army upon project completion.

As of December 31, 2021, projected debt service requirements relating to the total amount due are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 1,900,202	\$ 3,626,358	\$ 5,526,560
2023	1,971,460	3,555,100	5,526,560
2024	2,045,390	3,481,170	5,526,560
2025	2,122,092	3,404,468	5,526,560
2026	2,201,670	3,324,890	5,526,560
2027-2031	12,310,480	15,322,320	27,632,800
2032-2036	14,798,426	12,834,374	27,632,800
2037-2041	17,789,185	9,843,615	27,632,800
2042-2046	21,384,375	6,248,425	27,632,800
2047-2050	20,179,592	1,926,647	22,106,239
	<u>\$ 96,702,872</u>	<u>\$ 63,567,367</u>	<u>\$ 160,270,239</u>
	109,987,157	OP-2 Basin not yet completed	
	<u>\$ 206,690,029</u>	Southeast Louisiana Project Liability	

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA

NOTES TO FINANCIAL STATEMENTS
(Continued)

7. Defined Benefit Pension Plan

A. Plan Descriptions

The Board has a single-employer contributory retirement plan covering all full-time employees, the Pension Trust Fund (PTF). The Board's payroll for current employees covered by the PTF for the years ended December 31, 2021 and 2020 was \$57,531,267 and \$54,856,389, respectively; such amounts exclude overtime and standby payroll. As of the most recent valuation date (December 31, 2021), the PTF membership consisted of:

Inactive employees or beneficiaries currently receiving benefits	910
Inactive employees entitled to but not yet receiving benefits	255
Active Employees	<u>1,101</u>
Total	<u><u>2,266</u></u>

Benefits Provided

The benefit provisions were established by action of the Board in 1956 in accordance with Louisiana statutes. The Board retains exclusive control over the plan through the Pension Committee of the Board. Effective January 1, 1996, the plan became qualified under Internal Revenue Code Section 401(a) and thus is tax exempt.

The plan provides for retirement benefits as well as death and disability benefits. All benefits vest after five years of service. Employees who retire at or after age 65 with five or more years of credited service are entitled to an annual retirement benefit, payable biweekly for life, in an amount equal to two and one-half percent of their average compensation for each year of credited service not to exceed twenty five years, increasing by four percent per year for service years in excess of twenty five years, but in no event the annual retirement benefit should exceed one hundred percent (100%) of employee's average compensation. Average compensation is the average annual earned compensation for the period of 36 successive months of service during which the employee's compensation was the highest. Employees with thirty years or more of credited service may retire without a reduction in benefits. Employees may retire prior to age 62 without 30 years of service with a reduction in benefits of three percent for each year of age below the age of 62. If an employee leaves covered employment or dies before three years of credited service, the accumulated employee contributions plus related investment earnings are refunded to the employee or designated beneficiary.

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA

**NOTES TO FINANCIAL STATEMENTS
(Continued)**

7. Defined Benefit Pension Plan (continued)

A. Plan Descriptions (continued)

The retirement allowance for retirees over age 65 is subject to a cost of living adjustment each January 1, provided that the member retired on or after January 1, 1984. The adjustment is based on the increase in the Consumer Price Index for all urban wage earners published by the U.S. Department of Labor but is limited to an annual maximum of two percent on the first \$10,000 of initial retirement benefits.

Effective September 23, 1993, employers may transfer credit between the Board's plan and the City of New Orleans' retirement system with full credit for vested service. The Board and its employees are obligated under plan provisions to make all required contributions to the plan. The required contributions are actuarially determined. Level percentage of payroll employer contribution rates is determined using the entry age normal actuarial funding method. Employees are required to contribute four percent of their regular salaries or wages.

Deferred Retirement Option Program (DROP)

Beginning in 1996, the Board offered employees a "Deferred Retirement Option Plan" (DROP), an optional retirement program which allows an employee to elect to freeze his or her retirement benefits but continue to work and draw a salary for a minimum period of one year to a maximum period of five years. While continuing employment, the retirement benefits are segregated from overall plan assets available to other participants. As of December 31, 2021 and 2020, 79 and 73 employees, respectively, participated in the plan. The amount of plan assets segregated for these individuals was \$9,055,895 and \$8,496,289 as of December 31, 2021 and 2020, respectively.

B. Funding Policy

The actuary determined contribution requirement for the Board was 21.717% and 21.112% for 2021 and 2020. The contribution requirement for employees for the years ended December 31, 2021 and 2020 was 6.0%. The actual Board's and employees' contributions for the years ended December 31 were as follows:

	2021	2020
Employer	\$ 9,861,935	\$ 10,392,532
Employee	3,008,648	3,015,231
Total contributions	<u>\$ 12,870,583</u>	<u>\$ 13,407,763</u>

C. Net Pension Liability

The Board's Net Pension Liability was measured as of December 31, 2021 and 2020. The Total Pension Liability used to calculate the Net Pension Liability was determined as of that date based on an actuarial valuation.

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA

NOTES TO FINANCIAL STATEMENTS (Continued)

7. Defined Benefit Pension Plan (continued)

D. Actuarial Assumptions

	<u>2021</u>	<u>2020</u>
Investment rate of return	7.00%	7.00%
Inflation	2.50%	2.50%
Salary increases including inflation	4% to 6.25%	4% to 6.25%

For 2021 and 2020, mortality rates were based on the PubG-2010 mortality tables, with male rates multiplied by 122% and female rates multiplied by 119%. Mortality was projected generationally using Scale MP-2019, with male projection factors multiplied by 86% and female projection factors multiplied by 79%.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by an asset allocation percentage which is based on the nature and mix of current and expected plan investments and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the Pension Trust Fund's current and expected asset allocation as of December 31, 2021 are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Real Rate of Return</u>
US Large Cap Equities	6.50%
US Mid Cap Equities	7.00%
US Small Cap Equities	7.25%
International Equities	4.50%
Broad Fixed Income	3.50%
Private Equity	7.75%
Global Infrastructure	4.00%
Real Estate	4.75%
Cash and Cash Equivalents	0.50%

Discount Rate

The discount rate used to measure the total pension liability was 7% for the 2021 and 2020 plan years. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that the plan's contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the PTF'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.

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA

**NOTES TO FINANCIAL STATEMENTS
(Continued)**

7. Defined Benefit Pension Plan (continued)

E. Actuarial Assumptions (continued)

Investment Rate of Return

The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested. For the years ended December 31, 2021 and 2020, the annual money-weighted rates of return on pension plan investments, net of pension plan investment expenses, were 14.96% and 9.67%, respectively.

Sensitivity of the Net Pension Liability to Change in the Discount Rate

The following presents the net pension liability of the Board as of December 31, 2021 and 2020, calculated using the discount rate of 7%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6%) or 1-percentage-point higher (8%) than the current rate.

	1% Decrease 6%	Current Discount Rate 7%	1% Increase 8%
<u>December 31, 2021</u>			
Total pension liability	\$ 386,388,775	\$ 350,483,713	\$ 320,063,620
Fiduciary net position	274,480,177	274,480,177	274,480,177
Net pension liability	111,908,598	76,003,536	45,583,443
 <u>December 31, 2020</u>			
Total pension liability	\$ 381,660,570	\$ 345,916,129	\$ 315,659,885
Fiduciary net position	248,401,024	248,401,024	248,401,024
Net pension liability	133,259,546	97,515,105	67,258,861

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA

**NOTES TO FINANCIAL STATEMENTS
(Continued)**

7. Defined Benefit Pension Plan (continued)

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

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances at			
December 31, 2020	\$ 345,916,129	\$ 248,401,024	\$ 97,515,105
Changes for the year:			
Service cost	5,396,702	-	5,396,702
Interest	23,747,666	-	23,747,666
Difference between expected and actual experience	(942,832)	-	(942,832)
Contributions – employer	-	9,861,935	(9,861,935)
Contributions – employee	-	3,008,648	(3,008,648)
Net investment income	-	36,872,093	(36,872,093)
Benefit payments, including refunds of employee contributions	(24,120,913)	(24,120,913)	-
Other	486,961	457,390	29,571
Net changes	<u>4,567,584</u>	<u>26,079,153</u>	<u>(21,511,569)</u>
Balances at			
December 31, 2021	<u>\$ 350,483,713</u>	<u>\$ 274,480,177</u>	<u>\$ 76,003,536</u>

The PTF Fiduciary Net Position as a percentage of Total Pension Liability was 78% and 72% as of December 31, 2021 and 2020, respectively.

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA

**NOTES TO FINANCIAL STATEMENTS
(Continued)**

7. Defined Benefit Pension Plan (continued)

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

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances at December 31, 2019	\$ 344,719,120	\$ 239,677,702	\$ 105,041,418
Changes for the year:			
Service cost	5,149,328	-	5,149,328
Interest	23,570,547	-	23,570,547
Difference between expected and actual experience	(8,492,559)	-	(8,492,559)
Changes of assumptions	-	-	-
Contributions – employer	-	10,392,532	(10,392,532)
Contributions – employee	-	3,015,231	(3,015,231)
Net investment income	-	20,860,435	(20,860,435)
Benefit payments, including refunds of employee contributions	(26,292,694)	(26,292,694)	-
Other	747,818	747,818	-
Administrative expense	-	-	-
Assumption changes	6,514,569	-	6,514,569
Net changes	<u>1,197,009</u>	<u>8,723,322</u>	<u>(7,526,313)</u>
Balances at December 31, 2020	<u>\$ 345,916,129</u>	<u>\$ 248,401,024</u>	<u>\$ 97,515,105</u>

For the years ended December 31, 2021 and 2020, the Board recognized a pension expense of \$8,319,177 and \$13,003,698, respectively, in payroll related expense on the statements of revenues, expenses, and changes in net position.

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA

**NOTES TO FINANCIAL STATEMENTS
(Continued)**

7. Defined Benefit Pension Plan (continued)

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

On December 31, 2021 and 2020, the Board recorded Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
<u>December 31, 2021</u>		
Differences between expected and actual experience	\$ 4,535,243	\$ 4,953,403
Changes of assumptions	3,257,284	-
Net difference between projected and actual earnings on pension plan investments	-	21,378,401
Total	<u>\$ 7,792,527</u>	<u>\$ 26,331,804</u>

<u>December 31, 2020</u>		
Differences between expected and actual experience	\$ 5,721,224	\$ 8,074,266
Changes of assumptions	10,784,986	-
Net difference between projected and actual earnings on pension plan investments	-	7,002,411
Total	<u>\$ 16,506,210</u>	<u>\$ 15,076,677</u>

	Deferred Outflows of Resources	Deferred Inflows of Resources
<u>December 31, 2021</u>		
Differences between expected and actual experience	\$ 4,535,243	\$ 4,953,403
Changes of assumptions	3,257,284	-
Net difference between projected and actual earnings on pension plan investments	-	21,378,401
Total	<u>\$ 7,792,527</u>	<u>\$ 26,331,804</u>

<u>December 31, 2020</u>		
Differences between expected and actual experience	\$ 5,721,224	\$ 8,074,266
Changes of assumptions	10,784,986	-
Net difference between projected and actual earnings on pension plan investments	-	7,002,411
Total	<u>\$ 16,506,210</u>	<u>\$ 15,076,677</u>

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA

**NOTES TO FINANCIAL STATEMENTS
(Continued)**

7. Defined Benefit Pension Plan (continued)

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

Amounts recorded 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	Amount	Year Ended December 31	Amount
2022	\$ (3,418,949)	2022	\$ (3,418,949)
2023	(8,201,632)	2023	(8,201,632)
2024	(4,027,978)	2024	(4,027,978)
2025	(2,890,718)	2025	(2,890,718)
	<u>\$ (18,539,277)</u>		<u>\$ (18,539,277)</u>

G. The Board's Pension Plan Fiduciary Net Position

A separate report on the pension trust fund is not issued.

8. Other Post-Employment Benefits

Plan Description – The Board's post-employment benefit plan is a single-employer defined benefit plan. The Board's post-employment medical benefits for retirees are provided through a self-insured medical plan and are made available to employees upon actual retirement.

Participation – All active Employees as defined in the Rules and Regulations of the Employees' Retirement System of the Board, which is generally an employee who regularly works more than 17.5 hours per week, are eligible to participate in the plan.

Employees covered by benefit terms – As of the most recent valuation date (December 31, 2021), the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	673
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	<u>1,179</u>
	<u><u>1,852</u></u>

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA

NOTES TO FINANCIAL STATEMENTS
(Continued)

8. Other Post-Employment Benefits (continued)

Total OPEB Liability

The Board's total OPEB liability of \$238,860,656 and \$232,435,707 was measured as of December 31, 2021 and 2020, respectively, and was determined by an actuarial valuation as of December 31 of each year.

Actuarial Assumptions and other inputs – The total OPEB liability in the December 31, 2021 and 2020 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Salary increases	4.00% to 6.25% including inflation
Healthcare cost trend rates	7.50% for FY23 decreasing 0.60% per year to an ultimate rate of 4.50% for FY28 and later years (2021) / 7.50% for FY22 decreasing 0.60% per year to an ultimate rate of 4.50% for FY27 and later years (2020)
Mortality	PubG-2010 mortality table multiplied by 122% for males and 119% for females, projected generationally using Scale MP-2019 mortality improvement rates multiplied by 86% for males and 79% for females
Participation	100%

The discount rate used to measure the total OPEB liability as of December 31, 2021 was 2.06%. The discount rate used to determine the total OPEB liability as of December 31, 2020 was 2.12%.

Municipal Bond Rate: 2.06% as of December 31, 2021 and 2.12% as of December 31, 2020; the source of the municipal bond rate is the Bond Buyer Index of general obligation bonds with 20 years to maturity and mixed credit quality. In describing their index, the Bond Buyer notes that the bonds' average credit quality is roughly equivalent to Moody's Investors Service's Aa2 rating and Standard & Poor's Corp.'s AA.

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA

**NOTES TO FINANCIAL STATEMENTS
(Continued)**

8. Other Post-Employment Benefits (continued)

Changes in the Total OPEB Liability 2021:

Balance at December 31, 2020	\$ 232,435,706
Changes for the year:	
Service cost	9,660,422
Interest	5,053,409
Changes of benefit terms	-
Differences between expected and actual experience	(8,027,532)
Changes of assumptions or other inputs	7,194,238
Benefits payments (employer)	(7,455,587)
Other	-
Net changes	<u>6,424,950</u>
Balance at December 31, 2021	<u>\$ 238,860,656</u>

Changes in the Total OPEB Liability 2020:

Balance at December 31, 2019	\$ 195,228,094
Changes for the year:	
Service cost	6,342,348
Interest	5,433,031
Changes of benefit terms	-
Differences between expected and actual experience	(7,306,463)
Changes of assumptions or other inputs	39,307,974
Benefits payments (employer)	(6,569,278)
Other	-
Net changes	<u>37,207,612</u>
Balance at December 31, 2020	<u>\$ 232,435,706</u>

Sensitivity of the total OPEB liability to changes in the discount rate – The following presents the total OPEB liability of the Board, as well as what the Board's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate at December 31, 2021 and 2020:

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA

**NOTES TO FINANCIAL STATEMENTS
(Continued)**

8. Other Post-Employment Benefits (continued)

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates – The following presents the total OPEB liability of the Board, as well as what the Board's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare trend rates at December 31, 2021 and 2020:

	1% Decrease (6.50%)	Current Healthcare Cost Trend Rate (7.50%)	1% Increase (8.50%)
<u>December 31, 2021</u>			
Total OPEB liability	\$ 202,864,992	\$ 238,860,656	\$ 285,147,484
	1% Decrease (6.50%)	Current Healthcare Cost Trend Rate (7.50%)	1% Increase (8.50%)
<u>December 31, 2020</u>			
Total OPEB liability	\$ 198,884,035	\$ 232,435,706	\$ 275,566,337

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2021 and 2020, the Board recognized OPEB expense of \$26,865,546 and \$24,090,090, respectively. At December 31, 2021 and 2020, the Board reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
<u>December 31, 2021</u>		
Changes of assumptions or other inputs	\$ 33,681,386	\$ -
Differences between expected and actual experience	-	10,075,257
Total	<u>\$ 33,681,386</u>	<u>\$ 10,075,257</u>
<u>December 31, 2020</u>		
Changes of assumptions or other inputs	\$ 46,025,000	\$ 4,015,876
Differences between expected and actual experience	-	5,479,849
Total	<u>\$ 46,025,000</u>	<u>\$ 9,495,725</u>

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA

NOTES TO FINANCIAL STATEMENTS
(Continued)

8. Other Post-Employment Benefits (continued)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ended December 31</u>	<u>Amount</u>
2022	\$ 16,105,730
2023	7,833,719
2024	(166,660)
2025	(166,660)

9. Commitments

A. Capital Improvements

At December 31, 2021, the Board's budget for its ten-year capital improvements program totaled approximately \$2.3 billion, which includes \$383 million in capital expenditures for the year ending December 31, 2022 and provides for the following activities:

- Continue Joint Infrastructure Recovery Road in conjunction with City of New Orleans Department of Public Works;
- Comply with regulatory requirements under the Sewer Consent Decree;
- Complete rehabilitation of Claiborne and Panola pumping stations of Water Hammer project;
- Participate in drainage system improvements in coordination with SELA Program;
- Initiate Automated Meter Infrastructure project.

Due to certain regulatory and legislative changes, additional capital improvements will probably be required. Future capital improvement program expenditures may require the issuance of additional debt depending on the amount and timing of expenditures. As of December 31, 2021, the Board has \$112,483,342 of cash and cash equivalents restricted for future capital projects.

B. Self-insurance

The Board is self-insured for general liability, workers' compensation, and hospitalization benefits and claims. Settled claims have not exceeded excess coverage in any of the past three fiscal years. Hospitalization benefits are charged to payroll related expense.

General liability claims are segregated internally depending on the scope and type of claim and are handled either by the Office of the Special Counsel or Administrative Services. Individual general liability losses have ranged from \$100 to \$7,500,000, illustrating the volatility of this exposure. The claims expense (recovery) provision for 2021 and 2020 amounted to (\$313,231) and \$220,934, respectively.

Worker's compensation expense provision for 2021 and 2020 amounted to \$4,099,695 and \$2,984,029, respectively.

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA

NOTES TO FINANCIAL STATEMENTS (Continued)

9. Commitments (continued)

B. Self-insurance (continued)

The medical claims for our self-insured health plan are administered by a third party administrator. The Board's expense provision in excess of employee contributions for 2021 and 2020 was \$10,109,420 and \$20,616,261, respectively, and is included in payroll related expenses.

Changes in the claims payable amount are as follows (health payments are reflected net of contributions):

	2021	2020
Beginning of Year	\$ 47,606,094	\$ 46,833,838
Current Year Claims and Estimate Change	13,895,884	23,821,224
Claim Payments	(14,388,544)	(23,048,968)
End of Year	<u>\$ 47,113,434</u>	<u>\$ 47,606,094</u>

The composition of claims payable is as follows:

	2021	2020
Short-term:		
Workers' compensation	\$ 1,940,341	\$ 1,802,238
Health insurance	2,400,000	2,513,000
Total short-term	<u>4,340,341</u>	<u>4,315,238</u>
Long-term:		
Workers' compensation	437,826	639,357
General liability	42,335,267	42,651,499
Total long-term	<u>42,773,093</u>	<u>43,290,856</u>
Total	<u>\$ 47,113,434</u>	<u>\$ 47,606,094</u>

C. Regulatory Matters

The Sewer System Evaluation and Rehabilitation Program (SSERP) was initially estimated to cost the Board \$408.2 million by the original Consent Decree with an end date of 2015. However, the Board has negotiated, and continues to negotiate with U.S. Environmental Protection Agency (EPA), extensions beyond the original Consent Decree deadline. Consequently, the original Consent Decree has been modified to currently provide an end date of October 2025.

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA

NOTES TO FINANCIAL STATEMENTS (Continued)

9. Commitments (continued)

C. Regulatory Matters (continued)

The Board participates in a number of federal programs which are governed by various rules and regulations. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the Board has not complied with the rules and regulations governing the grants, refunds of any money received and the collectability of any related receivable as of December 31, 2021 might be impaired.

In management's opinion, there are no significant contingent liabilities relating to compliance with the rules and regulations governing state and federal grants; therefore, no provision has been recorded in the accompanying financial statements for such contingencies. Audits of prior years have not resulted in any significant disallowed costs or refunds. Any costs that would be disallowed would be recognized in the period agreed upon by the grantor agency and the Board.

10. Deferred Compensation Plan

The Board offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. This plan, available to all employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. All amounts of compensation deferred under the plan, all property, and rights purchased with those amounts, and all income attributable to those amounts, property or rights are held in trust for the employees, therefore the assets of the plan are not included in these financial statements.

11. Budgets

Operating and capital expenditure budgets are adopted by the Board on a basis consistent with accounting principles generally accepted in the United States. While not legally required, this budgetary information is employed as a management control device during the year. Comparison between actual and budgeted expenses is not a required presentation for an Enterprise Fund.

12. Property Taxes

Property taxes are levied by the City of New Orleans. Taxes on real and personal property attach as an enforceable lien on the property as of January 1. Taxes are levied on January 1, payable on January 1, and delinquent on March 15 for 2022.

The assessed value of the property is determined by an elected Assessor. The assessed value for 2021 and 2020 was \$4,269,786,671 and \$4,413,896,760, respectively. The combined tax rate dedicated for the Board for the years ended December 31, 2021 and 2020 was \$16.23 per \$1,000 of assessed valuation. These dedicated funds are available for operations, maintenance, construction, and extension of the drainage system (except for subsurface systems).

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA

NOTES TO FINANCIAL STATEMENTS (Continued)

13. Tax Abatement Agreement

The local government is subject to certain property tax abatements granted by the Louisiana State Board of Commerce and Industry (the “State Board”), a state entity governed by board members representing major economic groups and gubernatorial appointees. Abatements to which the government may be subject include those issued for property taxes under the Restoration Tax Abatement Program (“RTAP”). For the year ending December 31, 2021, the government participated in the Restoration Tax Abatement Program.

Under the RTAP, as authorized by Article 7, Section 21(H) of the Louisiana Constitution and Louisiana Revised Statutes 47:4311, companies that expand, restore, improve, or develop an existing structure or structures in a downtown, historic, or economic development district can apply to the State Board and the local governing authority for a property tax exemption. The exemptions are granted for a 5-year term and are renewable for an additional 5-year term upon the approval of the State Board and the local governing authority. The property tax abatements have resulted in reductions of property taxes, which the tax assessor administers as a temporary reduction in the assessed value of the property involved. The abatement agreements stipulate a percentage reduction of property taxes, which can be as much as 100 percent. The local government may recapture abated taxes if a company fails to expand facilities or otherwise fail to fulfill its commitments under the agreement.

During 2021, the City Council of the City of New Orleans approved tax abatement projects with a total investment value of \$5,201,081 of which \$499,962 was for the Board. During 2020, the City Council of the City of New Orleans approved tax abatement projects with a total investment value of \$8,796,484 of which \$845,575 was for the Board.

14. Segment Information

The Board issued revenue bonds to finance its water and sewerage departments which operate the Board’s water and sewerage treatment plants and distribution and collection systems. These bonds are accounted for in separate water and sewer funds, as investors in the revenue bonds rely solely on the revenue generated by the individual activities for repayment.

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA

NOTES TO FINANCIAL STATEMENTS (Continued)

14. Segment Information (continued)

Summary financial information for these departments as of and for the years ended December 31 is as follows:

	Condensed Statements of Net Position			
	Water		Sewer	
	2021	2020	2021	2020
Assets:				
Current unrestricted assets	\$ 91,765,704	\$ 62,743,488	\$ 88,738,570	\$ 89,660,620
Restricted assets	25,857,890	30,654,712	113,811,746	113,702,280
Other assets	13,912,079	13,255,164	17,965	17,965
Property, plant and equipment	777,073,438	702,958,811	1,151,507,012	1,122,515,000
Total assets	908,609,111	809,612,175	1,354,075,293	1,325,895,865
Deferred outflows of resources:	33,538,786	20,850,261	28,206,398	23,111,757
Total assets and deferred outflows	<u>\$ 942,147,897</u>	<u>\$ 830,462,436</u>	<u>\$ 1,382,281,691</u>	<u>\$ 1,349,007,622</u>
Liabilities:				
Current	\$ 70,815,276	\$ 66,566,202	\$ 49,907,466	\$ 36,798,958
Current liabilities payable from restricted assets	7,198,476	4,873,127	15,532,367	13,322,475
Noncurrent liabilities	343,118,171	329,724,646	439,399,482	442,998,234
Total liabilities	<u>421,131,923</u>	<u>401,163,975</u>	<u>504,839,315</u>	<u>493,119,667</u>
Deferred inflows of resources:	<u>12,135,687</u>	<u>8,190,800</u>	<u>12,135,687</u>	<u>8,190,801</u>
Net position:				
Net investment in capital assets	568,281,240	511,576,169	939,821,295	906,873,994
Restricted	8,944,676	16,491,311	16,855,297	28,052,853
Unrestricted (deficit)	<u>(68,345,629)</u>	<u>(106,959,819)</u>	<u>(91,369,903)</u>	<u>(87,229,693)</u>
Total net position	<u>508,880,287</u>	<u>421,107,661</u>	<u>865,306,689</u>	<u>847,697,154</u>
Total liabilities, deferred inflows, and net position	<u>\$ 942,147,897</u>	<u>\$ 830,462,436</u>	<u>\$ 1,382,281,691</u>	<u>\$ 1,349,007,622</u>

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA

NOTES TO FINANCIAL STATEMENTS (Continued)

14. Segment Information (continued)

	Condensed Statements of Revenues, Expenses, and Changes in Net Position			
	Water		Sewer	
	2021	2020	2021	2020
Service charges, pledged against bonds	\$ 120,090,444	\$ 120,899,574	\$ 151,864,835	\$ 147,368,512
Depreciation expense	(14,122,699)	(13,306,697)	(28,627,724)	(20,406,010)
Other operating expenses	(93,110,350)	(96,016,463)	(104,688,346)	(94,649,311)
Operating income (loss)	12,857,395	11,576,414	18,548,765	32,313,191
Nonoperating revenues (expenses):				
Contributions from other governments	2,848,138	5,626,547	-	-
Investment earnings	189,874	206,946	1,191,487	191,648
Other	(1,764,556)	(4,663,800)	(5,009,327)	(789,138)
Interest expense	(5,360,760)	(121,050)	(8,417,206)	(100,147)
Total nonoperating revenues (expenses)	(4,087,304)	1,048,643	(12,235,046)	(697,637)
Capital contributions	79,002,535	37,289,056	11,295,816	3,968,786
Change in net position	87,772,626	49,914,113	17,609,535	35,584,340
Beginning net position	421,107,661	371,193,548	847,697,154	812,112,814
Ending net position	\$ 508,880,287	\$ 421,107,661	\$ 865,306,689	\$ 847,697,154

	Condensed Statements of Cash Flows			
	Water		Sewer	
	2021	2020	2021	2020
Net cash provided by (used in):				
Operating activities	\$ 22,395,399	\$ 48,043,552	\$ 58,201,775	\$ 61,289,818
Noncapital financing activities	2,987,867	5,906,805	170,843	357,663
Capital and related financing activities	(33,424,094)	(43,083,395)	(53,057,290)	36,197,818
Investing activities	189,874	254,854	130,319	295,813
Net increase	(7,850,954)	11,121,816	5,445,647	98,141,112
Cash and cash equivalents:				
Beginning of year	58,785,741	47,663,925	159,168,448	61,027,336
End of year	\$ 50,934,787	\$ 58,785,741	\$ 164,614,095	\$ 159,168,448

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA

NOTES TO FINANCIAL STATEMENTS (Continued)

15. Recent Accounting Pronouncements

Effective January 1, 2021, the Board implemented GASB Statement No. 89, *Accounting for Interest Costs Incurred before the End of a Construction Period*. The Statement objectives include (1) enhancing the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) simplifying accounting for interest costs incurred before the end of a construction period.

GASB Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principal that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. This is a significant change in accounting principles and may impact the net position of the Board. The requirements of this Statement are effective for fiscal years beginning after June 15, 2021. Therefore, as applicable, the Board will implement this standard in 2022.

