



**Comprehensive**

**Annual**

**Financial**

**Report**

**For The Fiscal Year Ended**

**April 30, 2019**

*EBunch*

# **Clayton County Water Authority**

Clayton County, Georgia

## **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

For The Fiscal Year Ended April 30, 2019

**Prepared By:**

**Finance Department**

**Allison G. Halron, CPA,CITP, CGMA, CMA, Finance Director**

**Angie Bennett, ERP Coordinator and Financial Reporting**

**Heather Downing, Administrative Assistant**

# Clayton County Water Authority

## MISSION STATEMENT



---

*“Providing quality water and quality services to our community”*

---

## TABLE OF CONTENTS

I. Introductory Section .....	1
Transmittal Letter .....	2
Method of Governance.....	3
Profile of the Clayton County Water Authority .....	3
Overview of the System.....	11
Bond Rating.....	12
Local Economy .....	12
Long-Term Financial Plan.....	15
Capital Improvement Program .....	16
Internal Controls .....	20
Budgetary Controls .....	21
Awards and Acknowledgements .....	22
Certificate of Achievement for Excellence in Financial Reporting.....	25
Organizational Chart .....	26
Vicinity Map of Metro Atlanta Area.....	27
Map of Clayton County .....	28
Listing of Principal Officials and Consultants .....	29
Board of Directors.....	30
Leadership Team.....	31
Finance Department Staff.....	32
II. Financial Section .....	33
Independent Auditor’s Report.....	34
Management Discussion and Analysis.....	37
Overview of the Financial Statements.....	37
Financial Highlights .....	39
Financial Analysis of the Authority’s Business-Type Activities .....	40
Condensed Statements of Net Position.....	41
Condensed Statements of Revenues, Expenses and Changes in Net Position.....	52
Capital Assets and Debt .....	61
Economic Factors, Rates and Next Year’s Financial Activity.....	62
Next Year’s Budget.....	63

Request for Information .....	64
Basic Financial Statements.....	65
Statement of Net Position .....	65
Statement of Revenues, Expenses and Changes in Net Position .....	67
Statement of Cash Flows .....	68
Statement of Fiduciary Net Position – OPEB Trust .....	70
Statement of Changes in Fiduciary Net Position – OPEB Trust .....	70
Notes to the Financial Statements.....	71
Note 1: Summary of Significant Accounting Policies .....	71
Note 2: Stewardship, Compliance and Accountability .....	80
Note 3: Cash, Cash Equivalents and Investments.....	80
Note 4: Accounts Receivable .....	84
Note 5: Interfund Transfers .....	84
Note 6: Capital Assets .....	85
Note 7: Long-Term Obligations.....	86
Note 8: Risk Management .....	90
Note 9: Self-Insurance .....	91
Note 10: Commitments, Contingencies and Other Information .....	91
Note 11: Other Postemployment Benefits .....	92
Note 12: Public Employee Retirement System (PERS).....	97
Note 13: Change in Accounting Principle .....	101
III. Required Supplementary Information .....	102
Schedule of Proportionate Share of Net Pension Liability.....	103
Schedule of Contributions - Pension.....	103
Schedule of Changes in Net OPEB Liability and Related Ratios .....	104
Schedule of Contributions – Other Post-Employment BEnefits .....	104
Schedule of Other Post-Employment Benefits Investment Returns .....	105
IV. Supplementary Information .....	106
Schedule of Operating Revenues .....	107
Schedule of Operating Expenses – Direct Water Operating Expenses .....	108
Schedule of Operating Expenses – Direct Wastewater Operating Expenses .....	109
Schedule of Operating Expenses – Indirect Operating Expenses .....	110

