



Sewerage and Water Board Finance Committee

Financial Update – accounts receivables

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Quarterly Reports to Council

- The Sewerage and Water Board regularly reports financial data to the City Council, as required by state law. To date, data on accounts receivable have come from a “Consumption Report.”
- The Consumption Report is **not** the best tool for calculating accurate accounts receivable.
 - It is a snapshot in time and shows year-end balances on December 31.
 - Accounts receivable however, is a dynamic number. It is calculated on a rolling basis, not by adding year-end balances.
 - Also, billing data on Consumption Report is too broad. For example, it includes bills due from previous years, “free water,” credits, voids, and adjustments – data which is not captured in audited revenues and accounts receivable.
- **Improve accuracy:** Don’t use Consumption Report going forward. Use audited figures when available, supplemented with present financial reports (i.e., AFIN System Reports).



AFIN Report - Accounts Receivables

- AFIN System Reports (AFR) reflect a more accurate position of the SWB uncollected balances as of a given date
 - AFR captures the billing at the time of service
 - AFR will tie directly back to the audited financial statements, providing a verifiable accounting of activity
 - At the end of each year, the AFR will also show non-customer revenues, adjustments for write-offs of bad debt and adjustments to reflect reserves for uncollected accounts.

Water and Sewer Systems - Accounts Receivable							
(a)	(b)	(c)	(d)	(e)	(f)	(g)	
Fiscal Year End	Beginning Account Receivable (A/R)	Water and Sewer Revenues	Water and Sewer Collections	Change in A/R: Revenues less Collections	Other Accruals and Adjustments	CAFR Ending A/R Balance	
2017	35.7 *	201.5 *	188.9	*	12.6	3.8	52.1 *
2018	52.1 *	211.8 **	190.5	**	21.3 **		73.4 **
* 2017 Comprehensive Audited Financial Report (CAFR)							
** Preliminary and will change based upon conclusion of the audit							



Accounts Receivables - Detail

- The below chart outlines the unaudited and approximate details of the 2018 Accounts Receivables uncollected balances by days outstanding for both Water and Sewer Systems.
 - Of the \$45.0 million in delinquent bills of 121 or more days, approximately 40% is classified as inactive accounts and are pursued through a collection agency.

	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121+ Days	Unapplied Amount	Total Amount
Sewer	\$7,384,788	\$3,987,112	\$3,345,696	\$2,201,559	\$22,807,202	(\$1,811,804)	\$37,914,553
Water	\$6,175,364	\$3,357,464	\$2,918,118	\$1,861,825	\$22,207,048	(\$2,356,812)	\$34,163,007
Total	\$13,560,152	\$7,344,576	\$6,263,814	\$4,063,384	\$45,014,250	(\$4,168,616)	\$72,077,560*

*Does not include non-customer revenues