16. Examination by Federal, State, and Local Agencies

On March 19, 2020, the Louisiana Legislative Auditor (LLA) issued a report based on its review of the circumstances surrounding the Board's letting, bidding, and awarding of contracts pertaining to its new billing system. The purpose of the audit was to evaluate the Board's implementation of the new billing system and oversight of its billing processes. The LLA's report noted in one of its findings that there is a lack of accurate tracking of the free water consumption that amounted to \$26.3 million from fiscal years 2018 to 2019, along with other findings and recommendation. The Board is working to make attainable changes that can improve its delivery of water and sewer services. The Board has implemented accurate tracking for the free water accounts by assigning them with a unique rate code. The Board has since negotiated directly with the free water recipients to ensure accurate and timely billing. On March 17, 2021, the LLA issued a follow up report indicating recommendations were fully implemented or in progress.

17. Revenue Bonds Debt Service Coverage (Unaudited)

Each of the General Bond Resolutions governing the Series 2014, 2015, 2020, and 2021 Bonds have certain covenant requirements regarding net revenue available for debt service. The Board is in compliance with these particular covenants for the year ended December 31, 2021, as provided for in the respective General Bond Resolutions. The net revenue available for debt service in the Board's debt service coverage calculations is presented in Section III, Statistical Information (Unaudited).

18. Subsequent Events

In April 2022, the Board entered into a Cooperative Endeavor Agreement with the City of New Orleans to allow for the City to utilize proceeds from its 2021A Public Improvement Bonds to assist the Board's Carrollton Power Plant by specifically funding the purchase of two additional Static Frequency Changers and auxiliary power equipment as part of the building of the West Power Complex.

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA

**NOTES TO FINANCIAL STATEMENTS
(Continued)**

18. Subsequent Events (continued)

Total Funding of \$22,000,000 was provided to the Board and will remain deposited until such time as the amounts are payable to the third-party equipment vendors.

In May 2022, the Board entered into a Cooperative Endeavor Agreement with the City of New Orleans to allow for the funding by the City of a new electrical substation which will be built and owed by Entergy New Orleans. The City has agreed to transfer a total of \$30,000,000 which will fund the cost of the electrical substation through a series of agreements with Entergy New Orleans and the Board. The first half of the funding due to Entergy to secure the project was provided in May 2022 and the new substation is an integral part of the Strategic and Power Master plan to provide a more stable source of primary power.

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA
Required Supplementary Information Under GASB Statement No. 67, 68, and 71
For the years ended December 31, 2021 and 2020

SCHEDULE OF NET PENSION LIABILITY

Actuarial Valuation Date December 31	Total Pension Liability	Plan Fiduciary Net Position	Employer's Net Pension Liability	Plan Fiduciary Net Position as a % of Total Pension Liability	Covered Payroll	Net Pension Liability as a Percentage of Payroll
2021	\$ 350,483,713	\$ 274,480,177	\$ 76,003,536	78.31%	\$ 57,531,267	132.11%
2020	345,916,129	248,401,024	97,515,105	71.81%	54,856,389	177.76%
2019	344,719,120	239,677,702	105,041,418	69.53%	53,213,682	197.40%
2018	339,153,248	215,279,783	123,873,465	63.48%	50,679,697	244.42%
2017	318,218,035	235,284,317	82,933,718	73.94%	41,822,648	198.30%
2016	305,105,919	224,356,261	80,749,658	73.53%	35,363,156	228.34%
2015	299,395,091	222,427,527	76,967,564	74.29%	33,672,902	228.57%
2014	296,244,723	236,556,671	59,688,052	79.85%	31,378,001	190.22%
2013	290,919,481	234,358,565	56,560,916	80.56%	29,706,715	190.40%

Note to schedule:

Until a full 10-year trend is compiled, governments should present information for those years for which information is available. History prior to 2013 is not shown in this report but is maintained in the records of the employer.

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Year Ended	Actuarially Determined Contribution	Contributions in Relation to the Actuarial Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll Contribution	Contributions as a % of Covered Payroll
2021	\$ 10,614,595	\$ 9,861,935	\$ 752,660	\$ 57,531,267	17.14%
2020	10,263,698	10,392,532	(128,834)	54,856,389	18.94%
2019	10,156,701	10,466,009	(309,308)	53,213,682	19.67%
2018	8,435,598	8,419,441	16,157	50,679,697	16.61%
2017	10,545,867	7,239,467	3,306,400	41,822,648	17.31%
2016	11,024,398	6,407,201	4,617,197	35,363,156	18.12%
2015	10,799,993	6,506,652	4,293,341	33,672,902	19.32%
2014	11,171,823	6,055,890	5,115,933	31,378,001	19.30%
2013	11,086,546	5,946,614	5,139,932	29,706,715	20.02%
2012	9,127,658	6,287,658	2,840,000	29,074,529	21.63%

Note to schedule:

Valuation Date: January 1, 2021

Actuarially determined contribution rates are calculated as of January 1, 2021, which is the most recent valuation date prior to the end of the fiscal year in which contributions are reported.

Actuarial cost method	Entry age
Amortization method	Level dollar, layers closed periods
Remaining amortization period	Layered amortization with 29 years remaining on unfunded accrued liability at date of transition to funding method
Asset valuation method	7-year smoothed market
Inflation	2.5%
Salary increases	4.00% to 6.25%, including inflation
Investment rate of return	7.0%, net of pension plan investment expense, including inflation
Retirement age	Rates that vary by age and service
Mortality	Amount-weighted General Tables (i.e., PubG-2010 multiplied by 122% for males and 119% for females projected generationally using Scale MP-2019 mortality improvement rates with the male projection factors multiplied by 86% and female projection factors multiplied by 79%)

SCHEDULE OF INVESTMENT RETURNS

Year Ended	Net Money-Weighted Rate of Return
2021	14.96%
2020	9.67%
2019	15.97%
2018	-3.31%
2017	10.52%
2016	5.42%
2015	-1.79%
2014	4.94%

Note to schedule:

This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

(Continued)

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA
Required Supplementary Information Under GASB Statement No. 67, 68, and 71
For the years ended December 31, 2021 and 2020
(continued)

SCHEDULE OF CHANGES IN NET PENSION LIABILITY

	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability								
Service cost	\$ 5,396,701	\$ 5,149,327	\$ 4,812,453	\$ 4,354,989	\$ 3,797,316	\$ 3,030,912	\$ 2,788,621	\$ 3,417,599
Interest on total pension liability	23,747,666	23,570,547	23,277,459	21,763,800	21,357,414	20,957,657	20,737,131	20,364,364
Effect of plan changes	-	-	-	-	-	-	-	-
Effect of economic/demographic gains or (losses)	(942,832)	(8,492,559)	-	(5,689,086)	9,734,775	834,712	(1,978,038)	(1,721,210)
Effect of assumption changes or inputs	-	6,514,569	-	23,596,233	-	-	-	-
Benefit payments	(24,120,913)	(26,292,694)	(22,861,142)	(23,323,178)	(21,777,389)	(19,112,455)	(18,397,344)	(16,735,511)
Other	486,962	747,818	337,103	232,455	-	-	-	-
Net change in total pension liability	4,567,584	1,197,008	5,565,873	20,935,213	13,112,116	5,710,826	3,150,370	5,325,242
Total pension liability, beginning	345,916,129	344,719,121	339,153,248	318,218,035	305,105,919	299,395,093	296,244,723	290,919,481
Total pension liability, ending (a)	350,483,713	345,916,129	344,719,121	339,153,248	318,218,035	305,105,919	299,395,093	296,244,723
Plan Fiduciary Net Position								
Employer contributions	9,861,935	10,392,532	10,466,009	8,419,441	7,239,467	6,407,201	6,506,652	6,055,890
Employee contributions	2,979,077	3,015,231	2,793,158	2,535,027	2,139,705	2,063,122	1,847,259	1,535,723
Investment income net of investment expenses	36,872,091	20,860,435	33,662,791	(7,868,279)	23,326,273	12,570,866	(4,085,711)	11,342,004
Benefit payments	(24,120,913)	(26,292,694)	(22,861,142)	(23,323,178)	(21,777,389)	(19,112,455)	(18,397,344)	(16,735,511)
Administrative expenses	-	-	-	-	-	-	-	-
Other	486,963	747,818	337,103	232,455	-	-	-	-
Net change in plan fiduciary net position	26,079,153	8,723,322	24,397,919	(20,004,534)	10,928,056	1,928,734	(14,129,144)	2,198,106
Plan fiduciary net position, beginning	248,401,024	239,677,702	215,279,783	235,284,317	224,356,261	222,427,527	236,556,671	234,358,565
Plan fiduciary net position, ending (b)	\$ 274,480,177	\$ 248,401,024	\$ 239,677,702	\$ 215,279,783	\$ 235,284,317	\$ 224,356,261	\$ 222,427,527	\$ 236,556,671
Board's net pension liability, ending = (a) - (b)	\$ 76,003,536	\$ 97,515,105	\$ 105,041,419	\$ 123,873,465	\$ 82,933,718	\$ 80,749,658	\$ 76,967,566	\$ 59,688,052
Plan fiduciary net position as a % of total pension liability	78.31%	71.81%	69.53%	63.48%	73.94%	73.53%	74.29%	79.85%
Covered payroll	\$ 57,531,267	\$ 54,856,389	\$ 53,213,682	\$ 50,679,697	\$ 41,822,648	\$ 35,363,156	\$ 33,672,902	\$ 31,378,001
Board's net pension liability as a % of covered payroll	132.11%	177.76%	197.40%	244.42%	198.30%	228.34%	228.57%	190.22%

Notes to Schedules:

1. This schedule is prepared using the optional format of combining the required schedules in Paragraph Nos. 46.a. and 46.b. of GASB No. 68. Until a full 10-year trend is compiled, governments should present information for those years for which information is available. Amounts recognized in the fiscal year represent changes between the current and prior measurement dates. History prior to 2014 is not shown in this report but is maintained by the employer.
2. Information is presented using a December 31, 2021 measurement date as permitted under Paragraph No. 20 of GASB No. 68.
3. City annuity and other transfers in; prior to 2018, these amounts were combined with "Benefit payments, including refunds of employee contributions".
- 4 Total compensation (not just pensionable compensation, if different) based on census used in the valuation per Q/A No. 106 of the *Guide to Implementation of GASB Statement 68*.

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA
Required Supplementary Information Under GASB Statement No. 75
For the years ended December 31, 2021 and 2020

SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS

Financial Statement Reporting Date Measurement Date	12/31/2021 <u>12/31/2021</u>	12/31/2020 <u>12/31/2020</u>	12/31/2019 <u>12/31/2019</u>	12/31/2018 <u>12/31/2018</u>
Service cost	\$ 9,660,422	\$ 6,342,348	\$ 4,509,679	\$ 5,134,251
Interest	5,053,409	5,433,031	6,533,926	5,926,129
Changes of benefit terms	-	-	-	-
Difference between expected and actual experience	(8,027,532)	(7,306,463)	-	-
Changes of assumptions or other inputs	7,194,238	39,307,974	33,088,043	(16,063,510)
Benefit payments (employer)	<u>(7,455,588)</u>	<u>(6,569,278)</u>	<u>(7,515,819)</u>	<u>(7,043,121)</u>
Net change in total OPEB liability	6,424,949	37,207,612	36,615,829	(12,046,251)
Total OPEB liability - beginning	<u>232,435,706</u>	<u>195,228,094</u>	<u>158,612,265</u>	<u>170,658,516</u>
Total OPEB liability - ending	<u>\$ 238,860,655</u>	<u>\$ 232,435,706</u>	<u>\$ 195,228,094</u>	<u>\$ 158,612,265</u>
Covered payroll	<u>\$ 57,531,267</u>	<u>\$ 54,856,389</u>	<u>\$ 53,213,682</u>	<u>\$ 50,679,697</u>
Total OPEB liability as a percentage of covered payroll	415.18%	423.72%	366.88%	312.97%

Notes to Schedule:

1. This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.
2. Information is presented using measurement date which is the same as the fiscal year end.
3. There are no assets accumulated in a trust that meets the criteria of paragraph 4 of GASB 75 for this OPEB plan.
4. *Benefit Changes:* None.
5. *Changes in assumptions or other inputs for FY2021 :* Assumed Expenses, Assumed Per Capita Health Benefit Costs, Assumed Health Benefit Cost trend and Retiree Contribution trend have all been updated since the previous valuation. In addition, the discount rate was updated to 2.06% for the end of FY2021.
6. *Changes in assumptions or other inputs for FY2020:* Assumed Expenses, Assumed Per Capita Health Benefits Costs, Assumed Health Benefit Cost trend and Retiree Contribution trend have all been updated since the previous valuation. In addition, certain demographic and economic assumptions (i.e., rates of retirement, disability, termination and mortality, DROP participation, credited service for unused leave, assumed age difference for future retiree spouses and assumed salary increases) have been updated to reflect assumptions adopted by the Board of Trustees since the last valuation date. Lastly, the discount rate was updated to 2.12% for the end of FY2020.
7. *Changes in assumptions or other inputs for FY2019:* Assumed Expenses, Assumed Per Capita Health Benefits Costs, Assumed Health Benefit Cost trend and Retiree Contribution trend have all been updated since the previous valuation. In addition, the discount rate was updated to 2.74% for the end of FY2019.
8. *Changes in assumptions or other inputs for FY2018:* Assumed Expenses, Assumed Per Capita Health Benefits Costs, Assumed Health Benefit Cost

End of year 2018	4.10%
Beginning of year 2018	3.44%

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA
SCHEDULE OF NET POSITION BY DEPARTMENT
ENTERPRISE FUND
As of December 31, 2021 and 2020

	Water System		Sewerage System		Drainage System		Total	
	2021	2020	2021	2020	2021	2020	2021	2020
ASSETS AND DEFERED OUTFLOWS OF RESOURCES								
Current assets:								
Cash and cash equivalents	\$ 17,022,491	\$ 20,733,538	\$ 50,859,350	\$ 45,523,168	\$ 29,555,040	\$ 20,872,198	\$ 97,436,881	\$ 87,128,904
Investments	-	-	286,334	282,595	-	-	286,334	282,595
Accounts receivable:								
Customers, net of allowance	24,685,190	19,513,038	25,284,738	22,492,108	-	-	49,969,928	42,005,146
Taxes	-	-	-	-	3,104,961	3,144,460	3,104,961	3,144,460
Grants	48,349,319	23,711,829	2,572,371	1,201,465	2,228,192	3,768,301	53,149,882	28,681,595
Miscellaneous	619,306	675,274	423,934	651,743	1,438,153	1,165,583	2,481,393	2,492,600
Due from (to) other internal departments	(1,836,141)	(4,823,725)	7,070,321	17,475,491	(5,234,180)	(12,651,766)	-	-
Inventory of supplies	2,583,029	2,533,709	2,053,593	1,788,806	1,329,363	1,196,970	5,965,985	5,519,485
Prepaid expenses	342,510	399,825	187,929	245,244	184,360	213,018	714,799	858,087
Total unrestricted and undesignated	91,765,704	62,743,488	88,738,570	89,660,620	32,605,889	17,708,764	213,110,163	170,112,872
Total current assets	91,765,704	62,743,488	88,738,570	89,660,620	32,605,889	17,708,764	213,110,163	170,112,872
Noncurrent assets:								
Restricted cash, cash equivalents, and investments								
Cash and cash equivalents restricted for capital projects	13,485,178	10,690,165	96,090,394	84,738,172	266,047	4,230,074	109,841,619	99,658,411
Investments restricted for capital projects	2,584,723	2,584,723	57,000	57,000	-	-	2,641,723	2,641,723
Health insurance reserve	843,313	888,513	809,055	854,255	747,632	770,232	2,400,000	2,513,000
Debt service	8,944,676	16,491,311	16,855,297	28,052,853	-	-	25,799,973	44,544,164
Total restricted cash, cash equivalents, and investments	25,857,890	30,654,712	113,811,746	113,702,280	1,013,679	5,000,306	140,683,315	149,357,298
Property, plant and equipment	1,164,841,875	1,080,851,352	1,530,759,859	1,475,704,083	2,105,658,706	2,064,283,674	4,801,260,440	4,620,839,109
Less: accumulated depreciation	387,768,437	377,892,541	379,252,847	353,189,083	437,844,648	416,437,499	1,204,865,932	1,147,519,123
Property, plant, and equipment, net	777,073,438	702,958,811	1,151,507,012	1,122,515,000	1,667,814,058	1,647,846,175	3,596,394,508	3,473,319,986
Other assets								
Customer deposits - cash	10,639,129	9,982,214	-	-	-	-	10,639,129	9,982,214
Customer deposits - investments	3,250,000	3,250,000	-	-	-	-	3,250,000	3,250,000
Deposits	22,950	22,950	17,965	17,965	10,400	10,400	51,315	51,315
Total other assets	13,912,079	13,255,164	17,965	17,965	10,400	10,400	13,940,444	13,283,529
Total noncurrent assets	816,843,407	746,868,687	1,265,336,723	1,236,235,245	1,668,838,137	1,652,856,881	3,751,018,267	3,635,960,813
Total assets	908,609,111	809,612,175	1,354,075,293	1,325,895,865	1,701,444,026	1,670,565,645	3,964,128,430	3,806,073,685
Deferred outflows of resources:								
Deferred amounts related to net pension liability	2,597,509	5,502,070	2,597,509	5,502,070	2,597,509	5,502,070	7,792,527	16,506,210
Deferred amounts related to total OPEB liability	11,227,128	15,341,667	11,227,127	15,341,666	11,227,129	15,341,667	33,681,384	46,025,000
Deferred amounts related to bonds refunding	19,714,149	6,524	14,381,762	2,268,021	30,581	63,943	34,126,492	2,338,488
Total deferred outflows of resources	33,538,786	20,850,261	28,206,398	23,111,757	13,855,219	20,907,680	75,600,403	64,869,698
Total assets and deferred outflows of resources	\$ 942,147,897	\$ 830,462,436	\$ 1,382,281,691	\$ 1,349,007,622	\$ 1,715,299,245	\$ 1,691,473,325	\$ 4,039,728,833	\$ 3,870,943,383

(Continued)

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA
SCHEDULE OF NET POSITION BY DEPARTMENT, CONTINUED
ENTERPRISE FUND
As of December 31, 2021 and 2020

	Water System		Sewerage System		Drainage System		Total	
	2021	2020	2021	2020	2021	2020	2021	2020
LIABILITIES, DEFERRED OUTFLOWS OF RESOURCES, AND NET POSITION								
Current liabilities (payable from current assets):								
Accounts payable	\$ 53,740,456	\$ 53,622,472	\$ 37,383,433	\$ 25,454,649	\$ 17,003,715	\$ 15,731,006	\$ 108,127,604	\$ 94,808,127
Due to City of New Orleans	2,885,762	2,027,009	-	-	-	-	2,885,762	2,027,009
Disaster Reimbursement Revolving Loan	-	-	-	-	-	-	-	-
Retainers and estimates payable	5,794,966	2,775,963	2,299,476	1,791,464	1,434,469	1,660,808	9,528,911	6,228,235
Due to other fund	162,687	310,159	76,363	145,585	92,963	177,234	332,013	632,978
Accrued salaries	222,780	462,985	882,293	716,944	838,760	615,671	1,943,833	1,795,600
Claims payable	1,490,093	1,489,259	1,455,836	1,455,001	1,394,412	1,370,978	4,340,341	4,315,238
Total OPEB liability, due within one year	2,485,196	2,189,759	2,485,196	2,189,759	2,485,196	2,189,759	7,455,588	6,569,277
Southeast Louisiana Project liability, current portion	-	-	-	-	1,900,202	3,334,582	1,900,202	3,334,582
Debt Service Assistance Fund loan payable	-	-	2,902,502	2,773,797	-	-	2,902,502	2,773,797
Advances from federal government	2,755,068	2,755,068	1,976,305	1,976,305	-	-	4,731,373	4,731,373
Other liabilities	1,278,268	933,528	446,062	295,454	18,844	(4,884)	1,743,174	1,224,098
Total Current liabilities (payable from current assets):	70,815,276	66,566,202	49,907,466	36,798,958	25,168,561	25,075,154	145,891,303	128,440,314
Current liabilities (payable from restricted assets):								
Accrued interest	503,476	788,854	1,084,367	1,822,307	3,750	7,008	1,591,593	2,618,169
Bonds payable	6,695,000	4,005,000	14,448,000	11,493,000	2,000,000	1,955,000	23,143,000	17,453,000
Retainers and estimates payable	-	79,273	-	7,168	-	-	-	86,441
Total current liabilities (payable from restricted assets):	7,198,476	4,873,127	15,532,367	13,322,475	2,003,750	1,962,008	24,734,593	20,157,610
Total current liabilities	78,013,752	71,439,329	65,439,833	50,121,433	27,172,311	27,037,162	170,625,896	148,597,924
Long-term liabilities:								
Claims payable, net of current portion	4,221,184	4,050,309	5,106,112	5,172,330	33,445,797	34,068,217	42,773,093	43,290,856
Accrued vacation and sick pay	4,371,224	3,995,748	4,075,937	3,823,592	2,174,782	2,085,557	10,621,943	9,904,897
Net pension liability	25,334,512	32,505,035	25,334,512	32,505,035	25,334,512	32,505,035	76,003,536	97,515,105
Total OPEB liability, net of current portion	77,135,023	75,288,810	77,135,022	75,288,809	77,135,023	75,288,810	231,405,068	225,866,429
Bonds payable, net of current maturities	218,167,099	200,652,530	293,385,111	288,943,178	-	2,014,175	511,552,210	491,609,883
Southeast Louisiana Project liability, net of current portion	-	-	-	-	204,789,827	206,480,938	204,789,827	206,480,938
Debt Service Assistance Fund loan payable, net of current maturities	-	-	34,362,788	37,265,290	-	-	34,362,788	37,265,290
Customer deposits	13,889,129	13,232,214	-	-	-	-	13,889,129	13,232,214
Total long-term liabilities	343,118,171	329,724,646	439,399,482	442,998,234	342,879,941	352,442,732	1,125,397,594	1,125,165,612
Total liabilities	421,131,923	401,163,975	504,839,315	493,119,667	370,052,252	379,479,894	1,296,023,490	1,273,763,536
Deferred inflows of resources:								
Deferred amounts related to net pension liability	8,777,268	5,025,559	8,777,268	5,025,559	8,777,268	5,025,559	26,331,804	15,076,677
Deferred amounts related to total OPEB liability	3,358,419	3,165,241	3,358,419	3,165,242	3,358,420	3,165,242	10,075,258	9,495,725
Total deferred inflows of resources	12,135,687	8,190,800	12,135,687	8,190,801	12,135,688	8,190,801	36,407,062	24,572,402
Net position:								
Net investment in capital assets	568,281,240	511,576,169	939,821,295	906,873,994	1,459,390,076	1,438,291,554	2,967,492,611	2,856,741,717
Restricted for debt service	8,944,676	16,491,311	16,855,297	28,052,853	-	-	25,799,973	44,544,164
Unrestricted (deficit)	(68,345,629)	(106,959,819)	(91,369,903)	(87,229,693)	(126,278,771)	(134,488,924)	(285,994,303)	(328,678,436)
Total net position	508,880,287	421,107,661	865,306,689	847,697,154	1,333,111,305	1,303,802,630	2,707,298,281	2,572,607,445
Total liabilities, deferred inflows of resources, and net position	\$ 942,147,897	\$ 830,462,436	\$ 1,382,281,691	\$ 1,349,007,622	\$ 1,715,299,245	\$ 1,691,473,325	\$ 4,039,728,833	\$ 3,870,943,383

See accompanying independent auditors' report.

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION BY DEPARTMENT
ENTERPRISE FUND
For the years ended December 31, 2021 and 2020

	Water System		Sewerage System		Drainage System		Total	
	2021	2020	2021	2020	2021	2020	2021	2020
Operating revenues:								
Sales of water and delinquent fees	\$ 118,236,180	\$ 116,603,501	\$ -	\$ -	\$ -	\$ -	\$ 118,236,180	\$ 116,603,501
Sewerage service charges	-	-	150,364,182	146,261,741	-	-	150,364,182	146,261,741
Plumbing inspection and license fees	230,788	236,398	230,622	226,589	-	-	461,410	462,987
Other revenues	1,623,476	4,059,675	1,270,031	880,182	3,386,920	378,909	6,280,427	5,318,766
Total operating revenues	120,090,444	120,899,574	151,864,835	147,368,512	3,386,920	378,909	275,342,199	268,646,995
Operating Expenses:								
Power and pumping	2,866,665	2,513,067	6,552,230	5,757,412	13,546,345	12,031,838	22,965,240	20,302,317
Treatment	9,213,790	9,518,816	17,455,004	12,161,756	-	-	26,668,794	21,680,572
Transmission and distribution	14,124,827	16,878,602	16,820,357	13,080,099	4,717,343	4,201,971	35,662,527	34,160,672
Customer accounts	2,490,302	2,318,806	2,490,299	2,318,803	12,398	18,641	4,992,999	4,656,250
Customer service	5,140,923	4,130,235	5,140,920	4,130,232	68,639	83,164	10,350,482	8,343,631
Administration and general	9,488,031	10,698,541	12,367,756	12,542,665	5,895,823	6,281,784	27,751,610	29,522,990
Payroll related expenses	19,872,164	21,492,640	19,873,342	21,707,662	13,410,074	14,636,209	53,155,580	57,836,511
Maintenance of general plant	15,809,507	15,079,077	6,815,426	6,594,492	4,903,496	4,669,851	27,528,429	26,343,420
Depreciation	14,122,699	13,306,697	28,627,724	20,406,010	21,500,475	21,325,160	64,250,898	55,037,867
Provision for doubtful accounts	12,485,584	12,028,333	15,788,546	14,932,444	4,479	-	28,278,609	26,960,777
Provision for claims	1,618,557	1,358,346	1,384,466	1,423,746	124,439	280,981	3,127,462	3,063,073
Total operating expenses	107,233,049	109,323,160	133,316,070	115,055,321	64,183,511	63,529,599	304,732,630	287,908,080
Operating income (loss)	12,857,395	11,576,414	18,548,765	32,313,191	(60,796,591)	(63,150,690)	(29,390,431)	(19,261,085)
Non-operating revenues (expenses):								
Three-mill tax	-	-	-	-	17,545,136	17,906,032	17,545,136	17,906,032
Six-mill tax	-	-	-	-	18,345,424	18,614,966	18,345,424	18,614,966
Nine-mill tax	-	-	-	-	27,514,521	27,902,527	27,514,521	27,902,527
Two-mill tax	-	-	-	-	284	701	284	701
Other taxes	132,337	264,819	165,050	330,280	-	-	297,387	595,099
Contributions from other governments	2,848,138	5,626,547	-	-	4,148,226	1,030,625	6,996,364	6,657,172
Federal noncapital grants	7,392	15,439	5,793	27,383	2,658	17,260	15,843	60,082
Interest income	189,874	206,946	1,191,487	191,648	41,854	128,787	1,423,215	527,381
Bond issuance costs	(2,836,057)	-	(3,492,598)	(886,582)	-	-	(6,328,655)	(886,582)
Interest expense	(5,360,760)	(121,050)	(8,417,206)	(100,147)	(114,203)	(55,540)	(13,892,169)	(276,737)
Provision for grants	931,772	(4,944,058)	(1,687,572)	(260,219)	(23,831)	(607,922)	(779,631)	(5,812,199)
Total non-operating revenues (expenses)	(4,087,304)	1,048,643	(12,235,046)	(697,637)	67,460,069	64,937,436	51,137,719	65,288,442
Income (expenses) before capital contributions	8,770,091	12,625,057	6,313,719	31,615,554	6,663,478	1,786,746	21,747,288	46,027,357
Capital contributions	79,002,535	37,289,056	11,295,816	3,968,786	22,645,197	129,054,194	112,943,548	170,312,036
Change in net position	87,772,626	49,914,113	17,609,535	35,584,340	29,308,675	130,840,940	134,690,836	216,339,393
Net position, beginning of year	421,107,661	371,193,548	847,697,154	812,112,814	1,303,802,630	1,172,961,690	2,572,607,445	2,356,268,052
Net position, end of year	\$ 508,880,287	\$ 421,107,661	\$ 865,306,689	\$ 847,697,154	\$ 1,333,111,305	\$ 1,303,802,630	\$ 2,707,298,281	\$ 2,572,607,445

See accompanying independent auditors' report.