Schedule of Operating Expenses – Administrative Operating Expenses .....	111
Schedule of Operating Expenses – Stormwater Operating Expenses .....	112
Schedule of Capital Assets and Depreciation by Asset Class – Water and Sewer Fund .....	113
Schedule of Capital Assets and Depreciation by Department – Water and Sewer Fund .....	115
Schedule of Capital Assets and Depreciation by Asset Class – Stormwater Fund .....	117
Schedule of Capital Assets and Depreciation by Department – Stormwater Fund .....	118
Debt Service Accounts .....	119
Schedule of Restricted Assets and Related Payables – Debt Service Accounts.....	119
Schedule of Changes in Restricted Assets – Debt Service Accounts.....	120
Schedule of Revenue Bonds Payable .....	121
Notes to Schedule of Bonds Payable: .....	121
Renewal and Extension Account.....	121
Schedule of Restricted Assets and Related Payables – Renewal and Extension Account .....	122
Schedule of Changes in Restricted Assets – Renewal and Extension Account .....	122
V. Statistical Section.....	123
Statistical Section Index .....	124
Schedule 1: Net Position by Component .....	125
Schedule 2: Changes in Net Position.....	126
Schedule 3: Operating Revenues by Source .....	127
Schedule 4: Operating Expense by Function.....	128
Schedule 5: Nonoperating Revenues and Expenses .....	129
Schedule 6: Annual Capital Contributions by Source .....	130
Schedule 7: Gallons of Water Treated and Consumed .....	131
Schedule 8: Gallons of Water Sold and Wastewater Treated.....	132
Schedule 9: Annual Water Produced by Plant .....	133
Schedule 10: Annual Wastewater Treated by Plant .....	134
Schedule 11: Annual New Water Meter Settings .....	135
Schedule 12: Minimum Monthly Water Charges and Base Charges .....	136
Schedule 13: Number of Water and Wastewater Customers by Type.....	137
Schedule 14: Number of Stormwater Customers by Type .....	138
Schedule 15: Water and Sewer Rates.....	139
Schedule 16: Stormwater Rates.....	140

Schedule 17: Ten Largest Water and Wastewater Customers Measured by Consumption in Gallons and Water and Wastewater Revenues .....	141
Schedule 18: Ten Largest Water and Wastewater Customers Measured by Consumption in Gallons and Water and Wastewater Revenues (Ten Years Ago).....	142
Schedule 19: Ten Largest Customers Measured By Stormwater User Fees.....	143
Schedule 20: Ten Largest Customers Measured By Stormwater User Fees (Ten Years Ago).....	144
Schedule 21: Ratios of Outstanding Debt by Type.....	145
Schedule 22: Debt Service Coverage .....	146
Schedule 23: Demographic And Economic Statistics.....	147
Schedule 24: Ten Largest Employers .....	148
Schedule 25: Number of Employees by Job Class.....	149
Schedule 26: Operating and Capital Indicators.....	150
Schedule 27: Analysis of Cost of Water Sold .....	151
Schedule 28: Analysis of Cost of Wastewater Treated .....	152
Schedule 29: Allocation of Certain Expenses.....	153
VI. Compliance Section .....	154
Compliance Section Index.....	155
Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> .....	156
Independent Auditor’s Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance .....	158
Schedule of Expenditures of Federal Awards .....	160
Notes to Schedule of Expenditures of Federal Awards .....	160
Basis of Presentation and Accounting .....	160
Schedule of Findings and Questioned Costs.....	161
Summary Schedule of Prior Year Findings .....	163



I. INTRODUCTORY SECTION

LETTER OF TRANSMITTAL

CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING

ORGANIZATIONAL CHART

VICINITY MAP OF METRO ATLANTA AREA

LISTING OF PRINCIPAL OFFICIALS AND CONSULTANTS

BOARD OF DIRECTORS

LEADERSHIP TEAM

FINANCE DEPARTMENT STAFF







## TRANSMITTAL LETTER



"Providing Quality Water and Quality Services to Our Community"

[www.ccwa.us](http://www.ccwa.us) | 770.961.2130 | 1600 Battle Creek Road, Morrow, GA 30260

---

October 21, 2019

Mr. John M. Chafin, Chairman,  
Members of the Board of Directors,  
Customers of the Clayton County Water Authority,  
And the Citizens of Clayton County, Georgia

Ladies and Gentlemen:

House Bill 390 served as the enabling legislation for the creation of the Clayton County Water Authority (the Authority or CCWA), upon its approval, by the Georgia Legislature on March 7, 1955. That original piece of legislation was amended by House Bill 535, on March 1, 1971, to require that the Authority issue annually a report on its financial position and activity. The amending statute also contained a requirement that the financial report that was being issued should be audited by an independent auditing firm that was to be selected by the Clayton County Board of Commissioners. Pursuant to those statutory requirements, we are pleased to present the Comprehensive Annual Financial Report (CAFR) of the Clayton County Water Authority for its fiscal year ended April 30, 2019.