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA
SCHEDULE OF PROPERTY, PLANT AND EQUIPMENT BY DEPARTMENT
As of December 31, 2021 and 2020

	2021			
	Water	Sewer	Drainage	Total
Real estate rights, non depreciable	\$ 3,001,793	\$ 1,784,210	\$ 5,832,189	\$ 10,618,192
Power and pumping stations - buildings and machinery	292,171,872	154,813,673	417,899,144	864,884,689
Distribution systems	441,547,783	-	-	441,547,783
Sewerage collection, treatment plant, general plant, and buildings	135,175,553	1,176,684,514	81,522,991	1,393,383,058
Canals and subsurface drainage	-	-	1,262,729,592	1,262,729,592
Power transmissions, Connections and meters	76,887,585	52,590,387	13,236,277	142,714,249
 Total property, plant and equipment in service	 948,784,586	 1,385,872,784	 1,781,220,193	 4,115,877,563
Construction in progress	216,057,289	144,887,075	324,438,513	685,382,877
Total property, plant and equipment	1,164,841,875	1,530,759,859	2,105,658,706	4,801,260,440
Accumulated depreciation	387,768,437	379,252,847	437,844,648	1,204,865,932
Net property, plant and equipment	<u>\$ 777,073,438</u>	<u>\$ 1,151,507,012</u>	<u>\$ 1,667,814,058</u>	<u>\$ 3,596,394,508</u>
	2020			
	Water	Sewer	Drainage	Total
Real estate rights, non depreciable	\$ 3,001,793	\$ 1,784,210	\$ 5,832,189	\$ 10,618,192
Power and pumping stations - buildings and machinery	281,810,465	158,918,153	415,838,562	856,567,180
Distribution systems	408,237,429	-	-	408,237,429
Sewerage collection, treatment plant, general plant, and buildings	140,013,853	1,149,079,474	81,636,108	1,370,729,435
Canals and subsurface drainage	-	-	1,274,670,649	1,274,670,649
Power transmissions, Connections and meters	70,175,084	68,139,826	13,235,456	151,550,366
 Total property, plant and equipment in service	 903,238,624	 1,377,921,663	 1,791,212,964	 4,072,373,251
Construction in progress	177,612,728	97,782,420	273,070,710	548,465,858
Total property, plant and equipment	1,080,851,352	1,475,704,083	2,064,283,674	4,620,839,109
Accumulated depreciation	377,892,541	353,189,083	416,437,499	1,147,519,123
Net property, plant and equipment	<u>\$ 702,958,811</u>	<u>\$ 1,122,515,000</u>	<u>\$ 1,647,846,175</u>	<u>\$ 3,473,319,986</u>

See accompanying independent auditors' report.

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA
SCHEDULE OF BONDS PAYABLE
For the year ended December 31, 2021

	<u>Annual Interest Rates</u>	<u>Interest Payment Dates</u>	<u>Issue Date</u>	<u>Final Maturity Date</u>	<u>Outstanding as of 12/31/2020</u>	<u>New Debt in 2021</u>	<u>Payments/Retirements in 2021</u>	<u>Outstanding as of 12/31/2021</u>
Drainage System Bonds, 2014 (9-Mills)	1.89%	(6/1;12/1)	11/20/2014	12/1/2022	\$ 3,955,000	\$ -	\$ 1,955,000	\$ 2,000,000
					<u>3,955,000</u>	<u>-</u>	<u>1,955,000</u>	<u>2,000,000</u>
Sewer Revenue Bonds, 2011	0.95%	(5/1; 11/1)	12/1/2011	12/1/1932	5,601,000	-	443,000	5,158,000
Sewer Revenue Bonds, 2014	4.87%	(6/1;12/1)	12/1/2014	6/1/1944	87,705,000	-	70,610,000	17,095,000
Sewer Revenue Bonds, 2015	5.00%	(6/1;12/1)	12/17/2015	12/1/1945	100,000,000	-	87,290,000	12,710,000
Sewer Revenue Bonds, 2019	0.95%	(6/1;12/1)	11/20/2019	6/1/2040	127,550	2,927,677	-	3,055,227
Sewer Revenue Bonds, 2020A	1.50%	(12/1;06/1)	6/10/2020	6/1/2025	10,250,000	-	-	10,250,000
Sewer Revenue Bonds, 2020B	2.87%	(12/1;06/1)	12/8/2020	12/31/2080	64,750,000	-	-	64,750,000
Taxable Sewer Revenue Refunding Bonds, Series 2021	2.57%	(6/1;12/1)	3/3/2021	6/1/2045	-	178,195,000	-	178,195,000
Sewer Revenue Taxable Bond Series 2021 (WIFIA Projects)	1.85%	(6/1;12/1)	11/10/2021	6/1/2057	<u>-</u>	<u>936,848</u>	<u>-</u>	<u>936,848</u>
					<u>268,433,550</u>	<u>182,059,525</u>	<u>158,343,000</u>	<u>292,150,075</u>
Water Revenue Bonds, 2014	5.00%	(6/1;12/1)	12/1/2014	6/1/1944	92,270,000	-	79,425,000	12,845,000
Water Revenue Bonds, 2015	4.98%	(6/1;12/1)	12/17/2015	2/1/2030	97,630,000	-	82,015,000	15,615,000
Taxable Water Revenue Refunding Bonds, Series 2021	2.62%	(6/1;12/1)	3/3/2021	6/1/2045	<u>-</u>	<u>194,300,000</u>	<u>-</u>	<u>194,300,000</u>
					<u>189,900,000</u>	<u>194,300,000</u>	<u>161,440,000</u>	<u>222,760,000</u>
TOTAL					<u>\$ 462,288,550</u>	<u>\$ 376,359,525</u>	<u>\$ 321,738,000</u>	<u>\$ 516,910,075</u>

See accompanying independent auditors' report.

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA
SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS
DEBT SERVICE AND DEBT SERVICE RESERVE
REQUIRED BY BOND RESOLUTION
For the year ended December 31, 2021

	Debt Service Account				Debt Service Reserve Accounts		
	Water Revenue Bonds	Sewer Revenue Bonds	Drainage Revenue Bonds	Total	Water Revenue Bonds	Sewer Revenue Bonds	Total
Cash and investments at beginning of year	\$ 3,017,761	\$ 8,083,443	\$ -	\$ 11,101,204	\$ 13,473,550	\$ 19,969,410	\$ 33,442,960
Cash receipts:							
Bond proceeds and accrued interest	-	-	-	-	-	67,699	67,699
Transfers from operating cash and debt service reserve	8,163,358	23,701,767	2,039,100	33,904,225	-	-	-
Total receipts	8,163,358	23,701,767	2,039,100	33,904,225	-	67,699	67,699
Cash disbursements:							
Transferred out of refunding	3,016,913	10,235,581	-	13,252,494	7,874,550	12,845,876	20,720,426
Principal and interest payments, cost of issuance and transfers	4,818,532	11,885,563	2,039,100	18,743,195	-	-	-
Total cash disbursements	7,835,445	22,121,144	2,039,100	31,995,689	7,874,550	12,845,876	20,720,426
Cash and investments at end of year	\$ 3,345,674	\$ 9,664,066	\$ -	\$ 13,009,740	\$ 5,599,000	\$ 7,191,233	\$ 12,790,233

See accompanying independent auditors' report.

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA
CHANGES IN SELF-INSURANCE LIABILITIES BY DEPARTMENT
For the year ended December 31, 2021

	Beginning of Year	Current Year Claims and Estimate Change	Payments	End of Year
<u>WATER</u>				
Short-term:				
Workers' compensation	\$ 600,746	\$ 1,711,283	\$ 1,665,249	\$ 646,780
Health insurance	888,513	4,503,545	4,548,745	843,313
Total short-term	1,489,259	6,214,828	6,213,994	1,490,093
Long-term:				
Workers' compensation	213,119	(67,176)	-	145,943
General liability	3,837,190	238,051	-	4,075,241
Total long-term	4,050,309	170,875	-	4,221,184
Total	\$ 5,539,568	\$ 6,385,703	\$ 6,213,994	\$ 5,711,277
<u>SEWERAGE</u>				
Short-term:				
Workers' compensation	\$ 600,746	\$ 1,711,283	\$ 1,665,248	\$ 646,781
Health insurance	854,255	4,461,460	4,506,660	809,055
Total short-term	1,455,001	6,172,743	6,171,908	1,455,836
Long-term:				
Workers' compensation	213,119	(67,178)	-	145,941
General liability	4,959,211	3,960	3,000	4,960,171
Total long-term	5,172,330	(63,218)	3,000	5,106,112
Total	\$ 6,627,331	\$ 6,109,525	\$ 6,174,908	\$ 6,561,948
<u>DRAINAGE</u>				
Short-term:				
Workers' compensation	\$ 600,746	\$ 878,660	\$ 832,626	\$ 646,780
Health insurance	770,232	1,144,416	1,167,016	747,632
Total short-term	1,370,978	2,023,076	1,999,642	1,394,412
Long-term:				
Workers' compensation	213,119	(67,177)	-	145,942
General liability	33,855,098	(555,243)	-	33,299,855
Total long-term	34,068,217	(622,420)	-	33,445,797
Total	\$ 35,439,195	\$ 1,400,656	\$ 1,999,642	\$ 34,840,209
<u>TOTAL</u>				
Short-term:				
Workers' compensation	\$ 1,802,238	\$ 4,301,226	\$ 4,163,123	\$ 1,940,341
Health insurance	2,513,000	10,109,421	10,222,421	2,400,000
Total short-term	4,315,238	14,410,647	14,385,544	4,340,341
Long-term:				
Workers' compensation	639,357	(201,531)	-	437,826
General liability	42,651,499	(313,232)	3,000	42,335,267
Total long-term	43,290,856	(514,763)	3,000	42,773,093
Total	\$ 47,606,094	\$ 13,895,884	\$ 14,388,544	\$ 47,113,434

See accompanying independent auditors' report.

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA
SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER
PAYMENTS TO THE EXECUTIVE DIRECTOR
For the year ended December 31, 2021

Ghassan Korban, Executive Director

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 294,999
Benefits-hospitalization	6,537
Benefits-life insurance	104
Benefits-retirement	62,835
Reimbursements	925
Conference travel	1,052
Total	<u><u>\$ 366,452</u></u>

See accompanying independent auditors' report.

STATISTICAL SECTION



WORKFORCE DEVELOPMENT AND ENRICHMENT:
Another key focus area is Workforce Development and Enrichment in which we support and develop a high-performing team that is skilled, committed, inspired, rewarded, engaged, and accountable.

SEWERAGE AND WATER BOARD OF NEW ORLEANS
SUMMARY OF STATISTICAL INFORMATION
December 31, 2021
(Unaudited)

This part of the Board's Annual Comprehensive Financial report presents detailed information as a context for understanding what the information in the financial statement, note disclosure, and required supplementary information says about the Board's overall financial health.

Financial Trends:

These schedules contain trend information to help the reader understand how the Board's financial performance and well-being have changed over time.

Revenue Capacity:

These schedules contain information to help the reader assess the Board's most significant local revenue source, the property tax.

Debt Capacity:

These schedules present information to help the reader assess the affordability of the Board's current levels of outstanding debt and the Board's ability to issue additional debt in the future.

Demographic and Economic Information:

These schedules offer demographic and economic indicators to help the reader understand the environment within which the Board's financial activities take place.

Operating Information:

These schedules contain service and infrastructure data to help the reader understand how the information in the Board's financial report relates to the services the Board provides and the activities it performs.

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA
NET POSITION BY COMPONENT
Last Ten Fiscal Years
(Unaudited - accrual basis of accounting)

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Business-type activities										
Net investment in capital assets	\$ 2,967,492,611	\$ 2,856,741,717	\$ 2,631,802,752	\$ 2,543,371,049	\$ 2,405,073,361	\$ 2,251,197,095	\$ 2,009,322,572	\$ 2,013,060,377	\$ 1,919,436,757	\$ 1,762,389,823
Restricted for debt service	25,799,973	44,544,164	43,839,618	46,042,585	46,606,340	47,217,981	46,199,659	30,846,959	33,405,265	35,186,883
Unrestricted	(285,994,303)	(328,678,436)	(319,374,318)	(344,611,643)	(282,688,257)	(69,993,128)	27,166,084	(114,602,287)	(175,395,265)	(135,165,032)
Total business-type activities net position	<u>\$ 2,707,298,281</u>	<u>\$ 2,572,607,445</u>	<u>\$ 2,356,268,052</u>	<u>\$ 2,244,801,991</u>	<u>\$ 2,168,991,444</u>	<u>\$ 2,228,421,948</u>	<u>\$ 2,082,688,315</u>	<u>\$ 1,929,305,049</u>	<u>\$ 1,777,446,757</u>	<u>\$ 1,662,411,674</u>

Source: Audited Annual Comprehensive Financial Report

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA
CHANGES IN NET POSITION BY COMPONENT
Last Ten Fiscal Years
(Unaudited - accrual basis of accounting)

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Operating revenues:										
Sales of water and delinquent fees	\$ 118,236,180	\$ 116,603,501	\$ 113,339,213	\$ 90,287,081	\$ 90,464,810	\$ 83,158,940	\$ 78,007,937	\$ 70,818,255	\$ 64,398,609	\$ 60,256,304
Sewerage service charges	150,364,182	146,261,741	143,686,137	114,614,157	111,063,719	104,795,184	95,636,966	86,553,262	78,535,785	71,407,835
Plumbing inspection and license fees	461,410	462,987	582,056	648,332	588,330	638,502	610,768	678,352	643,036	687,806
Other revenue	6,280,427	5,318,766	5,351,115	5,687,203	3,451,274	4,078,380	8,290,157	5,024,480	5,119,368	4,626,276
Total operating revenues	275,342,199	268,646,995	262,958,521	211,236,773	205,568,133	192,671,006	182,545,828	163,074,349	148,696,798	136,978,221
Operating Expenses:										
Power and pumping	22,965,240	20,302,317	20,013,016	31,874,462	36,549,229	13,499,216	13,139,255	13,227,389	12,572,620	11,951,746
Treatment	26,668,794	21,680,572	19,688,222	22,958,975	25,651,907	20,300,344	18,740,637	19,527,000	18,143,049	18,906,540
Transmission and distribution	35,662,527	34,160,672	38,176,467	46,530,018	36,409,559	37,174,706	35,878,137	27,186,606	23,323,900	26,019,713
Customer accounts	4,992,999	4,656,250	5,431,786	5,243,276	4,460,155	4,151,027	3,807,405	3,514,360	3,425,934	3,334,652
Customer service	10,350,482	8,343,631	5,304,138	4,476,414	4,217,543	4,271,555	3,973,344	3,717,925	3,464,197	3,332,300
Administration and general	27,751,610	29,522,990	29,023,557	28,253,318	24,343,704	18,506,107	16,848,253	16,976,430	17,333,945	15,879,736
Payroll related	53,155,580	57,836,511	53,838,316	49,416,581	38,126,322	43,990,879	36,349,834	32,488,264	34,928,822	33,980,859
Maintenance of general plant	27,528,429	26,343,420	27,142,840	28,813,485	26,100,182	23,979,309	27,148,505	28,178,593	27,647,127	24,480,560
Depreciation	64,250,898	55,037,867	64,156,230	63,501,190	59,450,076	52,060,674	51,661,651	50,157,869	43,648,267	39,011,955
Provision for doubtful accounts	28,278,609	26,960,777	33,306,195	20,942,217	14,326,711	3,413,404	2,466,117	1,940,782	2,052,096	1,676,511
Provision (recovery) for claims	3,127,462	3,063,073	2,069,360	(7,202,684)	45,272,821	6,450,805	2,435,209	2,444,878	1,801,114	130,704
Total operating expenses	304,732,630	287,908,080	298,150,127	294,807,252	314,908,209	227,798,026	212,448,347	199,360,096	188,341,071	178,705,276
Operating loss	(29,390,431)	(19,261,085)	(35,191,606)	(83,570,479)	(109,340,076)	(35,127,020)	(29,902,519)	(36,285,747)	(39,644,273)	(41,727,055)
Non-operating revenues (expenses):										
Three-mill tax	17,545,136	17,906,032	15,300,420	15,504,589	15,309,309	16,043,825	14,139,193	13,481,526	13,175,711	12,497,723
Six-mill tax	18,345,424	18,614,966	16,241,889	15,576,221	16,229,098	16,215,799	14,290,667	13,626,539	13,317,505	12,630,977
Nine-mill tax	27,514,521	27,902,527	24,345,982	23,570,261	23,881,671	23,762,398	21,421,102	20,425,388	19,962,114	18,933,290
Two-mill tax	284	701	35	553	2,735	7,526	4,960	1,193	-	-
Other taxes	297,387	595,099	594,985	594,532	593,424	564,050	581,395	572,083	494,106	278,394
Contributions from other local governments	6,996,364	6,657,172	35,839,141	-	-	-	-	-	-	-
Federal noncapital grants	15,843	60,082	48,716	78,814	845	24,738	2,405	1,502	2,054,492	7,624,526
Interest income	1,423,215	527,381	1,610,012	3,788,898	4,273,821	4,667,470	2,511,032	811,263	353,630	401,387
Bond issuance costs	(6,328,655)	(886,582)	(127,550)	-	-	-	(1,510,657)	(2,649,339)	-	-
Interest expense	(13,892,169)	(276,737)	(228,235)	(3,204,239)	(3,537,336)	(32,471)	(53,518)	-	(371,349)	(737,893)
Recovery (provision) for grants	(779,631)	(5,812,199)	(7,230,828)	3,183,641	(8,906,949)	-	-	-	-	-
Total non-operating revenues (expenses)	51,137,719	65,288,442	86,394,567	59,093,270	47,846,618	61,253,335	51,386,579	46,270,155	79,047,577	51,628,404
Income (loss) before capital contributions	21,747,288	46,027,357	51,202,961	(24,477,209)	(61,493,458)	26,126,315	21,484,060	9,984,408	39,403,304	9,901,349
Capital contributions	112,943,548	170,312,036	60,263,100	100,287,756	96,336,075	119,607,318	131,899,206	141,873,884	114,317,636	114,530,907
Change in net position	134,690,836	216,339,393	111,466,061	75,810,547	34,842,617	145,733,633	153,383,266	151,858,292	153,720,940	124,432,256
Net position:										
Beginning of year	2,572,607,445	2,356,268,052	2,244,801,991	2,168,991,444	2,228,421,948	2,082,688,315	1,929,305,049	1,777,446,757	1,662,411,674	1,537,979,418
Change in accounting principle	-	-	-	-	(94,273,121)	-	-	-	(38,685,857)	-
Beginning of year, as restated	2,572,607,445	2,356,268,052	2,244,801,991	2,168,991,444	2,134,148,827	2,082,688,315	1,929,305,049	1,777,446,757	1,623,725,817	1,537,979,418
End of year	\$ 2,707,298,281	\$ 2,572,607,445	\$ 2,356,268,052	\$ 2,244,801,991	\$ 2,168,991,444	\$ 2,228,421,948	\$ 2,082,688,315	\$ 1,929,305,049	\$ 1,777,446,757	\$ 1,662,411,674

Source: Audited Annual Comprehensive Financial Report - Information available for ten years

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA
REVENUE AND EXPENSES BY SOURCE
ENTERPRISE FUND
Last Ten Years
(Unaudited)

Revenues	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Charges for service	\$ 132,351,945	\$ 143,577,430	\$ 158,049,869	\$ 174,255,671	\$ 188,592,626	\$ 202,116,859	\$ 205,549,570	\$ 257,607,406	\$ 263,328,229	\$ 269,061,772
Dedicated taxes	44,061,990	46,455,330	47,533,453	49,850,962	56,022,022	55,420,078	54,651,071	55,888,291	64,423,525	63,702,752
Two-mill tax	-	-	1,193	4,960	7,526	2,735	553	35	701	284
Interest on investments	401,387	353,630	811,263	2,511,046	4,667,470	4,273,821	3,788,898	1,610,012	527,381	1,423,215
Contributions from local governments	-	-	-	-	-	-	-	35,839,141	6,657,172	6,996,364
Other taxes and revenue	12,529,196	37,729,334	5,598,065	7,363,300	4,667,168	4,045,543	6,360,549	5,994,814	5,087,365	6,296,270
	<u>\$ 189,344,518</u>	<u>\$ 228,115,724</u>	<u>\$ 211,993,843</u>	<u>\$ 233,985,939</u>	<u>\$ 253,956,812</u>	<u>\$ 265,859,036</u>	<u>\$ 270,350,641</u>	<u>\$ 356,939,699</u>	<u>\$ 340,024,373</u>	<u>\$ 347,480,657</u>
Expenses	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Personnel services	\$ 74,358,288	\$ 75,998,997	\$ 76,009,536	\$ 81,094,850	\$ 88,422,754	\$ 85,643,784	\$ 107,582,424	\$ 112,931,852	\$ 116,727,875	\$ 111,455,664
Services and utilities	40,621,806	44,686,711	46,739,864	46,321,849	48,095,715	56,047,431	51,770,073	49,172,289	54,333,467	63,288,890
Materials and supplies	22,906,012	20,153,886	22,067,167	28,468,671	29,354,674	54,170,680	58,214,032	36,514,199	32,671,603	40,659,762
Depreciation and amortization	39,011,955	43,648,267	50,157,869	51,661,651	52,060,674	59,450,076	63,501,190	64,156,230	55,037,867	64,250,898
Provision for doubtful accounts	1,676,511	2,052,096	1,940,782	2,466,131	3,413,404	14,326,711	20,942,217	33,306,195	26,960,777	28,278,609
Provision for claims	130,704	1,801,114	2,444,878	2,435,209	6,450,805	45,272,821	(7,202,684)	2,069,360	3,063,073	3,127,462
Provision for grants	-	-	-	-	-	8,906,949	(3,183,641)	7,230,828	5,812,199	779,631
Bond issuance costs	-	-	2,649,339	1,510,657	-	-	-	127,550	886,582	3,492,598
Interest	737,893	371,349	-	53,518	32,471	3,537,336	3,204,239	228,235	(609,845)	10,399,571
	<u>\$ 179,443,169</u>	<u>\$ 188,712,420</u>	<u>\$ 202,009,435</u>	<u>\$ 214,012,536</u>	<u>\$ 227,830,497</u>	<u>\$ 327,355,788</u>	<u>\$ 294,827,850</u>	<u>\$ 305,736,738</u>	<u>\$ 294,883,598</u>	<u>\$ 325,733,085</u>

Source: Sewerage and Water Board of New Orleans.

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA
ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
Last Ten Fiscal Years
(Unaudited - amounts in thousands)

Fiscal Year (+)	Net Assessed Value		Total Net Assessed Value	Total Estimated Actual Value	Ratio of Total Net Assessed to Total Estimated Actual Value
	Real Estate	Personal Property			
2012	2,760,973	390,952	3,151,925	21,974,841	14.3%
2013	2,920,015	413,120	3,333,135	21,974,841	15.2%
2014	3,065,164	405,514	3,470,678	21,974,841	15.8%
2015	3,202,063	431,355	3,633,418	21,974,841	16.5%
2016	3,376,001	456,454	3,832,455	30,873,272	12.4%
2017	3,481,746	471,986	3,953,732	35,475,355	11.1%
2018	3,592,392	497,655	3,789,022	35,475,355	10.7%
2019	3,647,819	527,777	4,175,596	41,168,223	10.1%
2020	4,187,933	543,771	4,731,704	41,168,223	11.5%
2021	4,044,353	543,126	4,587,479	46,581,140	9.8%

Source:

(+) Louisiana Tax Commission Annual Reports, City of New Orleans

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
Last Ten Fiscal Years
(Unaudited)

Number of Mills
(Per \$1,000 of assessed value)

Fiscal Year	City of New Orleans	Orleans Levee District Eastbank	Algiers Levee District	Sewerage & Water Board of New Orleans	Orleans Parish School Board	Audubon Park & Zoo	Total
2012	72.05	11.67	12.76	16.43**	43.60	3.31	148.15
2013	72.05	11.67	12.36	16.43**	44.81	3.31	136.60
2014	72.05	11.67	12.76	16.43**	45.31	3.31	147.58
2015	71.95	11.67	12.56	16.43**	45.31	3.31	149.56
2016	74.45	12.28	6.21	16.43**	45.31	3.31	145.71
2017	60.98	12.28	12.56	16.43**	45.31	3.31	134.44
2018	60.98	12.28	12.56	16.43**	45.31	3.31	134.44
2019	60.98	12.28	12.56	16.43**	45.31	3.31	134.44
2020	70.71	11.18	12.26	16.23**	45.31	1.95	141.41
2021	51.43	7.77	8.45	11.27** (+)	31.48	1.35	111.75 (+)

Source: City of New Orleans

(+) Total excludes Sewerage and Water Board of New Orleans

**3 mills adopted in 1967 expires in 2046

**6 mills adopted in 1978 expires in 2027

**9 mills adopted in 1982 expires in 2032

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA
TEN LARGEST TAXPAYERS
December 31, 2021 and Ten Years Ago
(Amount in thousands)
(Unaudited)

Name of Taxpayer	Type of Business	2021 Assessed Value	Percentage of Total Assessed Value
Entergy Service	Electric & Gas Utilities	\$ 112,889	2.7%
Capital One Bank	Financial Institution	49,579	1.2%
Whitney/Hancock Bank	Financial Institution	32,426	0.8%
Marriot Hotel	Hotel	24,712	0.6%
Bellsouth Communication	Telecommunication	24,035	0.6%
Harrah's Entertainment	Hospitality & Gaming	21,407	0.5%
Folgers Coffee	Coffee Roasting Plant	21,360	0.5%
J P Morgan Chase Bank	Financial Institution	20,610	0.5%
International Rivercenter	Real Estate	19,388	0.5%
Sheraton Hotel	Hospitality	12,783	0.3%
		<u>\$ 339,189</u>	<u>8.1%</u>

Name of Taxpayer	Type of Business	2011 Assessed Value	Percentage of Total Assessed Value
Entergy Service	Electric & Gas Utilities	84,318	3.1%
Bellsouth Telecommunications	Telephone Utilities	56,603	2.0%
Harrah's Entertainment	Hospitality & Gaming	41,061	1.5%
Capital One Bank	Financial Institution	28,517	1.0%
J P Morgan Chase Bank	Financial Institution	17,466	0.6%
Whitney National Bank	Financial Institution	17,010	0.6%
International Rivercenter	Shopping Mall; Hotel	15,311	0.6%
Marriott Hotel Properties	Hotel	15,001	0.5%
C S & M Association Associates	Commercial Real Estate	14,653	0.5%
Poydras Properties	Real Estate	14,101	0.5%
		<u>\$ 304,041</u>	<u>10.9%</u>

Taxpayers Total

\$ 2,789,367

Source: City of New Orleans Department of Finance Bureau of the Treasury

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA
PROPERTY TAX
LEVIES AND COLLECTIONS BY THE CITY OF NEW ORLEANS
Last Ten Fiscal Years
(Unaudited - Amounts in Thousands)

Fiscal Year	Total Levied (1)	Collected within		Collections in	Total Collections to Date (1)	
		Fiscal year of the Levy (1)		Subsequent	Percentage	
		Amount	Percent	Years (1)	Amount	of Levy
				Amount		
Real Estate Taxes:						
2012	362,262	342,248	94.48%	17,109	359,357	99.20%
2013	382,902	363,026	94.81%	16,730	379,756	99.18%
2014	393,304	375,815	95.55%	13,527	389,342	98.99%
2015	422,306	397,843	94.21%	20,637	418,480	99.09%
2016	457,800	442,153	96.58%	10,381	452,534	98.85%
2017	480,924	458,767	95.39%	15,233	474,000	98.56%
2018	497,718	481,642	96.77%	-	481,642	96.77%
2019	497,718	481,642	96.77%	-	481,642	96.77%
2020	497,718	481,642	96.77%	-	481,642	96.77%
2021	496,197	456,347	91.97%	9,588	465,935	93.90%
Personal Property Taxes						
2012	81,685	78,275	95.83%	3,251	81,526	99.81%
2013	87,058	84,410	96.96%	981	85,391	98.09%
2014	84,620	81,926	96.82%	797	82,723	97.76%
2015	86,961	81,773	94.03%	2,961	84,734	97.44%
2016	92,428	88,797	96.07%	966	89,763	97.12%
2017	96,441	92,123	95.52%	242	92,365	95.77%
2018	101,280	94,862	93.66%	-	94,862	93.66%
2019	101,280	94,862	93.66%	-	94,862	93.66%
2020	101,280	94,862	93.66%	-	94,862	93.66%
2021	103,260	94,891	91.90%	1,081	95,972	92.94%

Source: City of New Orleans

(1) Last available information is 2019

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA

WATER AND SEWER RATES

December 31, 2021
Last Ten Fiscal Years
(Unaudited)

Year	Water					Sewer	
	Rate per 1,000 Gallons					Monthly Base Rate	Rate per 1,000 Gallons
	Monthly Base Rate	First 3000 3,000 Gallons	Next 17,000 Gallons	Next 980,000 Gallons	All Gallons Over 1,000,000		
2012	\$ 4.05	\$ 2.69	\$ 4.60	\$ 3.62	\$ 3.04	\$ 11.60	\$ 4.04
2013	\$ 4.46	\$ 2.96	\$ 5.06	\$ 3.98	\$ 3.34	\$ 12.76	\$ 4.44
2014	\$ 4.91	\$ 3.26	\$ 5.57	\$ 4.38	\$ 3.67	\$ 14.04	\$ 4.88
2015	\$ 5.40	\$ 3.59	\$ 6.13	\$ 4.82	\$ 4.04	\$ 15.44	\$ 5.37
2016	\$ 5.94	\$ 3.95	\$ 6.74	\$ 5.30	\$ 4.44	\$ 16.98	\$ 5.91
2017	\$ 6.53	\$ 4.35	\$ 7.41	\$ 5.83	\$ 4.88	\$ 18.68	\$ 6.50
2018	\$ 7.18	\$ 4.79	\$ 8.15	\$ 6.41	\$ 5.37	\$ 20.55	\$ 7.15
2019	\$ 7.90	\$ 5.27	\$ 8.97	\$ 7.05	\$ 5.91	\$ 22.61	\$ 7.87
2020	\$ 8.69	\$ 5.80	\$ 9.87	\$ 7.76	\$ 6.50	\$ 24.87	\$ 8.66
2021	\$ 8.69	\$ 5.80	\$ 9.87	\$ 7.76	\$ 6.50	\$ 24.87	\$ 8.66

Note: Rates are based on 5/8" meter, which is the standard household meter size.

Source: Sewerage and Water Board of New Orleans.

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA
RATIOS OF OUTSTANDING DEBT BY TYPE
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Personal Income (1) (in thousands)	Population (2)	Revenue Bonds	Special Tax Bonds	LDHH Bonds	Special Community Disaster Loan Payable	Debt Service Assistance Fund Loan	Total Debt	Percentage of Personal Income	Debt per Capita
2012	\$ 15,346,678	\$ 369,250	\$ 186,832,906	\$ 17,630,000	\$ 1,998,636	\$ 25,166,747	\$ 73,776,967	\$ 305,405,256	1.99%	\$ 827
2013	15,888,893	378,715	172,192,129	16,205,000	3,865	-	69,917,529	258,318,523	1.63%	682
2014	16,437,492	378,715	292,068,863	14,870,042	3,865	-	41,317,444	348,260,214	2.12%	920
2015	18,032,254	389,617	504,808,633	12,750,000	-	-	61,653,139	579,211,772	3.21%	1,487
2016	14,094,612	391,495	488,835,158	11,100,000	-	-	57,230,725	557,165,883	3.95%	1,423
2017	14,094,612	393,292	488,835,158	9,410,000	-	-	52,604,006	550,849,164	3.91%	1,401
2018	14,094,612	393,292	451,932,050	7,665,000	-	-	47,756,909	507,353,959	3.60%	1,290
2019	14,094,612	390,144	399,257,550	5,850,000	-	-	42,695,640	447,803,190	3.18%	1,148
2020	14,094,612	383,282	505,107,884	3,955,000	-	-	-	549,101,971	3.90%	1,433
2021	12,351,078	376,971	531,758,364	2,000,000	-	-	936,848	571,960,501	4.63%	1,517

(1) Source: Bureau of Economic Analysis.

(2) Source: www.census.gov/popest.

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA
COMPUTATION OF DIRECT AND OVERLAPPING DEBT
December 31, 2021
(Unaudited)

	Net Outstanding Debt	Percentage Overlapping	Overlapping Debt
Direct debt:			
Sewerage and Water Board, net of debt service funds (tax bonds only)	\$ 2,000,000	100%	\$ 2,000,000
Overlapping debt:			
City of New Orleans	667,160,000	100%	667,160,000
Audubon Park Commission	43,360,000	100%	43,360,000
Total overlapping debt	710,520,000	100%	710,520,000
Total direct and overlapping debt	\$ 712,520,000	100%	\$ 712,520,000

Source: Sewerage and Water Board of New Orleans.

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA
REVENUE BONDS DEBT SERVICE COVERAGE
WATER REVENUE BONDS
Last Seven Fiscal Years
(Unaudited)

Fiscal Year	Operating Revenue	(2) Direct Operating Expenses	Net Revenue Available for Debt Services	Debt Services Requirements			Coverage
				Principal	Interest	Total	
2015	82,957,551	71,168,572	11,788,979	-	3,500,000	3,500,000	3.37
2016	88,366,278	75,002,591	13,363,687	325,000	7,646,525	7,971,525	1.68
2017	94,657,534	77,838,026	16,819,508	2,540,000	10,100,550	12,640,550	1.33
2018	103,514,199	80,839,797	22,674,402	3,360,000	9,973,550	13,333,550	1.70
2019	124,155,676	82,505,413	41,650,263	3,575,000	9,819,550	13,394,550	3.11
2020	127,013,325	89,325,205	37,688,120	3,825,000	9,648,550	13,473,550	2.80
2021	(1) 123,268,185	87,175,236	36,092,949	-	4,856,418	4,856,418	7.43

(1) See Note 17 to the financial statements

(2) Total operating expenses less depreciation, change in total OPEB liability, net pension liability and related amortization of deferred inflows and outflows of resources.

Source: Sewerage and Water Board of New Orleans.

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA
REVENUE BONDS DEBT SERVICE COVERAGE
SEWER REVENUE BONDS
Last Seven Fiscal Years
(Unaudited)

Fiscal Year	Operating Revenue	(2) Direct Operating Expenses	Net Revenue Available for Debt Services	Debt Services Requirements			Coverage
				Principal	Interest	Total	
2015	98,166,699	50,196,374	47,970,325	11,644,000	4,750,603	16,394,603	2.93
2016	108,241,219	57,142,277	51,098,942	12,852,000	10,463,838	23,315,838	2.19
2017	114,318,485	64,686,410	49,632,075	13,392,000	11,413,498	24,805,498	2.00
2018	118,029,837	81,270,955	36,758,882	12,356,000	10,783,057	23,139,057	1.59
2019	155,359,848	78,709,343	76,650,505	11,510,000	10,203,963	21,713,963	3.53
2020	147,917,823	87,958,052	59,959,771	12,099,000	9,705,711	21,804,711	2.75
2021	(1) 153,227,165	98,753,223	54,473,942	443,000	7,762,137	8,205,137	6.64

(1) See Note 17 to the financial statements

(2) Total operating expenses less depreciation, change in total OPEB liability, net pension liability and related amortization of deferred inflows and outflows of resources.

Source: Sewerage and Water Board of New Orleans.

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA
WATER SYSTEM UNRESTRICTED CASH AND CASH EQUIVALENTS
DAYS OF OPERATING AND MAINTENANCE EXPENSE AT YEAR END
Last Seven Fiscal Years
(unaudited)

<u>Fiscal Year</u>	<u>Cash Balance</u>	<u>One Day O&M</u>	<u>Measurement</u>
2015	39,253,304	194,982	201
2016	38,383,800	205,487	187
2017	29,823,726	213,255	140
2018	38,771,396	221,479	175
2019	33,211,223	226,042	147
2020	33,988,702	244,727	139
2021	30,934,570	238,836	130

Source: Sewerage and Water Board of New Orleans.

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA
SEWER SYSTEM UNRESTRICTED CASH AND CASH EQUIVALENTS
DAYS OF OPERATING AND MAINTENANCE EXPENSE AT YEAR END
Last Seven Fiscal Years
(unaudited)

<u>Fiscal Year</u>	<u>Cash Balance</u>	<u>One Day O&M</u>	<u>Measurement</u>
2015	40,267,802	137,524	293
2016	62,584,566	156,554	400
2017	52,923,266	177,223	299
2018	30,935,972	222,660	139
2019	32,694,605	215,642	152
2020	45,823,728	240,981	190
2021	51,163,649	270,557	189

Source: Sewerage and Water Board of New Orleans.

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA
DEMOGRAPHIC STATISTICS
Last Ten Fiscal Years
(Unaudited)

<u>Fiscal Year</u>	<u>Population(1)</u>	<u>Personal Income (in thousands)</u>	<u>Per Capita Personal Income</u>	<u>Unemployment Rate (3)</u>
2012	369,250	\$ 15,346,678	\$ 41,562	5.50%
2013	378,715	15,888,893	41,955	4.20%
2014	378,715	16,437,492	43,403	7.50%
2015	389,617	18,032,254	46,282	6.00%
2016	391,495	14,094,612	36,792	5.40%
2017	393,292	14,094,612	35,838	5.41%
2018	393,292	14,094,612	35,838	3.09%
2019	390,144	14,094,612	36,127	4.50%
2020	390,144	14,094,612	36,127	8.70%
2021	383,575	14,191,488	54,435	6.20%

(1) www.census.gov/popest.

(2) Estimates- Bureau of Economic Analysis.

(3) U.S. Bureau of Labor Statistics. Unemployment rate for the New Orleans-Metairie-Kenner, LA metropolitan area.

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA
NEW ORLEANS AREA PRINCIPAL EMPLOYERS
Last Ten Fiscal Years
(Unaudited)

	Rank / Number of Employees									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Acme Truck Line Inc.			10 / 3,100	10 / 3,100	10 / 3,100	10 / 3,100	10 / 3,100			
Al Copeland Investments	9 / 2,000									
Boh Bros. Construction										
Capital One Bank N.A.	8 / 2,150									
Catholic Charities Archdiocese of New Orleans								7 / 5,000	8 / 5,000	
Dow Chemical Company	10 / 2,000									
East Jefferson General Hospital	5 / 3,150									
Entergy								3 / 13,504	3 / 13,504	1 / 13,504
Harrah's New Orleans Casino	7 / 2,200	7 / 2,700								
Hilton Hotel & Resorts			4 / 5,000	4 / 5,000	4 / 5,000	4 / 5,000	4 / 5,000	2 / 16,380	2 / 16,380	
Ingalls Shipbuilding			3 / 6,000	3 / 6,000	3 / 6,000	3 / 6,000	3 / 6,000			
Lockheed Martin Manned Space Systems	7 / 2,800									
Louisiana Children's Medical Center			7 / 4,500	7 / 4,500	7 / 4,500	7 / 4,500	7 / 4,500	4 / 6,100	6 / 6,100	4 / 6,100
LSU Health Sciences Center New Orleans	3 / 5,000	2 / 7,000	2 / 7,000	2 / 7,000	2 / 7,000	2 / 7,000	2 / 7,000	8 / 4,570		7 / 4,750
LSU Public Hospital			5 / 5,000	5 / 5,000	5 / 5,000	5 / 5,000	5 / 5,000			
NASA Michoud		9 / 2,000								
New Orleans Police Department Employees Credit Union										10 / 3,000
North Oaks Health System		7 / 2,700								
Northrup Grumman Avondale	2 / 5,400	3 / 6,000								
Ochsner Medical Institutions / Health System	1 / 9,100	1 / 9,100	1 / 9,800	1 / 9,800	1 / 9,800	1 / 9,800	1 / 9,800	1 / 19,000	1 / 30,000	
Republic National Distributing									10 / 3,464	9 / 3,464
St. Christopher the Martyr Catholic Church										6 / 5,000
Stewart Enterprises								9 / 4,250	7 / 5,400	5 / 5,400
Tidewater								6 / 5,510	4 / 6,550	2 / 6,550
Tulane University	4 / 4,400	4 / 5,000	6 / 4,700	6 / 4,700	6 / 4,700	6 / 4,700	6 / 4,700	5 / 6,030	5 / 6,250	3 / 6,250
University of New Orleans		6 / 3,114	9 / 3,100	9 / 3,100	9 / 3,100	9 / 3,100	9 / 3,100			
US Post Office	6 / 2,900	5 / 4,000	8 / 4,000	8 / 4,000	8 / 4,000	8 / 4,000	8 / 4,000			
Weiser Security Services								10 / 3,500	9 / 3,500	8 / 3,500
West Jefferson Medical Center		10 / 1,904								

Source: Zippia, the Career Expert. (www.zippia.com). Employers with principal offices located in the New Orleans metropolitan area

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA
CAPITAL EXPENDITURES BY DEPARTMENT
ENTERPRISE FUND
Last Ten Fiscal Years
(Unaudited)

Year	Water	Sewer	Drainage	Total
2012	33,888,620	60,658,231	90,435,159	184,982,010
2013	37,552,122	63,172,589	79,811,759	180,536,470
2014	46,604,884	58,870,182	152,172,018	257,647,084
2015	42,638,486	56,387,080	152,172,018	251,197,584
2016	46,106,462	48,975,578	167,051,515	262,133,555
2017	89,887,813	85,066,607	151,533,673	326,488,093
2018	72,486,981	66,802,398	108,035,976	247,325,355
2019	51,750,024	35,889,255	84,555,316	172,194,595
2020	58,425,367	43,321,073	103,848,810	205,595,250
2021	83,990,523	55,055,776	41,375,032	180,421,331

¹ Includes contributed assets

Source: Sewerage and Water Board of New Orleans.

SEWERAGE & WATER BOARD OF NEW ORLEANS, LOUISIANA
SCHEDULE OF FUTURE DEBT PAYMENTS
DECEMBER 31, 2021
(Unaudited)

		Water Revenue Bonds			
		Series 2014	Series 2015	Series 2021	All Bonds Issues
2022	Principal	\$ 3,225,000	\$ 970,000	\$ 2,500,000	\$ 6,695,000
	Interest	642,250	761,350	4,638,114	6,041,714
2023	Principal	2,230,000	2,155,000	2,515,000	6,900,000
	Interest	481,000	732,250	4,627,739	5,840,989
2024	Principal	2,345,000	2,260,000	2,525,000	7,130,000
	Interest	369,500	624,500	4,616,045	5,610,045
2025	Principal	2,460,000	2,375,000	2,540,000	7,375,000
	Interest	252,250	511,500	4,599,910	5,363,660
2026	Principal	2,585,000	2,490,000	2,565,000	7,640,000
	Interest	192,250	392,750	4,578,117	5,163,117
2027	Principal	-	2,615,000	5,300,000	7,915,000
	Interest	-	268,250	4,552,261	4,820,511
2028	Principal	-	2,750,000	5,370,000	8,120,000
	Interest	-	137,500	4,485,534	4,623,034
2029	Principal	-	-	8,330,000	8,330,000
	Interest	-	-	4,407,186	4,407,186
2030	Principal	-	-	8,475,000	8,475,000
	Interest	-	-	4,266,332	4,266,332
2031	Principal	-	-	8,630,000	8,630,000
	Interest	-	-	4,110,301	4,110,301
2032	Principal	-	-	8,800,000	8,800,000
	Interest	-	-	3,942,793	3,942,793
2033	Principal	-	-	8,980,000	8,980,000
	Interest	-	-	3,763,185	3,763,185
2034	Principal	-	-	9,170,000	9,170,000
	Interest	-	-	3,570,923	3,570,923
2035	Principal	-	-	9,375,000	9,375,000
	Interest	-	-	3,365,423	3,365,423
2036	Principal	-	-	9,590,000	9,590,000
	Interest	-	-	3,150,642	3,150,642
2037	Principal	-	-	9,810,000	9,810,000
	Interest	-	-	2,926,140	2,926,140
2038	Principal	-	-	10,095,000	10,095,000
	Interest	-	-	2,642,729	2,642,729
2039	Principal	-	-	10,380,000	10,380,000
	Interest	-	-	2,351,085	2,351,085
2040	Principal	-	-	10,675,000	10,675,000
	Interest	-	-	2,051,207	2,051,207
2041	Principal	-	-	10,990,000	10,990,000
	Interest	-	-	1,742,806	1,742,806
2042	Principal	-	-	11,305,000	11,305,000
	Interest	-	-	1,425,305	1,425,305
2043	Principal	-	-	11,645,000	11,645,000
	Interest	-	-	1,087,398	1,087,398
2044	Principal	-	-	11,995,000	11,995,000
	Interest	-	-	739,329	739,329
2045	Principal	-	-	12,740,000	12,740,000
	Interest	-	-	380,799	380,799
Total Principal		12,845,000	15,615,000	194,300,000	222,760,000
Total Interest		1,937,250	3,428,100	78,021,303	83,386,653
Total Future Debt Payments		\$ 14,782,250	\$ 19,043,100	\$ 272,321,303	\$ 306,146,653

Source: Sewerage and Water Board of New Orleans.

SEWERAGE & WATER BOARD OF NEW ORLEANS, LOUISIANA
SCHEDULE OF FUTURE DEBT PAYMENTS
DECEMBER 31, 2021
(Unaudited)

		Sewer Revenue Bonds									
		Series 2011	Series 2014	Series 2015	Series 2019	Series 2020A	Series 2020B	Series 2021	WIFIA	Total	
2022	Principal	\$ 447,000	\$ 7,445,000	\$ 2,000,000	\$ 456,000	\$ 1,765,000	\$ -	\$ 2,335,000	\$ -	\$ 14,448,000	
	Interest	49,001	668,625	585,500	16,925	140,513	2,949,900	4,121,136	17,332	8,548,932	
2023	Principal	451,000	3,920,000	2,000,000	461,000	3,130,000	-	2,345,000	-	12,307,000	
	Interest	44,755	384,500	485,500	15,329	103,800	2,949,900	4,112,008	17,332	8,113,124	
2024	Principal	456,000	3,760,000	2,000,000	465,000	3,195,000	-	2,355,000	-	12,231,000	
	Interest	40,470	192,500	385,500	13,246	56,363	2,949,900	4,100,207	17,332	7,755,518	
2025	Principal	460,000	1,970,000	2,125,000	190,000	2,160,000	-	2,375,000	-	9,280,000	
	Interest	36,138	49,250	282,375	11,772	16,200	2,949,900	4,083,677	17,332	7,446,644	
2026	Principal	464,000	-	2,235,000	190,000	-	2,000,000	4,425,000	-	9,314,000	
	Interest	31,768	-	173,375	10,917	-	2,899,900	4,052,886	17,332	7,186,178	
2027	Principal	469,000	-	2,350,000	195,000	-	2,580,000	4,470,000	-	10,064,000	
	Interest	27,360	-	58,750	10,051	-	2,785,400	4,004,669	17,332	6,903,562	
2028	Principal	473,000	-	-	195,000	-	2,590,000	6,955,000	-	10,213,000	
	Interest	22,905	-	-	9,173	-	2,656,150	3,928,650	17,332	6,634,210	
2029	Principal	478,000	-	-	195,000	-	2,600,000	7,065,000	-	10,338,000	
	Interest	18,411	-	-	8,296	-	2,526,400	3,821,683	17,332	6,392,122	
2030	Principal	482,000	-	-	200,000	-	2,610,000	7,185,000	-	10,477,000	
	Interest	13,870	-	-	7,407	-	2,396,150	3,699,373	17,332	6,134,132	
2031	Principal	487,000	-	-	200,000	-	2,620,000	7,325,000	-	10,632,000	
	Interest	9,291	-	-	6,507	-	2,265,400	3,565,774	17,332	5,864,304	
2032	Principal	491,000	-	-	205,000	-	2,635,000	7,465,000	936,848	11,732,848	
	Interest	4,665	-	-	5,596	-	2,134,025	3,422,202	17,332	5,583,820	
2033	Principal	-	-	-	103,227	-	2,645,000	8,120,000	-	10,868,227	
	Interest	-	-	-	4,673	-	2,002,025	3,262,993	-	5,269,691	
2034	Principal	-	-	-	-	-	2,660,000	8,290,000	-	10,950,000	
	Interest	-	-	-	-	-	1,869,400	3,087,282	-	4,956,682	
2035	Principal	-	-	-	-	-	2,660,000	8,480,000	-	11,140,000	
	Interest	-	-	-	-	-	1,749,700	2,901,446	-	4,651,146	
2036	Principal	-	-	-	-	-	2,650,000	8,675,000	-	11,325,000	
	Interest	-	-	-	-	-	1,643,500	2,707,056	-	4,350,556	
2037	Principal	-	-	-	-	-	2,635,000	8,900,000	-	11,535,000	
	Interest	-	-	-	-	-	1,537,800	2,481,348	-	4,019,148	
2038	Principal	-	-	-	-	-	2,620,000	9,150,000	-	11,770,000	
	Interest	-	-	-	-	-	1,432,700	2,225,128	-	3,657,828	
2039	Principal	-	-	-	-	-	2,605,000	9,415,000	-	12,020,000	
	Interest	-	-	-	-	-	1,328,200	1,961,598	-	3,289,798	
2040	Principal	-	-	-	-	-	2,590,000	9,685,000	-	12,275,000	
	Interest	-	-	-	-	-	1,224,300	1,690,474	-	2,914,774	
2041	Principal	-	-	-	-	-	2,585,000	9,965,000	-	12,550,000	
	Interest	-	-	-	-	-	1,107,875	1,411,542	-	2,519,417	
2042	Principal	-	-	-	-	-	2,600,000	10,260,000	-	12,860,000	
	Interest	-	-	-	-	-	978,250	1,119,318	-	2,097,568	
2043	Principal	-	-	-	-	-	2,610,000	10,565,000	-	13,175,000	
	Interest	-	-	-	-	-	848,000	813,295	-	1,661,295	
2044	Principal	-	-	-	-	-	2,620,000	10,880,000	-	13,500,000	
	Interest	-	-	-	-	-	717,250	498,161	-	1,215,411	
2045	Principal	-	-	-	-	-	2,635,000	11,510,000	-	14,145,000	
	Interest	-	-	-	-	-	585,875	169,139	-	755,014	
2046	Principal	-	-	-	-	-	2,630,000	-	-	2,630,000	
	Interest	-	-	-	-	-	467,400	-	-	467,400	
2047	Principal	-	-	-	-	-	2,615,000	-	-	2,615,000	
	Interest	-	-	-	-	-	362,500	-	-	362,500	
2048	Principal	-	-	-	-	-	2,600,000	-	-	2,600,000	
	Interest	-	-	-	-	-	258,200	-	-	258,200	
2049	Principal	-	-	-	-	-	2,585,000	-	-	2,585,000	
	Interest	-	-	-	-	-	154,500	-	-	154,500	
2050	Principal	-	-	-	-	-	2,570,000	-	-	2,570,000	
	Interest	-	-	-	-	-	51,400	-	-	51,400	
Total Principal		5,158,000	17,095,000	12,710,000	3,055,227	10,250,000	64,750,000	178,195,000	936,848	292,150,075	
Total Interest		298,634	1,294,875	1,971,000	119,892	316,875	47,781,900	67,241,045	190,652	119,214,873	
Total Future Debt Payments		\$ 5,456,634	\$ 18,389,875	\$ 14,681,000	\$ 3,175,119	\$ 10,566,875	\$ 112,531,900	\$ 245,436,045	\$ 1,127,500	\$ 411,364,948	

Source: Sewerage and Water Board of New Orleans.

SEWERAGE & WATER BOARD OF NEW ORLEANS, LOUISIANA
SCHEDULE OF FUTURE DEBT PAYMENTS
DECEMBER 31, 2021
(Unaudited)

		Drainage Special Tax Bonds	
		Series	All Bonds
		2014	Issues
2022	Principal	\$ 2,000,000	\$ 2,000,000
	Interest	45,000	45,000
Total Principal		2,000,000	2,000,000
Total Interest		45,000	45,000
Total Future Debt Payments		<u>\$ 2,045,000</u>	<u>\$ 2,045,000</u>

Source: Sewerage and Water Board of New Orleans.

SEWERAGE & WATER BOARD OF NEW ORLEANS, LOUISIANA
SCHEDULE OF FUTURE DEBT PAYMENTS
DECEMBER 31, 2021
(Unaudited)

		All Departments			
		Water	Sewer	Drainage	Total
2022	Principal	\$ 6,695,000	\$ 14,448,000	\$ 2,000,000	\$ 23,143,000
	Interest	6,041,714	8,548,932	45,000	14,635,646
2023	Principal	6,900,000	12,307,000	-	19,207,000
	Interest	5,840,989	8,113,124	-	13,954,113
2024	Principal	7,130,000	12,231,000	-	19,361,000
	Interest	5,610,045	7,755,518	-	13,365,563
2025	Principal	7,375,000	9,280,000	-	16,655,000
	Interest	5,363,660	7,446,644	-	12,810,304
2026	Principal	7,640,000	9,314,000	-	16,954,000
	Interest	5,163,117	7,186,178	-	12,349,295
2027	Principal	7,915,000	10,064,000	-	17,979,000
	Interest	4,820,511	6,903,562	-	11,724,073
2028	Principal	8,120,000	10,213,000	-	18,333,000
	Interest	4,623,034	6,634,210	-	11,257,244
2029	Principal	8,330,000	10,338,000	-	18,668,000
	Interest	4,407,186	6,392,122	-	10,799,308
2030	Principal	8,475,000	10,477,000	-	18,952,000
	Interest	4,266,332	6,134,132	-	10,400,464
2031	Principal	8,630,000	10,632,000	-	19,262,000
	Interest	4,110,301	5,864,304	-	9,974,605
2032	Principal	8,800,000	11,732,848	-	20,532,848
	Interest	3,942,793	5,583,820	-	9,526,613
2033	Principal	8,980,000	10,868,227	-	19,848,227
	Interest	3,763,185	5,269,691	-	9,032,876
2034	Principal	9,170,000	10,950,000	-	20,120,000
	Interest	3,570,923	4,956,682	-	8,527,605
2035	Principal	9,375,000	11,140,000	-	20,515,000
	Interest	3,365,423	4,651,146	-	8,016,569
2036	Principal	9,590,000	11,325,000	-	20,915,000
	Interest	3,150,642	4,350,556	-	7,501,198
2037	Principal	9,810,000	11,535,000	-	21,345,000
	Interest	2,926,140	4,019,148	-	6,945,288
2038	Principal	10,095,000	11,770,000	-	21,865,000
	Interest	2,642,729	3,657,828	-	6,300,557
2039	Principal	10,380,000	12,020,000	-	22,400,000
	Interest	2,351,085	3,289,798	-	5,640,883
2040	Principal	10,675,000	12,275,000	-	22,950,000
	Interest	2,051,207	2,914,774	-	4,965,981
2041	Principal	10,990,000	12,550,000	-	23,540,000
	Interest	1,742,806	2,519,417	-	4,262,223
2042	Principal	11,305,000	12,860,000	-	24,165,000
	Interest	1,425,305	2,097,568	-	3,522,873
2043	Principal	11,645,000	13,175,000	-	24,820,000
	Interest	1,087,398	1,661,295	-	2,748,693
2044	Principal	11,995,000	13,500,000	-	25,495,000
	Interest	739,329	1,215,411	-	1,954,740
2045	Principal	12,740,000	14,145,000	-	26,885,000
	Interest	380,799	755,014	-	1,135,813
2046	Principal	-	2,630,000	-	2,630,000
	Interest	-	467,400	-	467,400
2047	Principal	-	2,615,000	-	2,615,000
	Interest	-	362,500	-	362,500
2048	Principal	-	2,600,000	-	2,600,000
	Interest	-	258,200	-	258,200
2049	Principal	-	2,585,000	-	2,585,000
	Interest	-	154,500	-	154,500
2050	Principal	-	2,570,000	-	2,570,000
	Interest	-	51,400	-	51,400
Total Principal		222,760,000	292,150,075	2,000,000	516,910,075
Total Interest		83,386,653	119,214,873	45,000	202,646,526
Total Future Debt Payments		\$ 306,146,653	\$ 411,364,948	\$ 2,045,000	\$ 719,556,601

Source: Sewerage and Water Board of New Orleans.

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA
PROPERTY VALUE, NEW CONSTRUCTION AND BANK DEPOSITS
Last Ten Fiscal Years
(Unaudited)

<u>Fiscal Year</u>	<u>New Commercial Construction (1) Number of units</u>	<u>Value (in thousands)</u>	<u>New Residential Construction (1) Number of units</u>	<u>Value (in thousands)</u>	<u>Bank deposits (2) (in thousands)</u>
2012					\$ 10,862,390
2013					15,738,913
2014					16,043,233
2015					11,211,760
2016					16,706,112
2017					16,701,964
2018					15,293,912
2019					16,120,898
2020					19,732,081
2021					23,245,071

(1) City of New Orleans (2011 latest year for which information is available).

(2) Summary of Deposits (as of June 30, 2021) - bank branches located in New Orleans, Federal Depository Insurance Corporation.