This report consists of management's representations concerning the operations and financial condition of the Clayton County Water Authority. Consequently, management assumes full responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures. To provide a reasonable basis for making these representations, management of the Authority has established a comprehensive internal control network that is designed both to protect its assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the Clayton County Water Authority's financial statements in conformity with generally accepted accounting principles (GAAP).



Because the cost of internal controls should not outweigh their benefits, the Clayton County Water Authority's comprehensive framework of internal controls has been designed to provide reasonable, rather than absolute assurance, that the financial statements will be free from material misstatement. As management, we assert that to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The Clayton County Water Authority's financial statements have been audited by Mauldin & Jenkins, LLC, a firm of licensed Certified Public Accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Clayton County Water Authority, for the fiscal year ended April 30, 2019, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation.

GAAP requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). The MD&A contains a narrative overview and analysis of the financial activities of the Authority. Clayton County Water Authority's [Management Discussion and Analysis](#) can be found in the [Financial Section](#) immediately following the independent auditors' report. This transmittal letter, which is designed to assist users in assessing the government's financial condition, should complement the MD&A.

---

## METHOD OF GOVERNANCE

The Clayton County Water Authority is governed by a Water Authority Board of Directors composed of seven members. Each of them serves on a part-time basis for a term of five years and may be reappointed for additional terms. Members of the Board are appointed by the Clayton County Board of Commissioners. The Chairman, Vice-Chairman and Secretary-Treasurer are elected by and serve at the pleasure of the Water Authority Board.

The Authority operates utilizing a Board of Directors-Administrator form of organization. The Board of Directors adopts a balanced operating budget annually and establishes billing rates and fees for the operations of the Water Authority. The Board also approves the capital projects budgets and any issuance of debt to fund those construction activities.

The General Manager is appointed by and serves, at the pleasure of the Board. The General Manager has the responsibility of administering operations, in accordance with the policies, and the annual budget adopted by the Board of Directors. Performing under the general direction of the General Manager, certain managers and directors are responsible for the day-to-day operations of various functional areas of the organization.

---

## PROFILE OF THE CLAYTON COUNTY WATER AUTHORITY

Under an Act of the Georgia General Assembly, approved March 7, 1955 (Georgia Laws 1955, page 3344), the Clayton County Water Authority was created. The enabling legislation authorized the Authority to acquire, construct and thereafter operate and maintain projects embracing sources of water supply, the distribution, sale of water and its related facilities.

On May 1, 2007, the Authority began providing stormwater services to all the residents of the County. To cover the costs of maintaining the stormwater infrastructure, residential customers are charged a flat monthly charge of \$3.75



and non-residential customers are charged \$3.75 per 2,950 sq. ft. of impervious surface, which is the average amount of impervious surface on a residential lot.

---

## POPULATION

Out of the 159 counties located in Georgia, Clayton County is one of the smallest, in terms of land size, with an area of only 143 square miles. With 285,153 residents, according to most recent 2017 population estimates, it is one of the most densely populated counties in Georgia. There are six incorporated cities located within the county: Forest Park, a portion of College Park, Jonesboro, Lake City, Lovejoy, Morrow and Riverdale; and the City of Jonesboro, which is the county seat. This suburban community is located just minutes south of downtown Atlanta and is an integral part of the Atlanta Metropolitan Statistical Area (MSA).

---

## TRANSPORTATION AND ACCESSIBILITY

An important attribute of Clayton County is its location in relationship to major transportation modes and the availability of several cost-effective alternatives for moving people and goods in the immediate area.