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA
ANNUAL REPORT 2021 - FOR THE CALENDAR YEAR ENDING DECEMBER 31, 2021
CAPITAL ASSET STATISTICS BY FUNCTION

Last Ten Fiscal Years
(Unaudited)

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Water:										
Water Lines [miles]	1,599	1,805	1,812	1,819	1,823	1,826	1,834	1,835	1,835	1,835
Water Manholes	30,194	30,297	30,402	30,463	30,508	30,586	30,650	30,862	30,796	30,806
Water Valves	29,521	29,629	29,730	29,791	29,831	29,940	29,990	30,316	30,638	30,652
Fire Hydrants	23,078	23,099	23,117	23,130	23,146	23,214	23,264	23,264	23,624	23,624
Sewer:										
Sewer Lines [miles]	1,520	1,536	1,547	1,561	1,568	1,585	1,602	1,605	1,605	1,605
Sewer Manholes	22,983	22,987	23,042	23,051	23,115	23,158	23,208	23,229	23,229	23,234

Source: Sewerage and Water Board of New Orleans.

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA
December 31, 2021
NUMBER OF ACTIVE EMPLOYEES
Last Ten Fiscal Years
(Unaudited)

Year	Number of Active Employees
2021	1185
2020	1256
2019	1483
2018	1210
2017	1083
2016	1108
2015	1183
2014	1060
2013	1025
2012	991

Source: Sewerage and Water Board of New Orleans.

SUPPLEMENTAL SECTION



INFRASTRUCTURE RESILIENCY & RELIABILITY: We identified six key focus areas as part of our 5-year strategic plan. One is Infrastructure Resiliency and Reliability. We seek to improve efficiency and resilience of current and future infrastructure by leveraging partnerships and innovative approaches to funding and sustainable design.

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA
December 31, 2021
ACTUAL CAPITAL EXPENDITURES

WATER DEPARTMENT

C.P.# **WATERWORKS**

110	Normal Extension & Replacement	\$ (1,604,689)
156	Advanced Water Treatment (Carrollton)	323,270
157	Advanced Water Treatment (Algiers)	449,190
175	Water Hurricane Recovery Bonds	61,457,949
176	Additional JIRR Water Line Replacements	3,603,407
	TOTAL WATERWORKS	\$ 64,229,127

C.P.# **WATER DISTRIBUTION**

214	Normal Extension & Replacement	\$ (3,013)
216	Water System Replacement Program	(79,273)
239	Mains DPW Contracts	4,883,605
	TOTAL WATER DISTRIBUTION	\$ 4,801,319

C.P.# **POWER PROJECTS AND GENERAL BUDGET**

600	Water Share of Power Projects	\$ 8,935,837
800	Water Share of General Budget Items	7,764,150
	TOTAL POWER PROJECTS AND GENERAL BUDGET	\$ 16,699,987
	TOTAL WATER DEPARTMENT	\$ 85,730,433

NOTE: These figures do not include proration of interest expense.

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA
December 31, 2021
ACTUAL CAPITAL EXPENDITURES

SEWERAGE DEPARTMENT

<u>C.P.#</u>	<u>SEWERAGE SYSTEM</u>		
310	Ext & Replace - Gravity Mains EPA Consent Decree	\$	3,233,094
317	Ext & Replace - Gravity Mains EPA Consent Decree		22,863,510
326	Ext. Rep to plumbing Stations EPA Consent Decree		1,774,287
339	Main in Streets Dept. Contracts		1,954,914
348	Normal Extensions & Replacements		3,755,908
381	Modification & Extension of WBSTP to 20/50 MGD		6,358
	TOTAL SEWERAGE SYSTEM	\$	33,588,072

<u>C.P.#</u>	<u>POWER PROJECTS AND GENERAL BUDGET</u>		
600	Sewerage Share of Power Projects	\$	6,730,092
800	Sewerage Share of General Budget Items		9,797,348
	TOTAL POWER PROJECTS AND GENERAL BUDGET	\$	16,527,441
	TOTAL SEWERAGE DEPARTMENT	\$	50,115,512

NOTE: These figures do not include proration of interest expense.

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA
December 31, 2021
ACTUAL CAPITAL EXPENDITURES

DRAINAGE DEPARTMENT

<u>C.P.#</u>	<u>CANALS</u>	
400	End of Year Accruals	\$ 871,385
439	Major Drainage Participation in DPW Projects	1,145,959
466	Louisiana Avenue Canal (SELA)	(4,750,232)
471	SELA Program Management	4,102,784
486	Napoleon Avenue Canal Improvements (SELA)	3,928,623
497	Florida Ave. Canal - DPS#19 to Peoples Ave. (SELA-B)	172,152
498	Dwyer Intake Canal(St. Charles Canal to Dwyer DPS)(SELA)	373,623
499	Jefferson Avenue Canal (SELA)	642,647
	TOTAL CANALS	<hr/> \$ 6,486,941

<u>C.P.#</u>	<u>PUMPING STATIONS</u>	
511	Normal Extension & Rep./Stations	\$ 652,898
535	DPS #6 Improvements	(29,721)
	TOTAL PUMPING STATIONS	<hr/> \$ 623,177

POWER PROJECTS AND GENERAL BUDGET

<u>C.P.#</u>		
600	Drainage Share of Power Projects	\$ 16,646,068
800	Drainage Share of General Budget Items	4,532,300
	TOTAL POWER PROJECTS AND GENERAL BUDGET	<hr/> \$ 21,178,368
	TOTAL DRAINAGE DEPARTMENT	<hr/> <hr/> \$ 28,288,485

NOTE: These figures do not include proration of interest expense.

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA
December 31, 2021
ACTUAL CAPITAL EXPENDITURES

<u>POWER PROJECTS</u>					
<u>C.P.#</u>	<u>POWER PROJECTS</u>	<u>Water</u>	<u>Sewerage</u>	<u>Drainage</u>	<u>Total</u>
610	Additions & Replacement to Undergoround Power Distribution Feeder	\$ 4,650,500	\$ 4,650,500	\$ 2,325,250	\$ 11,626,250
676	Modification to Power Generating System (HMGP)	3,591,197	1,790,771	11,811,919	17,193,887
677	Power Program - Non FEMA	694,140	288,821	2,508,898	3,491,859
TOTAL POWER PROJECTS		<u>\$ 8,935,837</u>	<u>\$ 6,730,092</u>	<u>\$ 16,646,067</u>	<u>\$ 32,311,996</u>

NOTE: These figures do not include proration of interest expense.

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA

December 31, 2021

ACTUAL CAPITAL EXPENDITURES

GENERAL BUDGET ITEMS

<u>C.P.#</u>	<u>General Budget Items</u>	<u>Water</u>	<u>Sewerage</u>	<u>Drainage</u>	<u>Total</u>
807	Improvements to C.Y. and St. Joseph St. & CWP	\$ 20,555	\$ 20,555	\$ 20,555	\$ 61,665
808	Improvements to Customer Service Satellite	7,783	7,783	7,783	23,349
810	Major Equipment Purchases	289,349	289,349	289,349	868,047
812	Computer Systems Development	75,361	75,361	75,361	226,083
820	Overhead Charged to Capital	5,465,702	7,887,279	3,546,208	16,899,189
823	Purchase of Water Meters	353,232	353,232	-	706,464
824	Meter Boxes and Meter Parts	303,696	303,696	-	607,392
825	Automated Meter Infrastructure	623,198	623,198	-	1,246,396
843	Minor Equipment Purchases	236,896	236,896	236,896	710,688
862	Purchase of Fire Hydrants and Related Parts	388,378	-	-	388,378
879	Green Infrastructure	-	-	356,149	356,149
	TOTAL GENERAL BUDGET ITEMS	<u>\$ 7,764,150</u>	<u>\$ 9,797,349</u>	<u>\$ 4,532,301</u>	<u>\$ 22,093,800</u>

NOTE: These figures do not include proration of interest expense.

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA
PAY WATER CONSUMPTION (IN GALLONS)
December 31, 2021

Month	Consumption
January	1,484,837,600
February	1,200,337,500
March	979,010,600
April	1,176,173,800
May	981,825,700
June	968,533,000
July	1,422,724,100
August	1,294,984,900
September	1,183,540,400
October	971,352,500
November	1,133,616,100
December	1,070,324,300
Total Customer Water Metered	13,867,260,500

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA
MONTHLY WATER CHARGES COLLECTED - 2021
December 31, 2021

<u>Months</u>	<u>Water Service Charges & Fees</u>	<u>Delinquent Fees</u>	<u>Total</u>
January	\$ 7,795,274	\$ 25,951	\$ 7,821,225
February	7,291,874	21,589	7,313,463
March	8,468,654	32,902	8,501,556
April	6,992,561	82,149	7,074,710
May	6,842,265	301,020	7,143,285
June	8,791,128	16,617	8,807,745
July	8,685,082	28,675	8,713,757
August	10,180,011	119,475	10,299,486
September	6,636,161	17,056	6,653,217
October	9,774,863	88,954	9,863,817
November	11,191,043	140,851	11,331,894
December	10,369,258	73,306	10,442,564
	<u>\$ 103,018,174</u>	<u>\$ 948,545</u>	<u>\$ 103,966,719</u>

SEWERAGE AND WATER BOARD OF NEW ORLEANS
MONTHLY SEWERAGE CHARGES COLLECTED - 2021

<u>Months</u>	<u>Sewerage Service Charges</u>	<u>Delinquent Fees</u>	<u>Total</u>
January	\$ 11,154,460	\$ 32,427	\$ 11,186,887
February	10,824,014	27,378	10,851,392
March	13,313,818	39,070	13,352,888
April	10,674,611	76,636	10,751,247
May	10,202,126	319,313	10,521,439
June	12,359,408	21,836	12,381,244
July	12,271,372	37,186	12,308,558
August	8,094,146	136,152	8,230,298
September	9,200,616	16,988	9,217,604
October	10,624,959	110,971	10,735,930
November	9,180,160	169,860	9,350,020
December	11,974,133	85,076	12,059,209
	<u>\$ 129,873,823</u>	<u>\$ 1,072,893</u>	<u>\$ 130,946,716</u>

SEWERAGE AND WATER BOARD OF NEW ORLEANS

TABLE I

CARROLLTON TURBIDITIES

	River (NTU)					Effluent Settling Reservoirs (NTU)					Filters (NTU)				
	2017	2018	2019	2020	2021	2017	2018	2019	2020	2021	2017	2018	2019	2020	2021
Maximum	345	242	174	131	169	10	17	12	7.1	12	0.33	0.34	0.33	0.23	0.23
Minimum	6	8	12	13	8	1.0	0.7	0.8	0.7	0.9	0.04	0.05	0.04	0.04	0.03
Average	86	62	55	38	47	2.8	2.5	2.5	2.2	2.5	0.13	0.13	0.13	0.12	0.09

TABLE II

CARROLLTON ALKALINITIES PARTS PER MILLION

	River					Effluent Settling Reservoirs					Filters				
	2017	2018	2019	2020	2021	2017	2018	2019	2020	2021	2017	2018	2019	2020	2021
Maximum	161	164	147	148	153	152	152	142	139	151	188	184	162	186	171
Minimum	95	65	81	84	85	74	57	68	70	72	104	86	100	95	95
Average	124	117	118	114	114	113	105	107	102	105	139	131	136	125	127

TABLE II A

CARROLLTON HARDNESS PARTS PER MILLION

	NON-CARBONATE HARDNESS										TOTAL HARDNESS									
	RIVER					FILTERS					RIVER					FILTERS				
	2017	2018	2019	2020	2021	2017	2018	2019	2020	2021	2017	2018	2019	2020	2021	2017	2018	2019	2020	2021
Maximum	79	68	72	54	51	132	75	87	78	71	211	229	198	193	188	245	235	224	210	210
Minimum	21	11	15	20	10	20	14	11	17	17	127	98	100	110	110	142	122	140	135	130
Average	42	37	37	34	29	49	45	46	41	38	166	154	155	148	144	189	176	182	168	165

TABLE III

CARROLLTON BACTERIAL CHARACTERISTICS TOTAL COLIFORM ANALYSIS

2021	River	Plant Tap	Distribution System
Maximum (Colonies / 100 ml)	3,500	2	TNTC
Minimum (Colonies / 100 ml)	57	0	0
Average (colonies / 100 ml)	650	0	0
Number of Samples	238	365	1,940
Number of Samples Negative	0	363	1,921
Number of Samples Positive	238	2	19*

* None of these 19 total coliform positive samples was *E. coli* positive, and none resulted in a violation of the Total Coliform Rule.

SEWERAGE AND WATER BOARD OF NEW ORLEANS

TABLE IV-A

PRINCIPLE RESULTS OF OPERATION OF THE G3 CONVENTIONAL UNIT AT THE CARROLLTON WATER PURIFICATION PLANT FOR THE YEAR ENDING: December 31, 2021

1	2	3	4	5	6	7	8	9	10	11	12	13
Month		Volume of Water Treated During Month (Millions of Gallons)	Volume of Water Treated (Millions of Gallons Per Day)	Total Pounds of Polymer Used at Intake During Month	Polymer Used at Intake (ppm)	Total Pounds of Polymer Used in Plant During Month	Polymer Used in Plant (ppm)	Total Pounds of Pure Iron (Fe) Used During Month	Pure Iron (Fe) (ppm)	Turbidity of River Water (NTU)	Alkalinity of River Water (ppm as CaCO ₃)	Turbidity of Unit Effluent (NTU)
January	Max		90.08		0.00		4.72		5.36	110	125	2.8
	Min	2,615.54	75.75	0	0.00	95,627	3.92	108,496	4.45	25	92	1.2
	Avg		84.37		0.00		4.38		4.97	65	110	1.9
February	Max		101.08		0.00		5.51		6.27	139	135	3.6
	Min	2,492.50	79.79	0	0.00	94,717	4.06	107,617	4.61	38	91	1.0
	Avg		89.02		0.00		4.56		5.18	69	111	2.2
March	Max		90.50		0.00		4.76		6.46	112	115	3.5
	Min	2,620.17	80.79	0	0.00	98,659	4.36	112,915	4.95	38	85	1.2
	Avg		84.52		0.00		4.52		5.17	71	100	2.2
April	Max		88.38		0.00		4.78		5.43	79	109	5.9
	Min	2,332.47	79.29	0	0.00	86,686	1.47	98,470	1.65	31	94	1.2
	Avg		83.30		0.00		4.46		5.06	54	100	2.5
May	Max		0.00									
	Min	0.00	0.00									
	Avg		0.00									
June	Max		0.00									
	Min	0.00	0.00									
	Avg		0.00									
July	Max		0.00									
	Min	0.00	0.00									
	Avg		0.00									
August	Max		0.00									
	Min	0.00	0.00									
	Avg		0.00									
September	Max		0.00									
	Min	0.00	0.00									
	Avg		0.00									
October	Max		0.00									
	Min	0.00	0.00									
	Avg		0.00									
November	Max		0.00									
	Min	0.00	0.00									
	Avg		0.00									
December	Max		0.00									
	Min	0.00	0.00									
	Avg		0.00									
Annual	Total	10,060.68		0		375,689		427,498				
	Max	2,620.17	101.08	0	0.00	98,659	5.51	112,915	6.46	169	153	5.9
	Min	0.00	0.00	0	0.00	86,686	1.47	98,470	1.65	8	85	1.0
	Avg	838.39	85.26	0	0.00	93,922	4.48	106,875	5.09	47	114	2.2

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA

TABLE IV-B

PRINCIPLE RESULTS OF OPERATION OF THE G4 CONVENTIONAL UNIT AT THE CARROLLTON WATER PURIFICATION PLANT FOR THE YEAR ENDING: December 31, 2021

1	2	3	4	5	6	7	8	9	10	11	12	13
Month		Volume of Water Treated During Month (Millions of Gallons)	Volume of Water Treated (Millions of Gallons Per Day)	Total Pounds of Polymer Used at Intake During Month	Polymer Used at Intake (ppm)	Total Pounds of Polymer Used in Plant During Month	Polymer Used in Plant (ppm)	Total Pounds of Pure Iron (Fe) Used During Month	Pure Iron (Fe) (ppm)	Turbidity of River Water (NTU)	Alkalinity of River Water (ppm as CaCO ₃)	Turbidity of Unit Effluent (NTU)
January	Max Min Avg	0.00	0.00 0.00 0.00									
February	Max Min Avg	0.00	0.00 0.00 0.00									
March	Max Min Avg	0.00	0.00 0.00 0.00									
April	Max Min Avg	249.48	87.81 79.83 83.16	0	0.00 0.00 0.00	9,437	5.64 3.40 4.56	10,544	6.32 3.80 5.10	79 31 54	109 94 100	8.4 5.4 6.9
May	Max Min Avg	2,492.04	84.96 74.25 80.39	0	0.00 0.00 0.00	94,454	4.86 4.22 4.55	105,244	5.39 4.71 5.07	84 39 57	122 98 109	10.2 1.3 4.7
June	Max Min Avg	2,424.08	87.38 75.83 80.80	0	0.00 0.00 0.00	89,747	4.72 3.93 4.44	99,651	5.23 4.36 4.93	34 86 50	121 99 110	5.2 1.5 3.6
July	Max Min Avg	2,500.53	86.71 75.33 80.66	0	0.00 0.00 0.00	84,100	4.33 3.55 4.03	93,397	4.85 3.93 4.48	169 23 75	124 102 112	12.0 1.0 4.5
August	Max Min Avg	2,550.02	91.38 73.29 82.26	0	0.00 0.00 0.00	78,543	4.58 2.91 3.70	86,607	4.67 3.13 4.08	77 8 29	140 98 125	5.0 1.0 3.1
September	Max Min Avg	2,577.71	92.00 76.88 85.92	0	0.00 0.00 0.00	76,074	3.73 3.37 3.54	84,388	4.14 3.74 3.93	28 11 18	131 104 113	5.7 1.4 2.6
October	Max Min Avg	2,694.13	92.75 77.54 86.91	0	0.00 0.00 0.00	80,447	3.81 3.25 3.58	89,280	4.22 3.60 3.97	56 10 20	130 104 114	6.2 1.2 2.5
November	Max Min Avg	2,579.25	90.08 80.54 85.98	0	0.00 0.00 0.00	76,005	3.66 3.36 3.53	84,341	4.07 3.73 3.92	91 13 32	141 111 127	5.3 1.6 3.1
December	Max Min Avg	2,627.13	89.29 80.04 84.75	0	0.00 0.00 0.00	77,437	3.74 3.27 3.53	85,925	4.14 3.63 3.92	51 13 25	153 112 138	4.9 1.7 3.2
Annual	Total Max Min Avg	20,694.35 2,694.13 0.00 1,724.53	92.75 0.00 83.44	0 0 0 0	0.00 0.00 0.00 0.00	666,243 94,454 9,437 74,027	5.64 3.40 2.91 3.86	739,378 105,244 10,544 82,153	6.32 3.13 4.28	169 8 47	153 85 114	12.0 1.0 3.4

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA

TABLE IV-C

PRINCIPLE RESULTS OF OPERATION OF THE L3 CONVENTIONAL UNIT AT THE CARROLLTON WATER PURIFICATION PLANT FOR THE YEAR ENDING: December 31, 2021*

1	2	3	4	5	6	7	8	9	10	11	12	13
Month		Volume of Water Treated During Month (Millions of Gallons)	Volume of Water Treated (Millions of Gallons Per Day)	Total Pounds of Polymer Used at Intake During Month	Polymer Used at Intake (ppm)	Total Pounds of Polymer Used in Plant During Month	Polymer Used in Plant (ppm)	Total Pounds of Pure Iron (Fe) Used During Month	Pure Iron (Fe) (ppm)	Turbidity of River Water (NTU)	Alkalinity of River Water (ppm as CaCO ₃)	Turbidity of Unit Effluent (NTU)
January	Max Min Avg	0.00										
February	Max Min Avg	0.00										
March	Max Min Avg	0.00										
April	Max Min Avg	0.00										
May	Max Min Avg	0.00										
June	Max Min Avg	0.00										
July	Max Min Avg	0.00										
August	Max Min Avg	0.00										
September	Max Min Avg	0.00										
October	Max Min Avg	0.00										
November	Max Min Avg	0.00										
December	Max Min Avg	0.00										
Annual	Total Max Min Avg	0.00 0.00 0.00 0.00										

* No statistical data available; unit was not in operation in 2021.

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA

TABLE IV-D

PRINCIPLE RESULTS OF OPERATION OF THE L4 CONVENTIONAL UNIT AT THE CARROLLTON WATER PURIFICATION PLANT FOR THE YEAR ENDING: December 31, 2021

1	2	3	4	5	6	7	8	9	10	11	12	13
Month		Volume of Water Treated During Month (Millions of Gallons)	Volume of Water Treated (Millions of Gallons Per Day)	Total Pounds of Polymer Used at Intake During Month	Polymer Used at Intake (ppm)	Total Pounds of Polymer Used in Plant During Month	Polymer Used in Plant (ppm)	Total Pounds of Pure Iron (Fe) Used During Month	Pure Iron (Fe) (ppm)	Turbidity of River Water (NTU)	Alkalinity of River Water (ppm as CaCO3)	Turbidity of Unit Effluent (NTU)
January	Max		66.58		0.00		4.67		5.19	110	125	2.7
		1,897.00		0		69,220		77,013				
	Min		53.92		0.00		3.94		4.38	25	92	1.5
February	Max		66.75		0.00		5.09		5.66	139	135	3.9
	Min	1,735.93	55.88	0	0.00	63,475	3.98	70,649	4.42	38	91	1.1
	Avg		62.00		0.00		4.39		4.88	69	111	2.5
March	Max		65.00		0.00		4.86		5.41	112	115	3.9
	Min	1,880.46	55.42	0	0.00	69,351	3.98	77,172	4.43	38	85	1.5
	Avg		60.66		0.00		4.43		4.93	71	100	2.4
April	Max		63.00		0.00		4.97		5.53	79	109	2.9
	Min	1,738.96	49.08	0	0.00	66,641	3.92	74,420	4.91	31	94	1.0
	Avg		57.97		0.00		4.60		5.13	54	100	1.8
May	Max		61.75		0.00		4.70		5.23	84	122	3.7
	Min	1,755.46	50.25	0	0.00	66,829	4.44	74,342	4.94	39	98	0.9
	Avg		56.63		0.00		4.57		5.08	57	109	1.8
June	Max		63.67		0.00		5.06		5.44	34	121	2.6
	Min	1,731.00	52.50	0	0.00	62,140	3.41	68,891	3.79	86	99	1.6
	Avg		57.70		0.00		4.31		4.78	50	110	1.0
July	Max		64.17		0.00		3.91		4.37	169	124	3.9
	Min	1,821.79	51.33	0	0.00	54,203	3.44	60,157	3.82	23	102	1.0
	Avg		58.77		0.00		3.57		3.96	75	112	1.7
August	Max		69.04		0.00		3.67		4.08	77	140	3.0
	Min	1,908.24	56.17	0	0.00	52,458	2.94	58,208	3.27	8	98	1.1
	Avg		61.56		0.00		3.30		3.66	29	125	1.6
September	Max		65.09		0.00		3.22		3.56	28	131	2.5
	Min	1,823.46	52.96	0	0.00	46,351	2.93	51,322	3.23	11	104	1.1
	Avg		60.78		0.00		3.05		3.37	18	113	1.7
October	Max		66.25		0.00		4.17		3.73	56	130	3.2
	Min	1,821.94	51.79	0	0.00	47,331	2.95	51,723	3.09	10	104	1.1
	Avg		58.77		0.00		3.12		3.41	20	114	1.7
November	Max		61.63		0.00		3.35		3.69	91	141	3.5
	Min	1,711.27	52.33	0	0.00	43,476	2.54	48,162	2.80	13	111	1.4
	Avg		57.04		0.00		3.05		3.38	32	127	2.2
December	Max		62.00		0.00		3.97		4.41	51	153	3.1
	Min	1,751.83	52.00	0	0.00	48,085	2.87	53,254	3.18	13	112	1.2
	Avg		56.51		0.00		3.30		3.65	25	138	2.2
Annual	Total	21,577.34		0		689,559		765,313				
	Max	1,908.24	69.04	0	0.00	69,351	5.09	77,172	5.66	169	153	3.9
	Min	1,711.27	49.08	0	0.00	43,476	2.54	48,162	2.80	8	85	0.9
	Avg	1,798.11	59.12	0	0.00	57,463	3.83	63,776	4.25	47	114	1.9

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA

TABLE IV-E

MONTHLY SUMMARY OF COMBINED OPERATION OF CONVENTIONAL UNITS AT THE CARROLLTON WATER PURIFICATION PLANT FOR THE YEAR ENDING: December 31, 2021

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	
Month		Volume of Water	Volume of Water	Total Pounds of Polymer	Total Pounds of Polymer	Total Pounds of	Fluoride (ppm)	Total Pounds of Pure Iron	Total Pounds of	Lime (ppm)	Total Pounds of	Chlorine (ppm)	Total Pounds of	Ammonia (ppm)	Total Pounds of	Poly-phosphate	Alkalinity of Filtered	Estimated High Lift	
																		Total M.G.	M.G.D.
January	Max.	4,512.54	155.00	0	164,847	16,957	0.47	185,509	659,927	31.85	174,373	4.78	44,192	1.26	25,670	0.72	135	4,433	149.46
	Min.		135.71				0.43			13.59		4.52		1.13		0.46	100		136.92
	Avg.		145.57				0.46			17.51		4.63		1.17		0.68	117		143.01
February	Max.		164.18				0.48			22.01		4.72		1.22		0.72	146		152.58
	Min.	4,228.43	138.63	0	158,193	15,403	0.39	178,266	681,901	17.08	159,480	4.23	41,183	1.01	24,472	0.63	105	4,066	138.96
	Avg.		151.02				0.45			19.35		4.52		1.17		0.69	121		145.23
March	Max.		152.46				0.55			28.61		4.84		1.21		0.72	129		150.50
	Min.	4,500.63	137.63	0	168,010	18,915	0.45	190,087	859,989	18.37	169,961	4.39	42,916	1.10	26,222	0.68	95	4,428	138.08
	Avg.		145.18				0.51			22.92		4.53		1.14		0.70	113		142.83
April	Max.		233.81				0.55			24.82		5.01		1.25		0.74	120		148.67
	Min.	4,320.91	134.17	0	162,765	18,326	0.43	183,434	762,042	13.22	169,674	2.99	42,231	0.75	24,908	0.44	104	4,243	135.25
	Avg.		144.03				0.52			21.32		4.75		1.18		0.70	113		141.43
May	Max.		144.25				0.57			26.71		5.20		1.29		0.72	137		143.88
	Min.	4,247.50	126.96	0	161,283	17,427	0.45	179,586	822,070	19.83	173,530	4.65	43,351	1.16	24,511	0.62	109	4,154	120.13
	Avg.		137.02				0.50			23.21		4.90		1.22		0.69	123		134.00
June	Max.		142.71				0.50			27.07		5.68		1.30		0.72	138		145.04
	Min.	4,155.08	130.13	0	151,886	16,298	0.45	168,542	847,695	20.57	178,807	4.87	43,139	1.14	24,125	0.68	115	4,111	129.63
	Avg.		138.50				0.48			24.48		5.16		1.24		0.70	126		137.05
July	Max.		146.67				0.52			27.88		5.72		1.33		0.74	138		144.92
	Min.	4,322.32	129.92	0	138,303	16,921	0.45	153,554	915,083	20.84	197,666	5.27	44,642	1.16	25,225	0.67	115	4,244	126.00
	Avg.		139.43				0.48			25.37		5.48		1.24		0.70	127		136.91
August	Max.		149.21				0.57			27.61		6.24		1.38		0.71	153		149.54
	Min.	4,458.26	129.46	0	131,001	17,261	0.29	144,815	806,396	16.63	212,230	5.44	47,014	1.00	25,824	0.66	113	4,414	128.08
	Avg.		143.81				0.47			21.71		5.71		1.26		0.69	136		142.40
September	Max.		153.83				0.49			22.07		5.70		1.30		0.73	144		154.33
	Min.	4,401.17	134.00	0	122,425	16,258	0.42	135,711	641,087	11.58	198,486	5.13	45,789	1.14	23,136	0.34	115	4,260	132.83
	Avg.		146.71				0.46			17.49		5.41		1.25		0.63	127		141.98
October	Max.		153.79				0.49			19.29		5.42		1.28		0.73	140		150.42
	Min.	4,516.07	138.88	0	127,778	16,678	0.36	141,004	622,633	11.56	192,340	4.61	45,635	1.12	26,512	0.68	119	4,383	133.13
	Avg.		145.68				0.46			16.53		5.11		1.21		0.70	129		141.38
November	Max.		149.27				0.49			16.07		5.44		1.24		0.73	157		144.79
	Min.	4,290.52	140.38	0	119,481	15,898	0.41	132,503	487,248	11.08	173,207	4.45	40,930	1.06	24,799	0.59	126	4,175	134.58
	Avg.		143.02				0.46			13.62		4.84		1.14		0.69	142		139.18
December	Max.		146.42				0.46			16.26		4.86		1.24		0.76	171		145.38
	Min.	4,378.96	136.29	0	125,521	14,982	0.40	139,179	487,879	10.21	167,082	4.29	42,717	1.05	25,682	0.66	95	4,240	123.21
	Avg.		141.26				0.42			13.36		4.57		1.17		0.70	127		136.77
Annual	Total	52,332.37		0	1,731,492	201,323		1,932,188	8,593,950		2,166,836		523,740		301,086			51,152.3	
	Max.	4,516.07	233.81	0	168,010	18,915	0.57	190,087	915,083	31.85	212,230	6.24	47,014	1.38	26,512	0.76	171	4,433.29	154.33
	Min.	4,155.08	126.96	0	119,481	14,982	0.29	132,503	487,248	10.21	159,480	2.99	40,930	0.75	23,136	0.34	95	4,066.42	120.13
	Avg.	4,361.03	143.38	0	144,291	16,777	0.46	161,016	716,163	19.69	180,570	4.96	43,645	1.20	25,090	0.69	127	4,262.69	140.14