**AIR:** Hartsfield-Jackson Atlanta International Airport, which lies mostly within Clayton County proper, is a major hub



in the air transportation business and has been titled the busiest airport in the world since 2000. Hartsfield-Jackson Atlanta International Airport has annually recorded the largest amount of passenger traffic in the industry since 1998. In May 2012, the airport opened its new \$1.4 billion international concourse and handled over 9.8 million passengers in its first year of operation. In 2016, the airport began work on the \$6 billion in projects outlined in its 20-year master plan.

Additional Hartsfield-Jackson Atlanta International Airport statistics:

- Has a total regional economic impact of \$64.3 billion annually
- Has over 63,000 employees and estimated annual payroll of \$4.2 billion
- Largest employment center in the State of Georgia
- Terminal and parking areas of 4,750 acres
- Airport complex including parking is largely, physically located in Clayton County and is the Authority's largest Stormwater customer
- Atlanta is within a 2-hour flight of 80% of US population
- 105.2 million passengers annually; 288,000 passengers daily

**ROADWAY/MOTOR VEHICLE:** Four different interstate highways, I-75, I-85, I-285 and I-675, have 19 exits throughout Clayton County. In terms of other major roads, U.S. highways 19, 23, 29 and 41 and eight state routes are also available to serve our citizens. There are approximately 1,400 miles of paved roads, expressways and streets located within the County. Atlanta's beltway, Interstate 285, provides easy access to all areas of Atlanta and to east/west bound Interstate 20.



Other transportation needs of the local community can also be easily accommodated. The Georgia Regional Transportation Authority (GRTA) offers express bus service that provides workday commuters an alternative to driving their vehicles to downtown Atlanta employment centers. A large, conveniently located park and ride lot situated on a major arterial in Jonesboro provides access to this service. MARTA has a large presence in Clayton County with 633 bus stops that support 13 routes and 7,000 passengers daily. Approximately, 560 County residents are employed by this transit service. In addition, MARTA will expand in the County with two recent major initiatives which include new bus routes along GA Highways 139 and 85 and adding a commuter rail on existing Norfolk Southern rail line.



**RAIL:** For those businesses needing to move freight, there is direct rail service provided by the Norfolk Southern Railways System. In addition, Amtrak has passenger trains, which pass through nearby Atlanta. Approximately 30 freight truck lines serve the County with both intrastate and interstate service. In addition, the Greyhound Bus Line operates a local terminal in nearby Hapeville. Moreover, for international shipping, Savannah, Georgia and Jacksonville, Florida serve as major deep-water seaports, which can easily be reached by interstate highway in a matter of hours.

---

## EDUCATION

The Clayton County Board of Education currently operates sixty-five public schools and twelve of which, are high schools. There are also five private schools currently operating in the county. Clayton State University is located within the County and is part of the University System of Georgia.



Some of the other institutions of higher education located in the Atlanta metropolitan area include: Agnes Scott College, Atlanta University Complex, Emory University, Georgia Institute of Technology, Georgia State University, Kennesaw State University, Life University, Mercer University, Oglethorpe University, and Spelman College. The Southern Crescent Technical College and Atlanta Technical College are also located in counties adjacent to Clayton.



CUSTOMERS

At April 30, 2019, the Authority served 82,997 water customers, 67,339 sewer customers and 80,650 stormwater customers.

Type of Customer	Water		Sewer		Stormwater	
	April 30, 2019	April 30, 2018	April 30, 2019	April 30, 2018	April 30, 2019	April 30, 2018
Residential	77,628	76,337	63,311	62,065	76,451	75,140
Multi-Family Residential	5	5	5	5	6	4
<b>Total Residential</b>	<b>77,633</b>	<b>76,342</b>	<b>63,316</b>	<b>62,070</b>	<b>76,457</b>	<b>75,144</b>
Commercial	3,730	3,752	2,821	2,847	3,774	3,844
Motel	61	59	52	50	50	48
Multi-Family	386	382	356	355	361	360
Mobile Homes	23	23	22	22	17	17
<b>Total Commercial and Multi-Famil</b>	<b>4,200</b>	<b>4,216</b>	<b>3,251</b>	<b>3,274</b>	<b>4,202</b>	<b>4,269</b>
Industrial	56	53	39	37	48	48
Institutional	683	682	505	511	634	635
Government	248	210	159	118	245	164
Cities and Counties	7	8	3	3	1	1
CCWA/Other	170	136	66	44	63	63
<b>Total Industrial and Municipal</b>	<b>1,164</b>	<b>1,089</b>	<b>772</b>	<b>713</b>	<b>991</b>	<b>911</b>
<b>Total Customers</b>	<b>82,997</b>	<b>81,647</b>	<b>67,339</b>	<b>66,057</b>	<b>81,650</b>	<b>80,324</b>