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA

TABLE V

PRINCIPLE RESULTS OF OPERATION OF THE ALGIERS WATER PURIFICATION PLANT FOR THE YEAR ENDING: December 31, 2021

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	
Month	Max Min Avg	Low Lift Total Million Gallons of Water Treated During Month	Amount of Water Treated Million Gallons Per 24 Hours	Total Pounds of Polyelectrolyte Used During Month	Polyelectrolyte Parts Per Million	Total Pounds of Fluoride (100%) Used During Month	Fluoride Parts Per Million	Total Pounds of Pure Iron (Fe) used During Month	Pure Iron (Fe) Parts Per Million	Total Pounds of Lime Used During Month	Lime Parts Per Million	Total Pounds of Anhydrous Ammonia Used During Month	Anhydrous Ammonia Parts Per Million	Total Pounds Chlorine Used During Month	Chlorine Parts Per Million	Total Pounds Polyphosphate Used During Month	Polyphosphate Parts Per Million	NTU Turbidity of Clarifier Effluent	PPM Clear Well Alkalinity of Filter Effluent	High Lift Pumpage	
																				Total M.G.D.	M.G.D.
January	Max Min Avg	318.00	12.00 10.00 10.26	11,978	4.56 4.51 4.52	1,897	0.76 0.72 0.62	17,270	6.59 5.28 5.47	70,078	40.00 14.96 26.40	2,634	1.03 0.98 0.99	12,826	5.13 4.66 4.83	2,266	1.20 0.66 0.86	4.6 0.4 1.8	107 65 89	346.00	12.00 9.93 11.16
February	Max Min Avg	275.00	12.00 8.00 9.82	10,303	4.60 3.85 4.49	1,436	0.71 0.56 0.64	14,410	6.59 5.27 6.26	57,167	35.10 20.00 24.96	2,296	1.05 0.86 1.00	10,924	5.32 3.92 4.76	1,800	1.20 0.50 0.79	24.0 0.6 2.2	110 85 96	290.25	11.32 9.15 10.37
March	Max Min Avg	308.76	14.17 8.25 9.96	11,610	4.57 4.50 4.55	1,679	0.71 0.64 0.65	16,610	6.59 5.28 6.43	61,921	32.09 20.09 23.98	2,723	1.37 0.97 1.03	12,635	5.68 4.56 4.90	2,067	1.20 0.57 0.81	6.5 0.5 2.2	93 71 85	317.84	14.73 8.75 10.25
April	Max Min Avg	290.84	12.00 8.08 9.69	10,950	4.56 4.48 4.51	1,570	0.68 0.52 0.64	15,950	7.19 5.81 6.57	67,439	40.00 16.95 27.55	2,769	1.23 1.09 1.14	11,606	5.13 4.12 4.95	2,033	1.00 0.79 0.84	4.4 0.3 1.3	95 67 80	297.27	11.10 8.76 9.91
May	Max Min Avg	321.07	12.00 8.67 10.36	12,131	4.57 4.50 4.53	1,656	0.67 0.61 0.63	17,710	7.26 6.04 6.61	83,508	39.59 20.14 31.06	2,997	1.21 1.04 1.08	11,959	4.70 4.24 4.47	2,200	1.32 0.60 1.01	21.0 0.4 1.8	120 65 78	306.26	10.73 9.05 9.88
June	Max Min Avg	339.51	15.58 10.00 11.32	12,829	4.58 4.48 4.53	1,758	0.64 0.56 0.62	18,480	7.08 5.93 6.32	97,684	40.01 25.00 33.96	3,079	1.16 1.05 1.09	12,980	5.11 4.28 4.59	2,400	1.17 0.66 0.85	5.1 0.1 1.5	80 59 69	302.49	11.53 9.21 10.08
July	Max Min Avg	358.50	13.08 9.50 11.56	13,602	4.81 4.50 4.55	1,872	0.64 0.58 0.63	19,580	7.15 6.00 6.54	116,433	48.69 26.58 38.97	3,915	1.43 1.15 1.31	17,549	6.40 5.10 5.86	2,100	1.09 0.50 0.70	4.6 0.4 1.5	75 50 61	309.81	11.72 9.40 9.99
August	Max Min Avg	393.85	16.00 10.00 12.70	14,909	4.57 4.49 4.54	2,111	0.71 0.57 0.65	21,560	7.24 6.04 6.56	146,073	64.00 24.93 44.06	4,142	1.38 1.17 1.26	17,098	5.66 4.73 5.21	2,900	1.15 0.65 0.89	10.0 1.3 6.3	78 45 58	332.76	13.63 9.18 10.73
September	Max Min Avg	360.09	14.00 10.00 12.00	13,561	4.57 4.34 4.52	1,983	0.70 0.62 0.66	19,690	7.29 5.86 6.33	134,349	54.92 31.87 43.21	3,881	1.48 1.21 1.29	15,670	6.00 4.83 5.21	2,333	1.11 0.56 0.78	38.0 1.3 6.3	80 41 56	306.22	11.70 8.20 10.21
October	Max Min Avg	363.50	12.00 10.00 11.73	13,783	4.57 4.51 4.55	1,999	0.71 0.66 0.66	22,220	8.79 5.50 7.33	149,315	62.89 22.42 49.19	3,611	1.24 1.15 1.19	14,451	4.96 4.59 4.77	2,001	0.80 0.50 0.66	14.0 1.3 4.3	69 34 54	344.36	12.56 9.94 11.11
November	Max Min Avg	344.09	13.17 10.00 11.47	13,025	4.57 4.51 4.54	1,821	0.72 0.59 0.64	15,670	6.23 4.94 5.46	141,439	49.85 33.96 39.31	2,611	1.14 0.76 0.91	11,515	4.54 3.34 4.01	1,999	0.80 0.61 0.70	8.0 0.5 2.1	86 56 69	298.83	11.26 9.25 9.96
December	Max Min Avg	348.50	12.00 10.00 11.24	13,198	4.57 4.51 4.54	1,732	0.63 0.57 0.60	15,840	6.04 4.87 5.48	136,776	58.87 40.00 47.10	2,407	0.84 0.80 0.83	12,026	4.25 3.90 4.14	2,067	0.80 0.67 0.72	4.3 0.2 1.7	170 55 71	304.53	10.70 9.13 9.82
Annual	Total Max Min Avg	4,021.71 393.85 275.00 335.14	16.00 8.00 11.18	151,879 14,909 10,303 12,657	4.81 4.51 4.52	21,514 2,111 1,436 1,793	0.76 0.52 0.64	214,990 22,220 14,410 17,916	8.79 4.87 6.31	1,262,182 149,315 57,167 105,182	64.00 14.96 2,296 35.91	37,065 4,142 2,296 3,089	1.48 0.76 0.76 1.11	161,239 17,549 10,924 13,437	6.40 3.34 1,800 4.80	2,900 1,800 2,181	1.32 0.50 0.83	38.0 0.1 5.1	170 34 72	346.00 290.25 313.05	14.73 8.20 10.46

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA

TABLE VI-A

MONTHLY SUMMARY OF CARROLLTON WATER PURIFICATION PLANT FILTER OPERATIONS FOR THE YEAR ENDING: December 31, 2021

1	2	3		4		5		6		7		8		9		10		11	
Month		Total Million Gallons Water Filtered During Month		Total Number of Runs		Length of Runs in Hours		Million Gallons of Water Filtered Per Run		Million Gallons Per Day Per Filter		Total Amount in Million Gallons of Wash Water Used		Million Gallons of Wash Water Used Per Run		Percentage of Wash Water Used Per Run		Million Gallons Filtered Per Acre Per Day	
		Old	New	Old	New	Old	New	Old	New	Old	New	Old	New	Old	New	Old	New	Old	New
January	Max Min Avg	1,669.955	2,588.574	76	82	191 119 169	167 43 146	35.020 2.480 21.973	42.305 24.500 31.568	3.114	5.189	24.288	49.200	0.319	0.600	12.89 0.91 1.45	1.42 0.28 1.90	94.801	86.106
February	Max Min Avg	1,522.199	2,261.797	81	64	239 95 136	215 120 162	45.750 2.840 18.792	48.438 20.118 35.341	3.317	5.236	25.694	38.400	0.317	0.600	11.17 0.69 1.69	2.98 1.24 1.70	100.979	86.886
March	Max Min Avg	1,551.956	2,445.584	81	76	192 127 153	190 62 146	33.550 2.640 19.159	50.683 17.063 32.178	3.004	5.289	19.174	46.200	0.236	0.607	8.97 0.71 1.23	3.55 1.19 1.88	91.451	87.765
April	Max Min Avg	2,035.617	2,367.223	69	76	311 95 216	217 120 152	56.100 2.480 29.501	46.985 23.888 31.148	3.271	4.918	21.269	45.600	0.308	0.600	12.43 0.55 1.04	2.51 1.28 1.93	99.583	81.609
May	Max Min Avg	1,809.011	2,225.810	88	76	239 22 154	233 124 151	43.820 2.294 20.556	48.749 21.269 29.287	3.204	4.655	28.790	46.200	0.327	0.600	14.26 0.74 1.59	2.86 1.25 2.08	97.545	77.245
June	Max Min Avg	1,666.507	2,272.365	82	76	270 23 154	190 110 151	35.070 2.880 20.323	44.967 16.345 30.708	3.163	4.881	30.316	46.800	0.369	0.616	12.84 1.05 7.51	3.77 1.37 2.01	96.305	80.995
July	Max Min Avg	1,927.233	2,427.131	81	82	215 124 181	167 65 143	39.420 3.340 23.793	38.270 11.789 29.262	3.162	4.911	25.368	54.600	0.313	0.665	9.38 0.79 1.32	5.64 1.73 2.27	96.279	81.493
August	Max Min Avg	1,785.506	2,459.752	84	80	212 71 160	210 42 133	35.020 2.820 21.256	51.181 8.938 30.747	3.181	5.548	27.894	57.400	0.332	0.718	11.78 0.95 1.56	8.03 1.40 2.34	96.837	92.064
September	Max Min Avg	1,983.915	2,519.280	80	72	433 97 175	237 114 158	73.970 2.220 24.798	49.375 25.000 34.990	3.394	5.314	25.453	46.800	0.318	0.650	14.33 0.43 1.28	2.60 1.31 1.85	103.319	88.180
October	Max Min Avg	1,568.573	2,687.390	76	82	263 111 167	191 94 148	44.590 2.840 20.639	44.760 21.541 32.773	2.973	5.314	25.304	53.300	0.328	0.650	11.57 0.74 1.59	3.01 1.45 1.98	90.510	88.180
November	Max Min Avg	1,780.947	2,363.667	82	78	236 98 191	174 69 142	43.820 2.982 21.718	38.501 15.813 30.303	2.728	5.122	23.696	53.300	0.288	0.683	9.69 0.66 1.33	4.32 1.62 2.25	83.064	84.994
December	Max Min Avg	1,682.627	2,421.875	76	88	246 65 174	169 69 133	49.390 3.460 22.139	41.494 14.528 27.521	3.054	4.966	23.876	54.700	0.310	0.623	8.97 0.63 1.40	4.56 1.50 0.03	18.063	82.409
Annual	Total Max Min Avg	20,984.046 2,035.617 1,522.199 1,748.671	29,040.448 2,687.390 2,225.810 2,420.037	956 88 69 80	932 88 64 78	433 237 42 169	237 42 147	73.970 2.220 22.054	51.181 8.938 31.319	3.394 2.728 3.130	5.548 4.655 5.112	301.122 30.316 19.174 25.094	592.500 57.400 38.400 49.375	0.369 0.236 0.314	0.718 0.600 0.634	14.33 0.43 1.92	8.03 0.03 1.85	103.319 18.063 89.061	92.064 77.245 84.827

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA

TABLE VI-B

MONTHLY SUMMARY OF ALGIERS WATER PURIFICATION PLANT FILTER OPERATIONS FOR THE YEAR ENDING: December 31, 2021

1	2	3	4	5	6	7	8	9	10
Month		Total Million Gallons Water Filtered During Month of Run	Total Number of Runs	Length of Runs in Hours	Million Gallons of Water Filtered Per Run	Million Gallons Per Day Per Filter	Total Amount in Million Gallons of Wash Water Used	Million Gallons of Wash Water Used Per Run	Percentage of Wash Water Used Per Run
January	Max	285.96	48	167	10.373	0.86	4.38	0.091	4.50
	Min			167	2.029				0.88
	Avg			167	5.957				1.53
February	Max	259.35	48	167	8.663	0.79	4.37	0.091	9.20
	Min			55	0.990				1.05
	Avg			164	5.403				1.69
March	Max	295.55	57	167	10.767	0.76	5.66	0.099	2.06
	Min			47	4.800				0.92
	Avg			164	5.185				1.91
April	Max	240.31	51	167	10.071	0.68	4.71	0.092	17.84
	Min			167	0.517				0.92
	Avg			167	4.712				1.96
May	Max	248.99	51	191	11.241	0.70	4.79	0.094	17.11
	Min			143	0.549				0.84
	Avg			167	4.882				1.92
June	Max	281.64	54	191	11.886	0.75	5.25	0.097	16.37
	Min			143	0.594				0.82
	Avg			167	5.216				1.86
July	Max	247.53	51	167	10.296	0.70	5.85	0.115	26.94
	Min			167	0.426				1.15
	Avg			167	4.854				2.36
August	Max	314.42	57	167	10.698	0.85	7.35	0.129	25.68
	Min			40	0.502				1.20
	Avg			155	5.516				2.33
September	Max	264.14	54	167	9.713	0.74	6.98	0.129	42.83
	Min			23	0.302				1.33
	Avg			158	4.891				2.64
October	Max	255.25	52	167	11.929	0.76	7.10	0.136	31.59
	Min			71	0.432				1.14
	Avg			155	4.909				2.78
November	Max	276.92	54	167	10.741	0.74	6.17	0.114	28.08
	Min			167	0.407				1.06
	Avg			167	5.128				2.23
December	Max	271.09	54	167	10.061	0.72	5.67	0.105	25.74
	Min			167	0.408				1.04
	Avg			167	5.020				2.09
Annual	Total	3241.16	631				68.29		
	Max	314.42	57	191	11.929	0.86	7.35	0.136	42.83
	Min	240.31	48	23	0.302	0.68	4.37	0.091	0.82
	Avg	270.10	53	149	5.557	0.75	5.69	0.11	7.93

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA

December 31, 2021

TABLE VII

FIVE YEAR ANALYSIS COMPOSITE DATA (2017 - 2021) FOR NEW ORLEANS CARROLLTON DRINKING WATER PURIFICATION SYSTEM

PARAMETER	MISSISSIPPI RIVER (Before Purification)			FINISHED WATER (After Purification)		
	MAX	MIN	AVG	MAX	MIN	AVG
Total Alkalinity (ppm as CaCO ₃)	164	65	117	183	82	131
Total Hardness (ppm as CaCO ₃)	229	100	153	232	120	176
Noncarbonate Hardness (ppm as CaCO ₃)	79	10	36	90	15	44
Calcium Hardness (ppm as CaCO ₃)	138	67	98	190	90	121
Magnesium Hardness (ppm as CaCO ₃)	116	22	49	101	21	54
Nephelometric Turbidity (NTU)	345	6.2	58	0.25	0.02	0.10
pH	8.34	6.88	7.76	9.41	8.21	8.92
Chloride (ppm)	48	15	26	58	19	30
Fluoride (ppm)	0.34	0.10	0.18	0.95	0.49	0.71
Total Dissolved Solids (ppm)	298	13	116	325	154	249
Total Suspended Solids (ppm)	304	185	175	-----	-----	-----
Free Chlorine Residual (ppm as Cl ₂)	-----	-----	-----	0.6	0.0	0.1
Total Chlorine Residual (ppm as Cl ₂)	-----	-----	-----	4.8	0.0	3.2
Ammonia (ppm as N)	-----	-----	-----	0.37	0.02	0.14
Nitrate + Nitrite (ppm as N) *	-----	-----	-----	2.3	1.0	1.6
Sulfate (ppm) *	-----	-----	-----	54	28	46
Conductivity (µS/cm)	685	288	436	692	310	487
Temperature (°F)	88	37	66	89	52	73
Aluminum (ppm) *	-----	-----	-----	0.06	0.00	0.02
Antimony (ppm) *	-----	-----	-----	0.000	0.000	0.000
Arsenic (ppm) *	-----	-----	-----	0.001	0.000	0.000
Barium (ppm) *	-----	-----	-----	0.1	0.0	0.1
Beryllium (ppm) *	-----	-----	-----	0.000	0.000	0.000
Cadmium (ppm) *	-----	-----	-----	0.000	0.000	0.000
Chromium (ppm) *	-----	-----	-----	0.000	0.000	0.000
Copper (ppm) *	-----	-----	-----	0.2	0.0	0.0
Iron (ppm) *	-----	-----	-----	0.01	0.00	0.00
Lead (ppm) *	-----	-----	-----	0.026	0.000	0.004
Manganese (ppm) *	-----	-----	-----	0.00	0.00	0.00
Mercury (ppm) *	-----	-----	-----	0.000	0.000	0.000
Nickel (ppm) *	-----	-----	-----	0.0	0.0	0.0
Selenium (ppm) *	-----	-----	-----	0.001	0.000	0.000
Silver (ppm) *	-----	-----	-----	0.02	0.00	0.00
Thallium (ppm) *	-----	-----	-----	0.000	0.000	0.000
Zinc (ppm) *	-----	-----	-----	0.0	0.0	0.0
Potassium (ppm) *	-----	-----	-----	4.0	2.6	3.0
Sodium (ppm) *	-----	-----	-----	31.0	18.3	23.5
Cyanide (ppm) *	-----	-----	-----	0.00	0.00	0.00
Haloacetic Acids (HAA5) (ppb) *	-----	-----	-----	59.0	5.4	23.0
Total Organic Carbon (ppm) *	4.9	2.8	3.6	4.2	1.7	2.8
Total Trihalomethanes (ppb)	2.0	0.0	0.0	56.9	6.4	22.0
1,2-Dichloroethane (ppb)	0.0	0.0	0.0	0.0	0.0	0.0
Chloroform (ppb)	2.0	0.0	0.0	43.4	1.5	15.4
Carbon Tetrachloride (ppb)	0.0	0.0	0.0	4.0	0.0	0.0
Bromodichloromethane (ppb)	0.0	0.0	0.0	19.1	0.4	5.4
Tetrachloroethene (ppb)	0.0	0.0	0.0	0.8	0.0	0.0
BTX (Benzene, Toluene & Xylenes) (ppb)	7.4	0.0	0.0	1.1	0.0	0.0
Total Coliforms (CFUs/100 ml)	3500	28	600	200	0	0
E. coli (CFUs/100 ml)	-----	-----	-----	0	0	0

The results for constituents indicated with asterisks are from the Louisiana Department of Health or an LDH certified contract laboratory.

All other results are from testing by the S&WB Water Quality Laboratory.

Lead and Copper results are from 2019 Lead and Copper Rule compliance testing.

Concerning the chemical results, the S&WB Laboratory does not meet the higher criteria required by LDH to be classified as an "LDH-OPH *Certified* Chemical Laboratory/Drinking Water;" therefore, any results reported by this laboratory for chemical drinking water parameters which are required to be analyzed in a certified laboratory are officially deemed invalid.

The S&WB Laboratory is certified by LDH for Total Coliform and E. coli testing.

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA

TABLE VIII

2021 CARROLLTON OPERATION

CHEMICAL	CHEMICAL COST	CHEMICAL COST PER MILLION GALLONS
Lime	\$ 809,850.88	\$ 15.48
Ferrie Coagulant	1,429,819.40	27.32
Chlorine & Sodium Hypochlorite	1,498,764.82	28.64
Sodium Polyphosphate	309,268.42	5.91
Polyelectrolyte	806,663.15	15.41
Fluoride	242,804.32	4.64
Ammonia	303,768.98	5.80
Carbon	-	-
TOTAL CHEMICALS	5,400,939.96	103.20

TOTAL COST PER MILLION GALLONS

YEAR	TOTAL WATER TREATED IN MILLION GALLONS	OPERATING COST	TOTAL COST PER MILLION GALLONS
2021	52,332.37	\$ 9,504,986.37	\$181.63
2020	49,591.12	9,738,428.00	196.37
2019	50,381.19	10,328,116.00	205.00
2018	51,211.51	9,850,754.19	192.35
2017	50,714.68	8,208,239.15	161.85

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA

TABLE IX

2021 ALGIERS OPERATION

CHEMICAL	CHEMICAL COST	CHEMICAL COST PER MILLION GALLONS
Lime	\$ 172,998.03	\$ 43.02
Ferric Coagulant	166,617.25	41.43
Sodium Hypochlorite	89,141.19	22.16
Sodium Polyphosphate	39,249.00	9.76
Polyelectrolyte	71,192.76	17.70
Fluoride (100%)	25,946.83	6.45
Ammonia	26,316.15	6.54
Carbon	-	-
TOTAL CHEMICALS	591,461.21	147.07

TOTAL COST PER MILLION GALLONS

YEAR	TOTAL WATER TREATED IN MILLION GALLONS	OPERATING COST	TOTAL COST PER MILLION GALLONS
2021	4,021.71	\$ 2,498,763.60	\$ 621.32
2020	3,921.92	2,249,216.22	573.49
2019	3,834.71	2,221,586.89	579.34
2018	3,762.72	2,209,590.79	587.23
2017	3,756.67	1,646,337.91	438.24

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA

December 31, 2021

TABLE X

SLUDGE REMOVED FROM THE "G" BASINS PRIMARY TREATMENT UNITS DORR MONORAKE CONVENTIONAL SYSTEM 2021

Total Million Gallons Water Treated	30,755.04
Total Tons Dry Sludge Deposited in Basins Including Suspended and Dissolved Solids Removed and Reacting Chemicals	11,152
Total Million Gallons Wet Sludge Withdrawn from Basins	674.04
Average Percent solids in Wet Sludge	0.40
Total Million Gallons Water Used in Withdrawing Sludge	672.92
Percent of Total Water Treated Used in Withdrawing Wet Sludge	2.19

TABLE X-A

SLUDGE REMOVED FROM THE "L" BASINS PRIMARY TREATMENT UNITS DORR MONORAKE CONVENTIONAL SYSTEM 2021

Total Million Gallons Water Treated	21,577.34
Total Tons Dry Sludge Deposited in Basins Including Suspended and Dissolved Solids Removed and Reacting Chemicals	7,364
Total Million Gallons Wet Sludge Withdrawn from Basins	273.21
Average Percent solids in Wet Sludge	0.64
Total Million Gallons Water Used in Withdrawing Sludge	272.47
Percent of Total Water Treated Used in Withdrawing Wet Sludge	1.27

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA

TABLE XI

2021 ANALYSIS DATA FOR NEW ORLEANS CARROLLTON DRINKING WATER PURIFICATION SYSTEM

PARAMETER	MISSISSIPPI RIVER (Before Purification)			FINISHED WATER (After Purification)		
	MAX	MIN	AVG	MAX	MIN	AVG
Total Alkalinity (ppm as CaCO ₃)	153	85	114	171	94	127
Total Hardness (ppm as CaCO ₃)	188	110	144	212	131	166
Noncarbonate Hardness (ppm as CaCO ₃)	51	10	29	71	19	39
Calcium Hardness (ppm as CaCO ₃)	127	67	94	148	96	115
Magnesium Hardness (ppm as CaCO ₃)	91	23	49	101	26	51
Nephelometric Turbidity (NTU)	169	7.6	47	0.20	0.04	0.08
pH	8.20	7.32	7.92	9.32	8.61	8.93
Chloride (ppm)	47	18	27	46	23	32
Fluoride (ppm)	0.26	0.10	0.16	0.80	0.58	0.69
Free Chlorine Residual (ppm as Cl ₂)	-----	-----	-----	0.3	0.1	0.1
Total Chlorine Residual (ppm as Cl ₂)	-----	-----	-----	4.5	0.5	3.1
Ammonia (ppm as N)	-----	-----	-----	0.29	0.06	0.15
Nitrate + Nitrite (ppm as N) *	-----	-----	-----	1.2	1.1	1.1
Sulfate (ppm) *	-----	-----	-----	43	28	38
Conductivity (µS/cm)	502	308	389	551	357	440
Temperature (°F)	87	37	66	87	52	72
Aluminum (ppm) *	-----	-----	-----	0.00	0.00	0.00
Antimony (ppm) *	-----	-----	-----	0.000	0.000	0.000
Arsenic (ppm) *	-----	-----	-----	0.000	0.000	0.000
Barium (ppm) *	-----	-----	-----	0.0	0.0	0.0
Beryllium (ppm) *	-----	-----	-----	0.000	0.000	0.000
Cadmium (ppm) *	-----	-----	-----	0.000	0.000	0.000
Chromium (ppm) *	-----	-----	-----	0.000	0.000	0.000
Copper (ppm) *	-----	-----	-----	0.2	0.0	0.0
Iron (ppm) *	-----	-----	-----	0.00	0.00	0.00
Lead (ppm) *	-----	-----	-----	0.026	0.000	0.004
Manganese (ppm) *	-----	-----	-----	0.00	0.00	0.00
Mercury (ppm) *	-----	-----	-----	0.000	0.000	0.000
Nickel (ppm) *	-----	-----	-----	0.0	0.0	0.0
Potassium (ppm) *	-----	-----	-----	2.9	2.9	2.9
Selenium (ppm) *	-----	-----	-----	0.000	0.000	0.000
Silver (ppm) *	-----	-----	-----	0.00	0.00	0.00
Thallium (ppm) *	-----	-----	-----	0.000	0.000	0.000
Zinc (ppm) *	-----	-----	-----	0.0	0.0	0.0
Sodium (ppm) *	-----	-----	-----	25.8	25.3	25.6
Cyanide (ppm) *	-----	-----	-----	0.00	0.00	0.00
Haloacetic Acids (HAA5) (ppb) *	-----	-----	-----	30.9	14.7	22.1
Total Organic Carbon (ppm) *	4.0	2.9	3.6	3.0	2.4	2.6
Total Trihalomethanes (ppb)	0.0	0.0	0.0	43.8	9.4	20.9
1,2-Dichloroethane (ppb)	0.0	0.0	0.0	0.0	0.0	0.0
Chloroform (ppb)	0.0	0.0	0.0	36.2	1.5	13.6
Carbon Tetrachloride (ppb)	0.0	0.0	0.0	0.0	0.0	0.0
Bromodichloromethane (ppb)	0.0	0.0	0.0	9.5	3.0	5.5
Tetrachloroethene (ppb)	0.0	0.0	0.0	0.0	0.0	0.0
BTX (Benzene, Toluene & Xylenes) (ppb)	0.0	0.0	0.0	8.5	0.0	0.0
Total Coliforms (CFUs/100 ml)	3500	57	650	TNTC	0	0
E. coli (CFUs/100 ml)	-----	-----	-----	0	0	0

The results for constituents indicated with asterisks are from the Louisiana Department of Health or an LDH certified contract laboratory.

All other results are from testing by the S&WB Water Quality Laboratory.

Lead and Copper results are from 2019 Lead and Copper Rule compliance testing.

Concerning the chemical results, the S&WB Laboratory does not meet the higher criteria required by LDH to be classified as an "LDH-OPH *Certified* Chemical Laboratory/Drinking Water;" therefore, any results reported by this laboratory for chemical drinking water parameters which are required to be analyzed in a certified laboratory are officially deemed invalid.

The S&WB Laboratory is certified by LDH for Total Coliform and E. coli testing.

The S&WB Laboratory is certified by LDH for Total Coliform and E. coli testing.

SEWERAGE AND WATER BOARD OF NEW ORLEANS

December 31, 2021

TABLE XII

EXTRACTS FROM TABLES IV-E AND V

20 Year Period, 2002 to 2021 Inclusive
Maximum, Minimum, and Average Amount of
Water Treated Per Day
(M.G. per 24 Hours)

YEAR	CARROLLTON			ALGIERS		
	MAX.	MIN.	AVG.	MAX.	MIN.	AVG.
2002	128.67	87.00	106.63	14.00	6.66	9.80
2003	144.26	90.75	115.35	13.16	8.00	10.06
2004	145.83	102.92	122.57	13.16	8.00	10.15
2005	144.00	0.00	115.47	22.67	7.00	10.20
2006	165.63	115.33	139.73	18.34	8.00	11.67
2007	144.75	124.00	134.06	16.00	10.00	12.13
2008	143.50	114.08	133.88	13.58	6.92	10.38
2009	147.92	129.83	138.17	14.00	8.00	10.78
2010	156.50	125.33	137.10	15.67	8.00	11.25
2011	150.83	127.17	139.37	16.83	10.00	11.73
2012	163.29	117.96	137.65	15.50	10.00	11.58
2013	141.83	120.00	131.08	15.25	10.00	11.27
2014	157.30	122.08	132.57	15.58	9.00	10.43
2015	144.71	118.33	130.47	13.92	8.83	10.09
2016	213.83	120.46	131.62	17.25	8.00	9.66
2017	149.19	125.13	138.94	14.00	8.00	10.29
2018	168.70	118.21	138.62	13.53	7.41	9.37
2019	162.83	97.08	136.95	13.65	5.83	9.19
2020	150.17	119.67	134.66	14.15	8.21	10.53
2021	154.33	120.13	140.14	14.73	8.20	10.46

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA

December 31, 2021

TABLE XIII

**Monthly Temperature (Degrees Farenheit) of the
Mississippi River Water at the Carrollton Plant**

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
January	48	47	42	43	47	47	41	46	48	46
February	48	47	40	45	46	49	45	45	47	43
March	57	49	46	45	54	55	55	50	54	51
April	69	57	59	61	62	63	58	59	62	62
May	74	66	69	70	70	69	71	69	67	69
June	81	76	79	79	79	77	82	78	77	74
July	85	81	83	84	86	83	86	82	84	83
August	87	83	84	85	85	85	86	85	85	86
September	82	83	83	83	84	80	83	84	81	82
October	72	76	72	74	75	77	73	75	71	76
November	60	62	59	65	66	61	56	54	61	60
December	55	48	49	54	53	52	47	48	50	54
Maximum	89	86	86	87	87	87	88	86	87	87
Minimum	46	45	37	39	42	44	40	44	45	37
Average	68	65	64	66	67	67	65	65	66	66
<div style="text-align: center;"> <u>Ten Year Period</u> Maximum: 89 Minimum: 37 Average: 66 </div>										

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA

December 31, 2021

TABLE XIV

**Monthly Temperature (Degrees Farenheit) of the
Tap Water at the Carrollton Plant**

	2017	2018	2019	2020	2021
January	64	59	65	65	60
February	64	62	68	64	58
March	67	69	69	68	65
April	72	71	72	73	70
May	76	78	75	76	76
June	80	83	76	80	78
July	82	86	80	82	79
August	84	85	82	84	80
September	83	83	80	81	79
October	81	79	77	78	77
November	72	69	69	72	71
December	65	65	66	64	69
Maximum	88	89	85	93	87
Minimum	59	53	59	60	52
Average	74	74	73	74	72

Five Year Period

Maximum: 93

Minimum: 52

Average: 73

SEWERAGE AND WATER BOARD OF NEW ORLEANS

December 31, 2021

New Orleans West Bank Sewerage Treatment Plant 2021 Yearly Summary

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2021
Plant Ef Flow (MGD)													
Average	12.9	14.823	14.803	17.487	17.334	15.87	15.2	12.545	14.597	10.342	8.627	8.57	14
Maximum	21.9	33.410	30.100	35.8	37.37	28.77	27.7	22.600	27.40	18.4	9.30	11.58	37
Plant INF Flow (MGD)													
Average	8.828	9.013	10.389	11.402	11.88	11.255	12.707	9.614	11.66	7.515	5.859	5.73	10
Maximum	20.27	20.470	28.200	20.9	22.51	22.86	24.5	19.210	24.77	16.35	6.55	7.40	28
INFLUENT BOD (mg/L)													
Average	83.2	91.2	91.3	60.4	62	99.3	67.5	74	48.9	71.8	87.5	97.4	78
Maximum	116	156	172	128	116	314	111	108	85	104	122	154	314
INFLUENT TSS (mg/L)													
Average	117.9	152	104.3	81	97.5	164.6	116	114	94.2	101.5	78.1	103.3	110
Maximum	263	713	179	222	252	353	217	190	342	224	148	272	713
INFLUENT BOD (lbs/day)													
Average	5,471	6,084	7,239	4,843	5,740	1,001	6,228	5,686	4,854	4,305	4,322	4,718	5,041
Maximum	8,023	14,285	22,108	9,522	12,288	53,109	9,026	11,511	8,543	7,154	6,431	9,504	53,109
INFLUENT TSS (lbs/day)													
Average	7,770	10,741	77,997	6,685	8,849	15,822	10,984	9,147	9,631	6,247	3,837	5,074	14,398.7
Maximum	19,719	60,654	20,527	16,515	18,285	54,206	18,828	14,897	37,088	19,784	7,208	16,787	60,653.5
EFFLUENT BOD (mg/L)													
Average	11.1	13	18	13	10	11.2	5.9	7.7	7	9.2	13.4	22.5	11.8
Weekly Maximum	26	23	29	21	21	31	9	12	16	14	23	37	37.0
EFFLUENT TSS (mg/L)													
Average	14.2	16.4	23.1	21.9	16	14.7	11.8	16.3	22.7	17.4	13.8	14.6	17
Weekly Maximum	20	27	38	70	29	28	20	26	37	28	19	24	70
EFFLUENT BOD (lbs/day)													
Average	1,142	1,369	2,144	1,786	1,544	1,439	763	794	892	779	970	1,618	1,270
Weekly Maximum	2,277	2,284	4,173	4,017	3,256	3,599	1,967	1,508	1,735	1,541	1,707	2,561	4,173
EFFLUENT TSS (lbs/day)													
Average	1,467	1,842	2,867	3,108	2,626	2,089	1,497	1,757	3,153	1,496	1,002	1,057	1,996.70
Weekly Maximum	2,035	3,870	8,810	11,346	6,233	6,718	4,370	4,901	6,939	2,642	1,396	1,982	11,345.70
EFFLUENT CL2 (mg/L)													
Average	0.92	0.69	0.54	0.58	0.57	0.53	0.56	0.59	0.62	0.58	0.49	0.4	0.59
Maximum	1.44	1.13	0.95	0.96	0.99	0.88	0.76	0.96	1.13	1.1	0.89	0.66	1.44
EFFLUENT COLIFORM (col/100-ml)													
Average (Geo)	2.42	5.87	7.79	5.74	5.84	4.15	2.73	1.53	1.85	1	1.13	3.07	3.59
Weekly Maximum (Geo)	10.39	26.55	37.17	32.91	13.65	9.13	29.62	2.63	28.94	1	2	45.83	45.83
EFFLUENT pH (su)													
Minimum	7.45	7.43	7.45	7.56	7.58	7.48	7.39	7.26	7.42	7.07	7.01	6.91	6.91
Maximum	8.09	8.02	7.95	8.01	8.13	7.96	8.01	7.93	7.93	7.62	7.46	7.39	8
DISPOSED SLUDGE (dry tons)													
Average per day	0.87	0.81	3.05	4.35	9.34	4.08	3.41	1.48	0.45	3.49	7.32	2.20	3
Total	27.10	22.79	94.64	130.62	289.64	122.39	105.82	45.78	13.53	108.19	219.72	68.33	1,249
ELECTRICITY (kwhr)													
Average per day	10,377	9,966	10,890	11,456	11,108	12,746	10,414	10,371	8,138	9,626	7,561	6,182	9,903
Total (kwhr)	311,306	338,839	294,033	378,040	333,234	369,633	333,233	280,028	260,430	308,040	226,839	210,195	3,643,850
RAINFALL (inches) West Bank													
TOTAL	2.83	5.42	12.03	16.43	3.70	9.52	8.98	10.12	12.51	1.70	0.32	1.38	84.94

SEWERAGE AND WATER BOARD OF NEW ORLEANS

December 31, 2021

New Orleans East Bank Sewerage Treatment Plant 2021 Yearly Summary

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2021
Plant Eff Flow (MGD)													
Average	103.523	98.279	105.603	128.787	120.919	113.310	114.642	110.4	103.115	85.99	71.6	78.777	103
Maximum	135.2	176.7	193.4	198.6	191.5	169.100	209.1	156.3	194.0	125	83.8	105.1	209
INFLUENT BOD (mg/L)													
Average	97.8	101.7	86.2	62.6	60.7	56.9	55.7	57.7	86.7	60.9	119.1	89.5	78
Maximum	200.8	194	166	98	99	89	90	99	681	90	219	189	681
INFLUENT TSS (mg/L)													
Average	138.7	155.4	100.2	132.7	126.9	122	110.9	109.4	216.7	117.1	249.7	192.8	148
Maximum	261	262	164	282	282	233	210	180	2220	182	432	393	2,220
INFLUENT BOD (lbs/day)													
Average	70,425	73,193	69,346	54,574	55,100	47,225	47,283	48,850	58,427	40,198	66,339	48,788	56,646
Maximum	145,023	144,816	141,351	120,350	120,146	88,766	73,209	91,728	197,811	65,527	114,702	98,359	197,811
INFLUENT TSS (lbs/day)													
Average	100,978	115,414	83,293	121,606	120,226	105,911	98,788	92,491	127,274	79,094	140,368	105,394	107,570
Maximum	193,923	300,493	180,807	389,707	305,408	256,894	207,424	179,810	494,529	135,557	283,186	248,909	494,529
EFFLUENT BOD (mg/L)													
Average	19.5	20.9	19.1	13.8	21.3	18.6	23	19.4	16.3	11.2	11.1	16.1	17.5
Weekly Maximum	42	39	38	31	46	52	39	31	32	23	37	29	52.0
EFFLUENT TSS (mg/L)													
Average	18.3	23.5	18.6	15.1	22.1	27.6	30.2	25.2	24.3	16.3	14.2	12.7	20.7
Weekly Maximum	46	50	30	32	55	79	74	65	79	32	38	31	79.0
EFFLUENT BOD (lbs/day)													
Average	16,978	18,295	16,281	14,210	19,902	16,575	21,496	17,647	13,835	8,091	6,611	10,701	15,052
Weekly Maximum	37,210	46,999	39,742	39,752	38,593	42,909	64,524	33,038	33,610	18,875	21,724	19,578	64,524
EFFLUENT TSS (lbs/day)													
Average	16,014	20,775	16,777	15,788	21,476	26,521	29,764	22,870	22,724	11,818	8,471	8,450	18,454
Weekly Maximum	46,497	56,003	39,665	35,682	49,457	67,797	98,499	64,432	92,109	26,448	22,311	21,144	98,499
EFFLUENT CL2 (mg/L)													
Average	0.32	0.33	0.31	0.31	0.21	0.24	0.25	0.29	0.33	0.17	0.14	0.2	0.26
Maximum	0.44	0.47	0.44	0.74	0.46	0.48	0.46	0.48	0.57	0.37	0.25	0.46	0.74
EFFLUENT COLIFORM (col/100-ml)													
Average (Geo)	13.14	8.33	10.49	17.86	24.48	12.78	49.89	8.5	35.97	24.7	14.06	16.21	19.70
Weekly Maximum (Geo)	78.36	28.36	28.29	53.28	27.69	102.96	247.56	50.57	281.26	89.212	37.31	53.28	281.26
EFFLUENT pH (su)													
Minimum	6.66	6.64	6.35	6.58	6.85	6.95	4.12	7.09	7	7.00	7.02	6.65	4.12
Maximum	7.2	7.07	7.1	7.36	7.60	7.72	7.64	7.59	7.6	7.60	7.48	7.48	7.72
DISPOSED SLUDGE (dry tons)													
Average per day	23.44	11.01	7.15	7.94	8.11	2.56	0.00	0.00	0.00	0.82	10.11	12.65	6.98
Total	726.67	308.27	221.59	238.21	251.44	76.65	0.00	0.00	0.00	25.27	303.23	392.20	2,544
ELECTRICITY (kwhr)													
Average per day	66,297	68,000	69,639	67,947	53,200	63,373	54,555	46,426	25,947	37,213	48,533	46,065	53,933
Total (kwhr)	2,055,201.29	1,904,010.00	2,158,801.00	2,038,401.00	1,649,202.00	1,901,201.00	1,691,201.00	1,439,201.00	778,401.00	1,153,600.00	1,456,000.00	1,428,000.00	19,653,219
RAINFALL (inches) East Bank													
TOTAL	3.30	4.83	10.41	11.06	11.82	8.72	9.67	12.88	1.52	1.79	0.39	1.25	77.643

SEWERAGE AND WATER BOARD OF NEW ORLEANS
ANNUAL REPORT 2021 - FOR THE CALENDAR YEAR ENDING DECEMBER 31, 2021
SEWER TABULATION NUMBER 1
SEWER LINES AND MANHOLES IN THE SYSTEM AS OF DECEMBER 31, 2021

SEWER LINES DISCARDED AND INSTALLED IN 2021

ORIGINAL CONSTRUCTION (FEET)	DESTROYED OR ABANDONED IN 2021 (FEET)	BUILT IN 2021 (FEET)	REMAINING IN THE SYSTEM AS OF 12/31/2021 (FEET)	REMAINING IN THE SYSTEM AS OF 12/31/2021 (MILES)
8,477,094.6	1,529.4	1,810.8	8,477,376.0	1,605.6

SEWER MANHOLES REMOVED AND INSTALLED IN 2021

ORIGINAL CONSTRUCTION	REMOVED IN 2021	BUILT IN 2021	REMAINING IN THE SYSTEM AS OF 12/31/2021
23,229	0	5	23,234

DETAILS OF SEWER LINES AND SEWER MANHOLES INSTALLED (CONSTRUCTED) IN 2021

ITEMS	BOARD FUNDED	BY OTHERS	TOTAL FEET	TOTAL MILES
6" PVC	0.0	80.0	80.0	0.02
8" PVC	1,395.0	305.8	1,700.8	0.32
12" PVC	10.0	0.0	1,780.8	0.34
15" PVC	20.0	0.0	20.0	0.00
TOTAL SEWER LINES CONSTRUCTED IN 2021	1,425.0	385.8	3,581.5	0.7
SEWER MANHOLES CONSTRUCTED IN 2021	BOARD FUNDED	BY OTHERS	TOTAL MANHOLES BUILT IN 2021	
	0	5	5	

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA
ANNUAL REPORT 2021 - FOR THE CALENDAR YEAR ENDING DECEMBER 31, 2021
SEWER TABULATION NUMBER 2
LENGTH OF SEWER LINES OF EACH SIZE AND MATERIAL DISCARDED, BUILT, AND NOW REMAINING IN THE SYSTEM

SIZE & MATERIAL OF SEWER	TOTAL LENGTH IN SYSTEM AS OF 12/31/2020	DESTROYED OR ABANDONED IN 2021	BUILT IN 2021	NOW REMAINING IN THE SYSTEM AS OF 12/31/2021
72" Steel	29,182.4			29,182.4
68" Steel	9,061.9			9,061.9
66" Steel	28,979.7			28,979.7
66" Concrete	13,740.7			13,740.7
60" Steel	2,577.7			2,577.7
60" Concrete	722.8			722.8
57" Concrete	1,766.8			1,766.8
54" Steel	44,014.5			44,014.5
54" Concrete	7,030.4			7,030.4
51" Concrete	755.9			755.9
50" Steel	135.0			135.0
48" Steel	21,147.2			21,147.2
48" Concrete	10,127.6			10,127.6
48" Fiberglass Reinforced	10,900.2			10,900.2
48" P.V.C.	3,663.4			3,663.4
45" Concrete	3,048.4			3,048.4
42" Steel	3,580.2			3,580.2
42" Concrete	19,121.2			19,121.2
39" Brick	832.8			832.8
39" Concrete	3,871.8			3,871.8
36" Vitrified Clay	1,894.9			1,894.9
36" Cast Iron	431.0			431.0
36" Steel	332.6			332.6
36" Prestressed Concrete	11,273.0			11,273.0
36" Reinforced Concrete	9,312.7			9,312.7
36" P.V.C.	10,604.0			10,604.0
33" Brick	3,080.9			3,080.9
33" Vitrified Clay	562.3			562.3
33" Reinforced Concrete	1,381.4			1,381.4
30" Brick	2,763.0			2,763.0
30" Vitrified Clay	7,538.5			7,538.5
30" Cast Iron	4,305.9			4,305.9
30" Steel	3,535.2			3,535.2
30" Prestressed Concrete	484.0			484.0
30" Reinforced Concrete	33,920.5			33,920.5
30" Fiberglass Reinforced	16,400.0			16,400.0
30" P.V.C.	996.0			996.0
27" Vitrified Clay	24,136.1			24,136.1
27" Reinforced Concrete	13,336.4			13,336.4
27" P.V.C.	4,926.3			4,926.3
24" Vitrified Clay	31,572.2			31,572.2
24" Cast Iron	16,269.2			16,269.2
24" Ductile Iron	619.0			619.0

SIZE & MATERIAL OF SEWER	TOTAL LENGTH IN SYSTEM AS OF 12/31/2020	DESTROYED OR ABANDONED IN 2021	BUILT IN 2021	NOW REMAINING IN THE SYSTEM AS OF 12/31/2021
24" Steel	87.0			87.0
24" Reinforced Concrete	26,537.0			26,537.0
24" Asbestos Cement	4,924.2			4,924.2
24" P.V.C.	5,949.6			5,949.6
21" Reinforced Concrete	10,580.1	737.0		9,843.1
21" P.V.C.	5,873.4		737.0	6,610.4
20" Ductile Iron Pipe	1,991.4			1,991.4
18" P.V.C.	37,132.5		409.0	37,541.5
16" Steel	120.0			120.0
16" Asbestos Cement	28,460.9			28,460.9
16" Plastic	1,913.1			1,913.1
15" Vitrified Clay	94,552.8			94,552.8
15" P.V.C.	19,822.7			19,822.7
15" Plastic Truss	1,331.6			1,331.6
12" Vitrified Clay	103,403.1	610.0		102,793.1
12" P.V.C.	83,511.2		610.0	84,121.2
10" Vitrified Clay	145,709.1	287.0		145,422.1
10" Steel	130.0			130.0
10" Concrete	44,231.9			44,231.9
10" Asbestos Cement	4,356.2			4,356.2
10" P.V.C.	145,454.5		287.0	145,741.5
10" Plastic Truss	4,677.5			4,677.5
8" Terra Cotta	307,179.4			307,179.4
8" Vitrified Clay	3,859,544.0	15,571.0		3,843,973.0
8" Cast Iron	32,036.2			32,036.2
8" Ductile Iron	2,233.0			2,233.0
8" Concrete	263,195.9			263,195.9
8" Asbestos Cement	2,342.9			2,342.9
8" P.V.C.	1,114,480.5		15,571.0	1,130,051.5
8" Plastic Truss	61,269.8			61,269.8
8" Plastic	688,763.1			688,763.1
6" Terra Cotta	8,730.9			8,730.9
6" Vitrified Clay	75,347.4			75,347.4
6" Cast Iron	4,204.4			4,204.4
6" Asbestos Cement	4,493.9			4,493.9
6" P.V.C.	494,841.3			494,841.3
6" Plastic Truss	1,763.3			1,763.3
6" Plastic	364,867.8			364,867.8
4" Cast Iron	874.2			874.2
4" Ductile Iron	180.4			180.4
4" P.V.C.	5,525.7			5,525.7
4" Plastic	126.0			126.0
Total Linear Feet	8,476,685.6	17,205.0	17,614.0	8,477,094.6
Total Miles	1,605.4	3.3	3.3	1,605.5

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA
ANNUAL REPORT 2021 - FOR THE CALENDAR YEAR ENDING DECEMBER 31, 2021
WATER TABULATION NUMBER 1
WATER LINES, MANHOLES, VALVES, AND FIRE HYDRANTS IN THE SYSTEM AS OF DECEMBER 31, 2021

WATER LINES DISCARDED AND INSTALLED IN 2021

ORIGINAL CONSTRUCTION (FEET)	DESTROYED OR ABANDONED IN 2021 (FEET)	BUILT IN 2021 (FEET)	REMAINING IN THE SYSTEM AS OF 12/31/2021 (FEET)	REMAINING IN THE SYSTEM AS OF 12/31/2021 (MILES)
9,690,042.4	3,341.5	4,158.6	9,690,859.5	1,835.4

WATER MANHOLES REMOVED AND INSTALLED IN 2021

ORIGINAL CONSTRUCTION	REMOVED IN 2021	BUILT IN 2021	REMAINING IN THE SYSTEM AS OF 12/31/2021
30,796	0	10	30,806

WATER VALVES REMOVED AND INSTALLED IN 2021

ORIGINAL CONSTRUCTION	REMOVED IN 2021	INSTALLED IN 2021	REMAINING IN THE SYSTEM AS OF 12/31/2021
30,638	20	34	30,652

FIRE HYDRANTS REMOVED AND INSTALLED IN 2021

ORIGINAL CONSTRUCTION	REMOVED IN 2021	INSTALLED IN 2021	REMAINING IN THE SYSTEM AS OF 12/31/2021
23,264	9	9	23,264

DETAILS OF WATER LINES, MANHOLES, VALVES, AND FIRE HYDRANTS INSTALLED (CONSTRUCTED) IN 2021

ITEMS	BOARD FUNDED	BY OTHERS	TOTAL FEET	TOTAL MILES
4" DUCTILE IRON	70.0	0.0	70.0	0.01
6" DUCTILE IRON	137.1	0.0	137.1	0.03
6" P.V.C	0.0	110.0	110.0	0.02
8" DUCTILE IRON	561.0	0.0	561.0	0.11
8" P.V.C	1,273.0	0.0	1,273.0	0.24
12" DUCTILE IRON	1,529.4	0.0	1,529.4	0.29
20" DUCTILE IRON	0.0	983.0	983.0	0.19
TOTAL WATER LINES CONSTRUCTED IN 2021	3,570.5	1,093.0	4,663.5	0.88
WATER MANHOLES CONSTRUCTED IN 2021	BOARD FUNDED	BY OTHERS	TOTAL MANHOLES BUILT IN 2021	
	10	0	133	
WATER VALVES INSTALLED IN 2021	BOARD FUNDED	BY OTHERS	TOTAL WATER VALVES INSTALLED IN 2021	
	30	4	34	
FIRE HYDRANTS INSTALLED IN 2021	BOARD FUNDED	BY OTHERS	TOTAL FIRE HYDRANTS INSTALLED IN 2021	
	7	2	9	

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA
ANNUAL REPORT 2021 - FOR THE CALENDAR YEAR ENDING DECEMBER 31, 2021

WATER TABULATION NUMBER 2

**LENGTH OF WATER LINES OF EACH SIZE AND MATERIAL, NUMBER OF VALVES OF EACH SIZE, BOTH GATE AND CHECK,
 ORIGINALLY INSTALLED, THE QUANTITIES DISCARDED OR BUILT, AND THE QUANTITIES NOW REMAINING IN THE DISTRIBUTION SYSTEM**

WATER LINES					
SIZE	MATERIAL	TOTAL LENGTH IN SYSTEM AS OF 12/31/2020	DESTROYED OR ABANDONED IN 2021	BUILT IN 2021	NOW REMAINING IN THE SYSTEM AS OF 12/31/2021
54"	Concrete Pipe	7,535.1			7,535.1
50"	Steel Pipe	88,374.0			88,374.0
48"	Cast Iron Pipe	12,747.3			12,747.3
48"	Steel Pipe	36,637.1			36,637.1
48"	Concrete Pipe	4,982.9			4,982.9
43"	Cast Iron Pipe	11,170.1			11,170.1
42"	Cast Iron Pipe	4,349.6			4,349.6
42"	Concrete Pipe	9,361.9			9,361.9
36"	Cast Iron Pipe	4,509.3			4,509.3
36"	Steel Pipe	16,922.0			16,922.0
36"	Concrete Pipe	37,374.7			37,374.7
36"	P.V.C. Pipe	660.5			660.5
36"	Prestressed Concrete	675.0			675.0
30"	Cast Iron Pipe	59,740.1			59,740.1
30"	Ductile Iron Pipe	296.0			296.0
30"	Steel Pipe	19,863.1			19,863.1
30"	Concrete Pipe	71,216.4			71,216.4
30"	Prestressed Concrete	36,654.4			36,654.4
30"	Reinforced Concrete	3,919.6			3,919.6
30"	P.V.C. Pipe	3,716.1			3,716.1
24"	Cast Iron Pipe	30,090.0			30,090.0
24"	P.V.C. Pipe	1,372.0			1,372.0
24"	Ductile Iron Pipe	140.0			140.0
24"	Concrete Pipe	4,062.5			4,062.5
20"	P.V.C. Pipe	14,280.5			14,280.5
20"	Cast Iron Pipe	85,767.9			85,767.9
20"	Ductile Iron Pipe	10,471.4	278.5	983.0	11,175.9
20"	Concrete Pipe	18,755.8			18,755.8
20"	Prestressed Concrete	212.5			212.5
20"	Asbestos Cement	12,688.0			12,688.0
18"	Reinforced Concrete	970.5			970.5
16"	Steel Pipe	70.6			70.6
16"	Cast Iron Pipe	112,351.7			112,351.7
16"	Ductile Iron Pipe	6,844.7			6,844.7
16"	Concrete Pipe	5,681.6			5,681.6
16"	Asbestos Cement	63,245.6			63,245.6
16"	P.V.C. Pipe	16,347.0			16,347.0
15"	Reinforced Concrete	1,069.3			1,069.3
12"	Cast Iron Pipe	807,044.70	1,414.0		805,630.7
12"	Ductile Iron Pipe	26,911.10		1,529.4	28,440.5
12"	Steel Pipe	1,272.9			1,272.9
12"	Asbestos Cement	355,143.0			355,143.0
12"	P.V.C. Pipe	281,284.30			281,284.3
10"	Cast Iron Pipe	10,079.7			10,079.7
10"	Ductile Iron Pipe	670.0			670.0
10"	Asbestos Cement	12,763.6			12,763.6
10"	P.V.C. Pipe	7,896.0			7,896.0
8"	Cast Iron Pipe	100,091.2	226.0		99,865.2
8"	Ductile Iron Pipe	54,808.60		56.1	54,864.7
8"	Asbestos Cement	692,505.5			692,505.5
8"	P.V.C. Pipe	1,081,037.60		1,273.0	1,082,310.6
8"	Plastic Pipe	318,036.5			318,036.5
6"	Cast Iron Pipe	2,339,222.70	1,379.0		2,337,843.7
6"	Ductile Iron Pipe	25,070.3		137.1	25,207.4
6"	Asbestos Cement	1,000,791.70			1,000,791.7
6"	P.V.C. Pipe	319,440.60	9.0	110.0	319,541.6
6"	Plastic Pipe	121,336.8			121,336.8
4"	Cast Iron Pipe	1,142,037.50	35.0		1,142,002.5
4"	Ductile Iron Pipe	7,118.9		70.0	7,188.9
4"	Asbestos Cement	22,250.8			22,250.8
4"	P.V.C. Pipe	28,885.1			28,885.1
4"	Plastic Pipe	3,833.1			3,833.1
3"	Galvanized Steel	3,361.7			3,361.7
2"	Cast Iron Pipe	7,909.9			7,909.9
2"	Galvanized Steel	9,620.0			9,620.0
2"	P.V.C. Pipe	89,145.2			89,145.2
1"	Galvanized Steel	5,346.6			5,346.6
Total Linear Feet		9,690,042	3,341.5	4,158.6	9,690,859.5
Total Miles		1,835.2	0.6	0.8	1,835.4