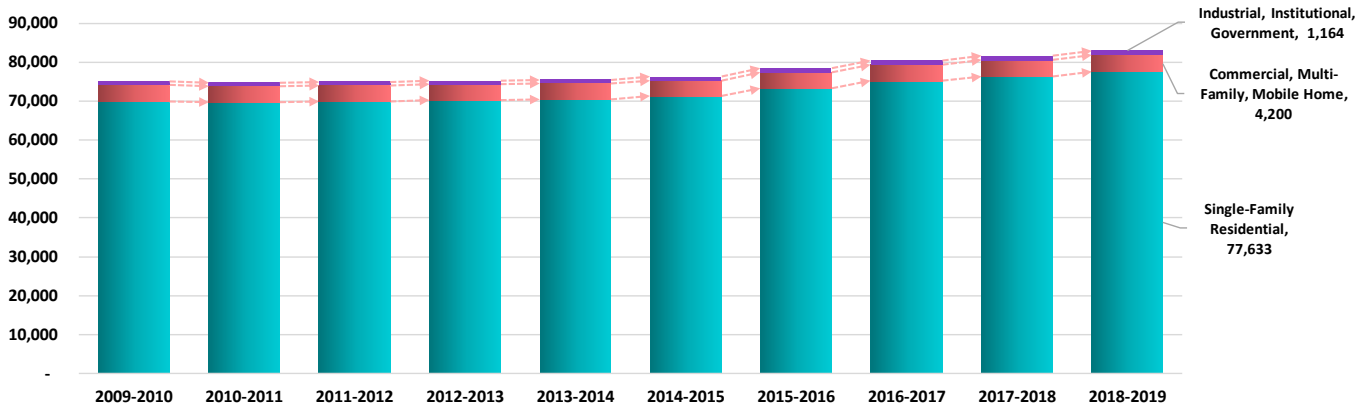




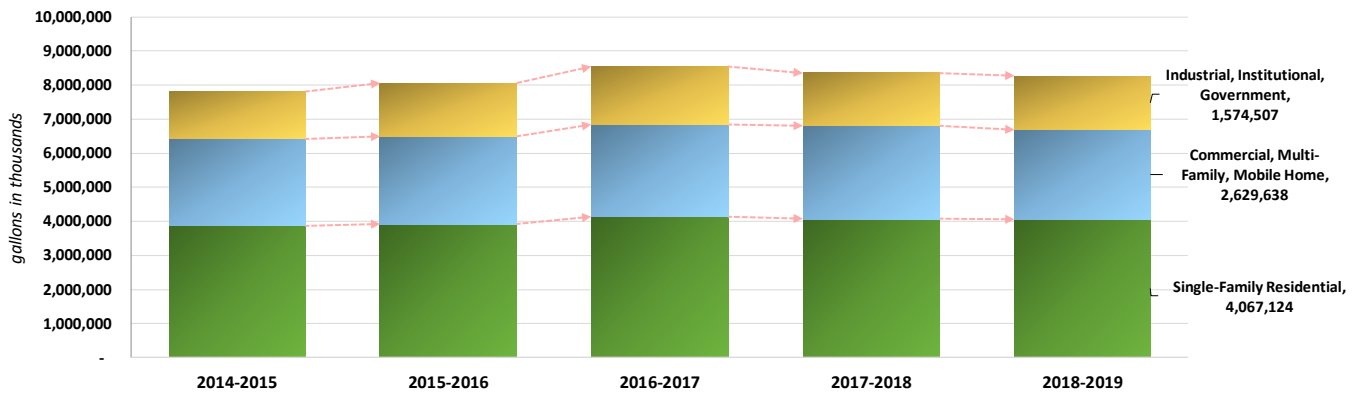
## WATER CUSTOMERS AND USAGE

The number of water customers, in all categories, has been trending upward toward pre-economic downturn numbers as vacancies decline and economic growth continues. Water usage was down slightly from the previous year due to excessive rainfall but continues to trend upward over the previous four years.