VALVES				
SIZE	EXISTING IN SYSTEM AS OF 12/31/2020	REMOVED IN 2021	INSTALLED IN 2021	REMAINING IN SYSTEM AS OF 12/31/2021
48"	16			16
42"	4			4
36"	18			18
30"	66			66
24"	39			39
20"	136			136
16"	192			192
14"	3			3
12"	2,357	3	8	2,362
10"	72		1	73
8"	7,016	4	10	7,022
6"	13,373	11	10	13,372
4"	7,346	2	5	7,349
Total	30,638.00	20	34	30,652

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA

Table of Rainfall in New Orleans

December 31, 2021

RAINFALL AND AVERAGES FOR "YEAR 1894 TO DATE"																											
TABLE OF RAINFALL IN NEW ORLEANS SINCE ESTABLISHMENT OF RAIN GAGES IN 1894																											
YEAR No.	YEAR	JANUARY		FEBRUARY		MARCH		APRIL		MAY		JUNE		JULY		AUGUST		SEPTEMBER		OCTOBER		NOVEMBER		DECEMBER		ANNUAL MONTHLY AVERAGE	EXCESS OR DEFICIT
		AMOUNT	TOTAL TO DATE	AMOUNT	TOTAL TO DATE	AMOUNT	TOTAL TO DATE	AMOUNT	TOTAL TO DATE	AMOUNT	TOTAL TO DATE	AMOUNT	TOTAL TO DATE	AMOUNT	TOTAL TO DATE	AMOUNT	TOTAL TO DATE	AMOUNT	TOTAL TO DATE	AMOUNT	TOTAL TO DATE	AMOUNT	TOTAL TO DATE	AMOUNT	TOTAL TO DATE		
118	2011	2.99	1.59	4.59	6.49	11.08	0.27	11.35	0.90	12.25	4.18	16.42	11.48	27.91	1.57	29.48	9.99	39.47	0.14	39.61	1.66	41.27	0.78	42.04	3.50	-17.02	
	total	538.35	540.42	1081.04	596.08	1677.12	562.09	2246.17	564.13	2810.34	659.33	3477.71	769.35	4247.06	693.89	4940.95	665.73	5606.66	378.43	5985.08	426.76	6414.91	557.00	6969.26			
	avg.	4.56	4.58	9.16	5.05	14.21	4.76	19.04	4.78	23.82	5.59	29.47	6.52	35.99	5.88	41.87	5.64	47.51	3.21	50.72	3.62	54.36	4.72	59.06			
	2012	1.74	3.38	5.12	6.16	11.28	8.14	19.42	2.45	21.87	4.84	26.71	12.89	39.60	17.79	57.39	3.83	61.22	0.15	61.36	2.13	63.50	2.30	65.80	5.48	6.68	
119	total	540.09	543.79	1086.16	602.24	1688.39	570.23	2265.58	566.58	2832.21	664.17	3504.42	782.25	4286.66	711.68	4998.34	669.55	5667.88	378.57	6046.45	428.90	6478.40	559.30	7035.06			
	avg.	4.54	4.57	9.13	5.06	14.19	4.79	19.04	4.76	23.80	5.58	29.45	6.57	36.02	5.98	42.00	5.63	47.63	3.18	50.81	3.60	54.44	4.70	59.12			
	2013	5.14	6.82	11.96	0.55	12.51	12.51	25.01	4.51	29.52	4.55	34.08	4.43	38.51	4.58	43.09	5.44	48.53	2.19	50.72	2.81	53.53	4.48	58.01	4.83	-1.10	
	total	545.24	550.61	1098.12	602.78	1700.90	582.74	2290.60	571.09	2861.73	668.72	3538.49	786.68	4325.17	716.26	5041.43	674.99	5716.41	380.76	6097.17	431.71	6531.94	563.78	7093.07			
120	avg.	4.54	4.59	9.15	5.02	14.17	4.86	19.09	4.76	23.85	5.57	29.49	6.56	36.04	5.97	42.01	5.62	47.64	3.17	50.81	3.60	54.43	4.70	59.11			
	2014	2.72	6.54	9.26	6.44	15.70	2.19	17.89	7.68	25.57	6.41	31.98	6.49	38.47	4.74	43.21	4.20	47.41	1.94	49.35	1.47	50.82	3.70	54.52	4.54	-4.55	
	total	547.96	557.15	1107.37	609.22	1716.60	584.93	2308.48	578.78	2887.30	675.13	3570.47	793.17	4363.64	721.00	5084.64	679.19	5763.82	382.71	6146.52	433.17	6582.76	567.49	7147.60			
	avg.	4.53	4.60	9.15	5.03	14.19	4.83	19.08	4.78	23.86	5.58	29.51	6.56	36.06	5.96	42.02	5.61	47.63	3.16	50.80	3.58	54.40	4.69	59.07			
121	2015	4.76	1.65	6.41	4.21	10.62	11.29	21.91	6.86	28.78	2.75	31.53	4.32	35.85	2.59	38.45	4.15	42.60	5.21	47.81	5.52	53.33	6.76	60.09	5.01	1.01	
	total	552.72	558.80	1113.79	613.43	1727.22	596.22	2330.40	585.64	2916.08	677.88	3602.00	797.50	4399.50	723.59	5123.09	683.34	5806.41	387.92	6194.33	438.69	6636.08	574.25	7207.68			
	avg.	4.53	4.58	9.13	5.03	14.16	4.89	19.10	4.80	23.90	5.56	29.52	6.54	36.06	5.93	41.99	5.60	47.59	3.18	50.77	3.60	54.39	4.71	59.08			
	2016	4.67	2.48	7.15	6.99	14.14	11.73	25.87	5.62	31.49	8.16	39.65	4.34	43.99	7.63	51.62	3.58	55.20	0.02	55.22	3.92	59.14	4.70	63.84	5.32	4.72	
122	total	557.39	561.28	1118.67	620.42	1739.09	607.95	2356.27	591.26	2947.53	686.04	3633.57	801.84	4443.49	731.22	5174.71	686.92	5861.63	387.94	6249.57	442.61	6692.18	578.95	7271.13			
	avg.	4.53	4.56	9.09	5.04	14.14	4.94	19.16	4.81	23.96	5.58	29.54	6.52	36.13	5.94	42.07	5.58	47.66	3.15	50.81	3.60	54.41	4.71	59.11			
	2017	5.21	1.70	6.91	4.46	11.37	5.50	16.87	10.56	27.43	10.84	38.27	6.79	45.06	14.13	59.19	1.47	60.66	7.16	67.82	0.22	68.04	5.01	73.05	6.09	13.82	
	total	562.60	562.98	1125.58	624.88	1750.46	613.45	2363.91	601.82	2965.73	696.88	3662.61	808.63	4471.24	745.35	5216.59	688.39	5904.98	395.10	6300.08	442.83	6742.91	583.96	7344.18			
123	avg.	4.54	4.54	9.08	5.04	14.12	4.95	19.06	4.85	23.92	5.62	29.54	6.52	36.06	6.01	42.07	5.55	47.62	3.19	50.81	3.57	54.38	4.71	59.23			
	2018	3.52	2.74	6.26	3.83	10.09	5.22	15.31	3.58	18.89	5.60	24.49	6.79	31.28	7.52	38.80	5.80	44.60	6.28	50.88	5.85	56.73	4.67	61.40	5.12	2.29	
	total	566.12	565.72	1131.84	628.71	1760.55	618.67	2379.22	605.40	2984.62	702.48	3687.10	815.42	4502.52	752.87	5255.39	694.19	5949.58	401.38	6350.96	448.68	6799.64	588.63	7388.27			
	avg.	4.53	4.53	9.05	5.03	14.08	4.95	19.03	4.84	23.88	5.62	29.50	6.52	36.02	6.02	42.04	5.55	47.60	3.21	50.81	3.59	54.40	4.71	59.11			
124	2019	2.78	4.73	7.51	1.65	9.16	8.36	17.52	8.26	25.78	3.23	29.01	13.52	42.53	6.9	49.43	0.62	50.05	7.67	57.72	1.00	58.72	2.75	61.47	5.12	2.35	
	total	568.90	570.45	1139.35	630.36	1769.71	627.03	2396.74	613.66	3010.40	705.71	3716.11	828.94	4545.05	759.77	5304.82	694.81	5999.63	409.05	6408.68	449.68	6858.36	591.38	7449.74			
	avg.	4.52	4.53	9.04	5.00	14.05	4.98	19.02	4.87	23.89	5.60	29.49	6.58	36.07	6.03	42.10	5.51	47.62	3.25	50.86	3.57	54.43	4.69	59.12			
	2020	3.63	4.56	8.19	0.72	8.91	5.29	14.20	5.47	19.67	10.84	30.51	11.82	42.33	5.27	47.60	2.5	50.10	3.45	53.55	4.88	58.43	3.86	62.29	5.19	3.14	
125	total	572.53	575.01	1147.54	631.08	1778.62	632.32	2410.94	619.13	3030.07	716.55	3746.62	840.76	4587.38	765.04	5352.42	697.31	6049.73	412.50	6462.23	454.56	6916.79	595.24	7512.03			
	avg.	4.51	4.53	9.04	4.97	14.00	4.98	18.98	4.88	23.86	5.64	29.50	6.62	36.12	6.02	42.15	5.49	47.64	3.25	50.88	3.58	54.46	4.69	59.15			
	2021	2.15	4.95	7.10	4.95	12.05	10.61	22.66	4.95	27.61	11.98	39.59	7.64	47.23	19.51	66.74	8	74.74	2.21	76.95	2.02	78.97	1.05	80.02	6.67	20.87	
	total	574.68	579.96	1154.64	636.03	1790.67	642.93	2433.60	624.08	3057.68	728.53	3786.21	848.40	4634.61	784.55	5419.16	705.31	6124.47	414.71	6539.18	456.58	6995.76	596.29	7592.05			
127	avg.	4.51	4.53	9.04	4.97	14.00	4.98	18.98	4.88	23.86	5.64	29.50	6.62	36.12	6.02	42.15	5.49	47.64	3.25	50.88	3.58	54.46	4.69	59.15			

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA
December 31, 2021
COST OF OPERATIONS IDENTIFICATION PROGRAM BENCHMARKING 2021

ADMINISTRATIVE OFFICER:

HUMAN RESOURCES:

Cost to Hire an Employee	\$	1,946.74
Employee Turnover Rate		6.26%

RISK MANAGEMENT:

INSURANCE COST per EMPLOYEE:

Workers' Compensation	\$	2,369,611
Auto Liability	\$	141,860
General Liability	\$	248,810

GENERAL SUPERINTENDENT:

ENGINEERING:

Total Capital Program Design and		
Construction Contracts Cost Growth		12.5%

ENVIRONMENTAL:

Cost of Typical Industry Sampling Event	\$	2,727.18
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FACILITY MAINTENANCE DEPARTMENT

Cost to set 5/8" water meter	\$	125.50
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CHIEF CUSTOMER SERVICE OFFICER:

CUSTOMER REVENUE MANAGEMENT/CUSTOMER:

METER ASSURANCE/CUSTOMER EXPERIENCE:

Cost to Read a Meter	\$	2.80
Cost to Render a Bill (Less Meter Reading)	\$	0.89
Cost to Manage a Customer by Phone	\$	4.09
Cost to Manage a Customer by Mail	\$	12.20
Cost to Manage a Walk-in Customer	\$	3.51
Cost to Process a Mail-in Payment	\$	1.25
Cost to Process a Walk-in Payment	\$	4.63

CHIEF FINANCIAL OFFICER:

OFFICE OF CONTROLLER:

Cost to Process a Miscellaneous Invoice	\$	44.37
Cost to Process a Vendor Invoice	\$	13.56

OFFICE OF PROCUREMENT:

Cost to Process Non-Competitive Purchase Order	\$	90.00
Cost to Process Formal Competitive Purchase Order	\$	375.00

THANK YOU!



CUSTOMER SERVICE EXCELLENCE AND STAKEHOLDER ENGAGEMENT : We strive to continuously meet and exceed the needs of our customers and proactively communicate and engage stakeholders.

SEWERAGE AND WATER BOARD OF NEW ORLEANS

SINGLE AUDIT REPORTS

DECEMBER 31, 2021

SEWERAGE AND WATER BOARD OF NEW ORLEANS

SINGLE AUDIT REPORTS

DECEMBER 31, 2021

SEWERAGE AND WATER BOARD OF NEW ORLEANS
New Orleans, Louisiana

Single Audit Reports

December 31, 2021

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

To the Members of the Board
Sewerage and Water Board of New Orleans:

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 Sewerage and Water Board of New Orleans (the "Board"), as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Board's basic financial statements, and have issued our report thereon dated June 29, 2022.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Board'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 Board's internal control. Accordingly, we do not express an opinion on the effectiveness of the Board'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 were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Board's financial statements are free from 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 financial statements. 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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Postlethwaite & Netterville

New Orleans, Louisiana
June 29, 2022

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM
GUIDANCE AND THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

To the Members of the Board
Sewerage and Water Board of New Orleans:

Report on Compliance for Each Major Federal Program

Opinion on the Major Federal Program

We have audited Sewerage and Water Board of New Orleans' (the "Board") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on the Board's major federal program for the year ended December 31, 2021. The Board's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Board complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2021.

Basis for Opinion on the Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Board and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for the major federal program. Our audit does not provide a legal determination of the Board's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Board's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Board's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Board's compliance with the requirements of the major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Board's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Board's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Board's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the Board, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Board's basic financial statements. We issued our report thereon dated June 29, 2022, which contained unmodified opinions on those financial statements. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is 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 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 expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Postlethwaite & Netterville

New Orleans, Louisiana
June 29, 2022

SEWERAGE AND WATER BOARD OF NEW ORLEANS
New Orleans, Louisiana

Schedule of Expenditures of Federal Awards

For the Year Ended December 31, 2021

Federal Grantor/Pass-Through Grantor/ Program Title/Grant Name	Assistance Listing Number	Pass-Through Identifying Number	Federal Expenditures
U.S. Environmental Protection Agency:			
Direct:			
Water Infrastructure Finance and Innovation Act (WIFIA)	66.958	N/A	\$ 936,848
Pass-through program from:			
Louisiana Department of Environmental Quality			
Clean Water State Revolving Fund Cluster			
Capitalization Grants for Clear Water			
State Revolving Funds	66.458	N/A	<u>292,689</u>
Total U.S. Environmental Protection Agency			<u>1,229,537</u>
U.S. Department of Homeland Security:			
Pass-through program from:			
State of Louisiana, Office of Homeland			
Security and Emergency Preparedness			
		1792-DR-LA, 1603- DR-LA-0411, & various others	
Disaster Grants - Public Assistance	97.036		72,101,744
		1792-022-0002, 1603- 071-0039, & various others	
Hazard Mitigation Grant Program	97.039		<u>14,309,960</u>
Total U.S. Department of Homeland Security			<u>86,411,704</u>
Total Federal Awards Expended			<u><u>\$ 87,641,241</u></u>

See accompanying notes to the schedule of expenditures of federal awards.

SEWERAGE AND WATER BOARD OF NEW ORLEANS
New Orleans, Louisiana

Notes to Schedule of Expenditures of Federal Awards

Year ended December 31, 2021

(1) Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of the Sewerage and Water Board of New Orleans (the "Board") under programs of the federal government for the year ended December 31, 2021. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Board, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Board.

(2) Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The Board has elected not to use the 10% de minimus cost rate allowed under the Uniform Guidance.

(3) Relationship to Basic Financial Statements

Federal awards are included in capital contributions on the statement of revenues, expenses, and changes in net position.

(4) Bonds Payable to Pass-Through Entity Under Federal Program

The Board entered into an agreement with the Louisiana Department of Environmental Quality (LDEQ) whereby the LDEQ has committed to loan the Board up to \$10,000,000 to fund the rehabilitation of existing sanitary sewers, replacement of sanitary sewer service connections, excavation mainline sewer point repairs, full length mainline replacements, and manhole rehabilitation. The loan proceeds are provided to the Board in incremental amounts as project costs are incurred. A portion of the loan proceeds are funded by the federal Clean Water State Revolving Fund (CWSRF) program. The indebtedness to the LDEQ is evidenced through the Sewerage Service Revenue Bond, Series 2019. Annual principal payments are due beginning June 1, 2022 and continuing through June 1, 2040. Interest on the bonds is incurred at the rate of 0.45%, and the LDEQ administrative fee rate is 0.5%. Interest and administrative fee payments began on June 1, 2020 and are due semi-annually thereafter. As of December 31, 2021, \$3,055,227 is included in bonds payable on the financial statements. Total 2021 drawdowns on the loan were \$2,927,677. Of this amount, \$292,689 was funded by the CWSRF program which is the amount included on the Schedule. This is not a federal loan or loan guarantee program, and as a result, the outstanding liability is not included on the Schedule.

SEWERAGE AND WATER BOARD OF NEW ORLEANS
New Orleans, Louisiana

Notes to Schedule of Expenditures of Federal Awards

Year ended December 31, 2021

(4) Bonds Payable to Pass-Through Entity Under Federal Program (continued)

On November 10, 2021, the Board closed on a \$275,000,000 revenue debt issue through the Water Infrastructure Financing and Innovation Act (WIFIA) with the U.S. Environment Agency (EPA) to fund over 160 projects to modernize aging and storm damaged sewer pipelines throughout the City of New Orleans as part of a comprehensive Sewer System Evaluation and Rehabilitation Program. The WIFIA debt will be due in semi-annual installments of interest and annual payments of principal, with a final maturity date of 35 years following the substantial completion date of the projects. The total 2021 WIFIA debt proceeds were \$936,848 which is included in bonds payable on the financial statements.

SEWERAGE AND WATER BOARD OF NEW ORLEANS
New Orleans, Louisiana

Schedule of Findings and Questioned Costs

Year ended December 31, 2021

(1) Summary of Independent Auditors' Results

Financial Statements

- (a) The type of report issued on the basic financial statements: **Unmodified**
- (b) Internal control over financial reporting:
Material weakness(es) identified: **No**
Significant deficiency(ies) identified: **No**
- (c) Noncompliance which is material to the basic financial statements: **No**

Federal Awards

- (d) Internal control over major federal programs:
Material weakness(es) identified: **No**
Significant deficiency(ies) identified: **None reported**
- (e) Type of auditor's report issued on compliance for major federal programs: **Unmodified**
- (f) Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?
No
- (g) Identification of major federal program:
Assistance Listing No. 97.036 – Disaster Grants – Public Assistance
- (h) Dollar threshold used to distinguish between Type A and Type B programs: **\$2,629,237**
- (i) Auditee qualified as a low-risk auditee under the Uniform Guidance: **No**

(2) Findings relating to the basic financial statements reported in accordance with Government Auditing Standards

None

(3) Findings and questioned costs related to federal awards

None

SEWERAGE AND WATER BOARD OF NEW ORLEANS
New Orleans, Louisiana

Summary Schedule of Prior Audit Findings

Year ended December 31, 2021

Findings relating to the basic financial statements reported in accordance with *Government Auditing Standards*

2020-001, 2019-002, 2018-002, 2017-002, 2016-001 Customer Accounts, Receivable and Revenue

Criteria: The Board should have adequate internal controls in place to ensure customer accounts are billed and recorded correctly in the accounting records.

Condition: The Board implemented a new customer billing system in October 2016 which substantially changed the billing processing environment from a once-daily batch update process to a real-time continuous update process. Following this conversion, the Board continued to work through various billing issues which included an increased in estimated bills, a high number of disputed billings, and late billings, which resulted in an increase in the adjustments required to customer accounts including invoice corrections.

The Louisiana Legislative Auditor's Office (the LLA) conducted a performance audit of the Board's customer billing system and issued the report titled "Implementation of New Billing System and Oversight of Billing Process" dated March 19, 2020. The LLA identified certain deficiencies including problems with implementation of the new billing system, inadequate training of employees, timeliness of meter readings, and inaccurate calculation and tracking of free water consumption to ensure that customers eligible for free water will billed for consumption in excess of free water thresholds. On March 17, 2021, the LLA issued a follow-up Performance Audit Services report that included the status of the 11 recommendations made in the 2020 report. Based on the results of this report, the Board has fully implemented 3 of the 11 recommendations. Implementation of the remaining 8 recommendations is in progress.

Recommendations: The Board should complete implementation of the remaining recommendations from the LLA's performance audit that were not completed as of the LLA's March 17, 2021 status report including the procurement of automatic meter reading technology and equipment and increasing the number of actual meter readings each month to continue to reduce the number of estimated billings.

Status: Resolved

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA

STATEWIDE AGREED-UPON PROCEDURES

FOR THE YEAR ENDED DECEMBER 31, 2021

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA

STATEWIDE AGREED-UPON PROCEDURES

FOR THE YEAR ENDED DECEMBER 31, 2021

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INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES

To the Honorable LaToya Cantrell, President, and Members of the Sewerage and Water Board of New Orleans, Louisiana, and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below 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, 2021 through December 31, 2021. Sewerage and Water Board of New Orleans (SWBNO)'s management is responsible for those C/C areas identified in the SAUPs.

SWBNO 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, 2021 through December 31, 2021. 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.

The procedures we performed, and the associated findings are summarized in the attached Schedule A, which is an integral part of this report.

We were engaged by SWBNO 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 SWBNO 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.

Postlethwaite & Netterville

Metairie, Louisiana
June 29, 2022

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA

AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS

FOR THE YEAR ENDED DECEMBER 31, 2021

The procedures performed and the results thereof are set forth below. The procedure is stated first, followed by the results of the procedure presented in italics. If the item being subjected to the procedures is positively identified or present, then the results will read “*no exceptions noted*” or for step 25 “*we performed the procedure and discussed the results with management*”. If not, then a description of the exception ensues.

A. 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

The entity has written policy for Budgeting; however the policy does not specifically address policy related to budget amendment.

- 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.

No exceptions noted.

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

No exceptions noted.

- 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).

No exceptions noted.

- 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(s) rate of pay or approval and maintenance of pay rate schedules.

No exceptions noted.

- 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.

No exceptions noted.

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

Not applicable. The entity does not have any active credit cards, bank debit cards, fuel cards, and P-cards for the fiscal period.

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA

AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS

FOR THE YEAR ENDED DECEMBER 31, 2021

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

No exceptions noted.

- 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.

No exceptions noted.

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

No exceptions noted.

- 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.

No exceptions noted.

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

No exceptions noted.

B. 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.

No exceptions noted.

- 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, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue fund. *Alternately, for those entities reporting on the nonprofit 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.*

No exceptions noted.

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA

AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS

FOR THE YEAR ENDED DECEMBER 31, 2021

- 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.

No exceptions noted.

C. 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 5). 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 listing of bank accounts was provided and included a total of 26 bank accounts. Management identified the entity's main operating account. No exceptions were noted as a result of performing this procedure.

From the listing provided, we selected five bank accounts (one main operating and four others) and obtained the bank reconciliations for the month ending June 30, 2021, resulting in five bank reconciliations obtained and subjected to the below procedures.

- a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);

No exceptions noted.

- b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged);

No exceptions noted.

- 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.

No exceptions noted.

D. 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 5 deposit sites (or all deposit sites if less than 5).

A listing of deposit sites was provided and included a total of 2 deposit sites. No exceptions were noted as a result of performing this procedure.

From the listing provided, we randomly selected two deposit sites and performed the procedures below.

SEWERAGE AND WATER BOARD OF NEW ORLEANS, LOUISIANA

AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS

FOR THE YEAR ENDED DECEMBER 31, 2021

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 (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

A listing of collection locations for each deposit site selected in procedure #4 was provided.

From each of the listings provided, we randomly selected one collection location for each deposit site. Review of the entity's written policies and procedures or inquiry with employee(s) regarding job duties was performed in order to perform the procedures below.

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

No exceptions noted.

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

No exceptions noted.

- c) Each employee responsible for collecting cash is not 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.

No exceptions noted.

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

No exceptions noted.

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

No exceptions noted.

7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (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). *Alternately, 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:

We randomly selected two deposit dates for each of the five bank accounts selected in procedure #3 that resulted in a total of 10 deposits. We obtained supporting documentation for each deposit and performed the procedures below.

- a) Observe that receipts are sequentially pre-numbered.

No exceptions noted.

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

No exceptions noted.

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

No exceptions noted.

- d) Observe 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).

No exceptions noted.

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

No exceptions noted.

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

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

The entity only has one location that processed payments for the fiscal period provided. We selected the one location and performed the procedures below.

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

The listing of employees involved with non-payroll purchasing and payment functions for each payment processing location selected in procedure #8 was provided. No exceptions were noted as a result of performing this procedure.

Review of the entity's written policies and procedures or inquiry with employee(s) regarding job duties was performed in order to perform the procedures below.

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

No exceptions noted.

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

No exceptions noted.

- 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.

No exceptions noted.

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- 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.

No exceptions noted.

10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:

A listing of non-payroll disbursements for each payment processing location selected in procedures #8 was provided related to the reporting period. No exceptions were noted as a result of performing this procedure.

From the listing provided, we randomly selected five disbursements and performed the procedures below.

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

No exceptions noted.

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

No exceptions noted.

F. Credit Cards/Debit Cards/Fuel Cards/P-Cards

Procedures 11 through 13 are not applicable as the entity does not have credit cards, debit cards, fuel cards, or P-cards.

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

14. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:

The listing of travel and travel-related expense reimbursements was provided for the fiscal period. No exceptions were noted as a result of performing this procedure.

From the listing provided, we randomly selected five reimbursements and performed the procedures below.

- a) If reimbursed using a per diem, observe 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).

No exceptions noted.

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

No exceptions noted.

- c) Observe each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).

No exceptions noted.

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

No exceptions noted.

H. Contracts

15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, 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 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:

An active vendor list for the fiscal period was provided. No exceptions were noted as a result of performing this procedure.

From the listing provided, we randomly selected five contracts and performed the procedures below.

- 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.

No exceptions noted.

- 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).

No exceptions noted.

- c) If the contract was amended (e.g. change order), observe 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 was approval documented).

No exceptions noted.

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

No exceptions noted.

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I. Payroll and Personnel

16. Obtain a listing of employees/elected officials employed during the fiscal period.

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

A listing of employees/elected officials employed during the fiscal year was provided. No exceptions were noted as a result of performing this procedure.

From the listing provided, we randomly selected five employees/officials and performed the specified procedures. No exceptions noted.

17. Randomly select one pay period during the fiscal period and perform the following:

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

No exceptions noted.

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

No exceptions noted.

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

No exceptions noted.

- d) Observe that the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file

No exceptions noted.

18. Obtain a listing of those employees/officials that received termination payments during the fiscal period.

A listing of employees/officials receiving termination payments during the fiscal period was provided. No exceptions were noted as a result of performing this procedure.

- a) Randomly select 2 employees/officials and obtain related documentation of the hours and pay rates used in management's termination payment calculations, agree the hours to the employee/officials' cumulative leave records, and agree the pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files. Also, agree the termination payment was made in accordance with the policy.

No exceptions noted.

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

No exceptions noted.

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J. Ethics

20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain ethics documentation from management, and:

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

No exceptions noted.

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

No exceptions noted.

K. Debt Service

21. 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 State Bond Commission approval was obtained for each debt instrument issued.

No exceptions noted.

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

A listing of bonds/notes outstanding at the end of the fiscal period was provided. No exceptions were noted as a result of performing this procedure.

From the listing provided, we randomly selected one bond/note and performed the specified procedures. No exceptions noted.

L. Fraud Notice

23. 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.

Management represented that there were no misappropriations of public funds and assets during the fiscal period. No exceptions were noted as a result of performing this procedure.

24. Observe 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.

No exceptions noted.

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M. Information Technology Disaster Recovery/Business Continuity

25. Perform the following procedures:

- a) Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), observe evidence that backups are encrypted before being transported.

We performed the procedure and discussed the results with management.

- b) Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.

We performed the procedure and discussed the results with management.

- 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 5 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.

We performed the procedure and discussed the results with management.

N. Sexual Harassment

26. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain sexual harassment training documentation from management, and observe the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year.

No exceptions noted.

27. Observe 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).

No exceptions noted.

28. 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 it includes the applicable requirements of R.S. 42:344:

No exceptions noted.

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

No exceptions noted.

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

No exceptions noted.

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

No exceptions noted.

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

No exceptions noted.

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

No exceptions noted.

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MANAGEMENT'S RESPONSE AND CORRECTIVE ACTION PLAN

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Obtain management's response and corrective action plan for any exceptions noted in the above agreed upon-procedures.

Procedure: 1a.

Results: The entity has written policy for Budgeting; however the policy does not specifically address policy related to budget amendment.

Management Corrective Action: Management is in agreement and will augment the written policy to include parameters for amending the budget.