### WATER CUSTOMERS BY CATEGORY



### WATER USAGE BY CATEGORY

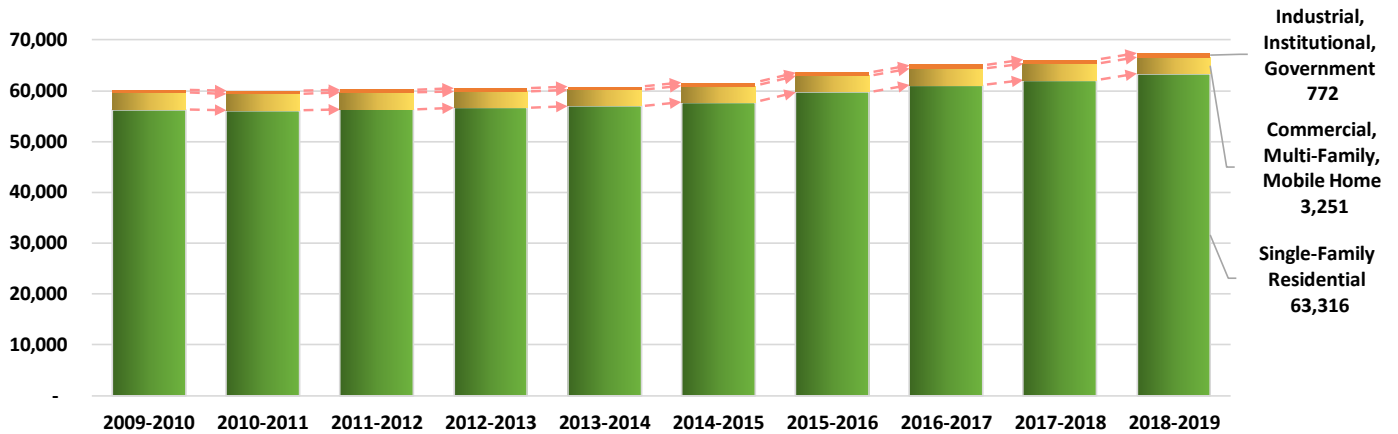




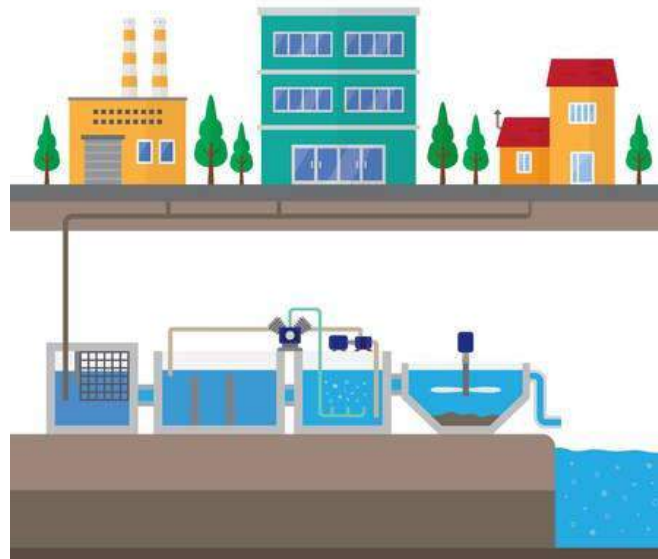
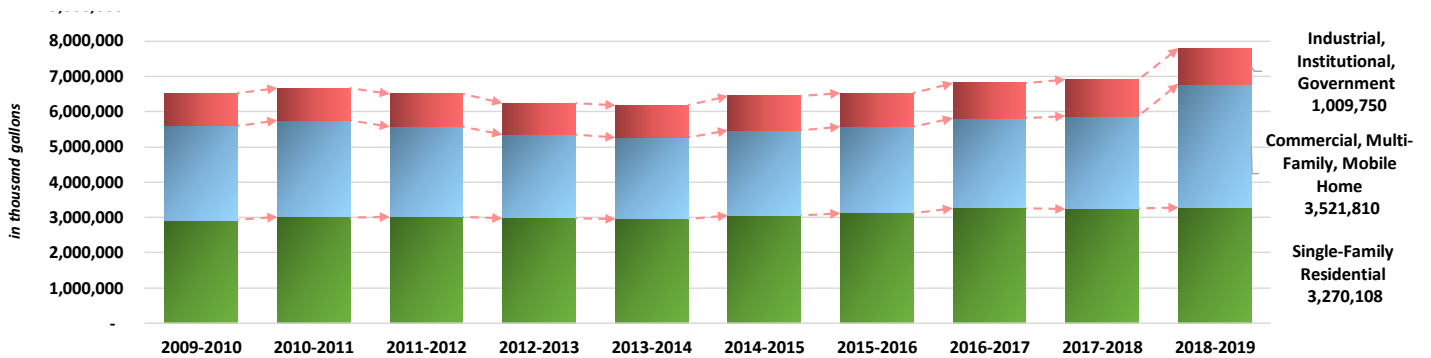
## SEWER CUSTOMERS AND USAGE

The number of sewer customers, in all categories, has been trending upward toward pre-economic downturn numbers as vacancies decline and economic growth continues.

### SEWER CUSTOMERS BY CATEGORY



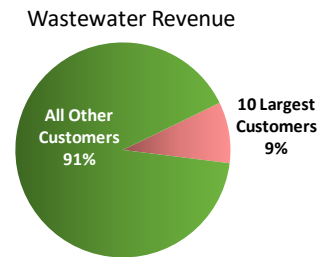
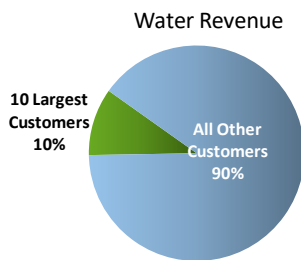
### SEWER USAGE BY CATEGORY





TOP TEN WATER AND SEWER CUSTOMERS BY REVENUE

Customer	Water Revenue	Percent	Customer	Wastewater Revenue	Percent
City of College Park	\$ 1,578,783	3.04%	Fresh Express	\$ 1,663,334	3.74%
Fresh Express	1,315,979	2.53%	Marcre Sales Inc	470,647	1.06%
Clorox Company	742,011	1.43%	Club Chef Southeast LLC	391,319	0.88%
Club Chef Southeast LLC	403,997	0.78%	Clayton County Board of Commissioners	334,196	0.75%
Clayton County Board of Commissioners	315,267	0.61%	Atlanta South Properties LLC/Hunter Ridge MHP LLC	239,207	0.54%
Marcre Sales Inc	208,512	0.40%	Toto USA Inc	211,400	0.48%
Toto USA Inc	199,407	0.38%	5890 Riverdale LLC	209,350	0.47%
DMS Overlook LLC	182,320	0.35%	Stockbridge Communities LLC/Deer Creek MHP LLC	197,687	0.44%
Atlanta South Properties LLC/Hunter Ridge MHP LLC	159,356	0.31%	DMS Overlook LLC	193,701	0.44%
Atlanta South Properties LLC/Riverdale MHP LLC	150,924	0.29%	Clorox Company	177,270	0.40%
<b>10 Largest Customers</b>	<b>\$ 5,256,558</b>	<b>10.11%</b>	<b>10 Largest Customers</b>	<b>\$ 4,088,112</b>	<b>9.20%</b>
All Other Customers	46,753,990	89.89%	All Other Customers	40,361,059	90.80%
<b>Total</b>	<b>\$ 52,010,548</b>	<b>100.00%</b>	<b>Total</b>	<b>\$ 44,449,171</b>	<b>100.00%</b>



Additional information about the Authority’s customer base, usage and related revenue trends can be found in the **STATISTICAL SECTION** in beginning on Schedule 7 and through Schedule 19.

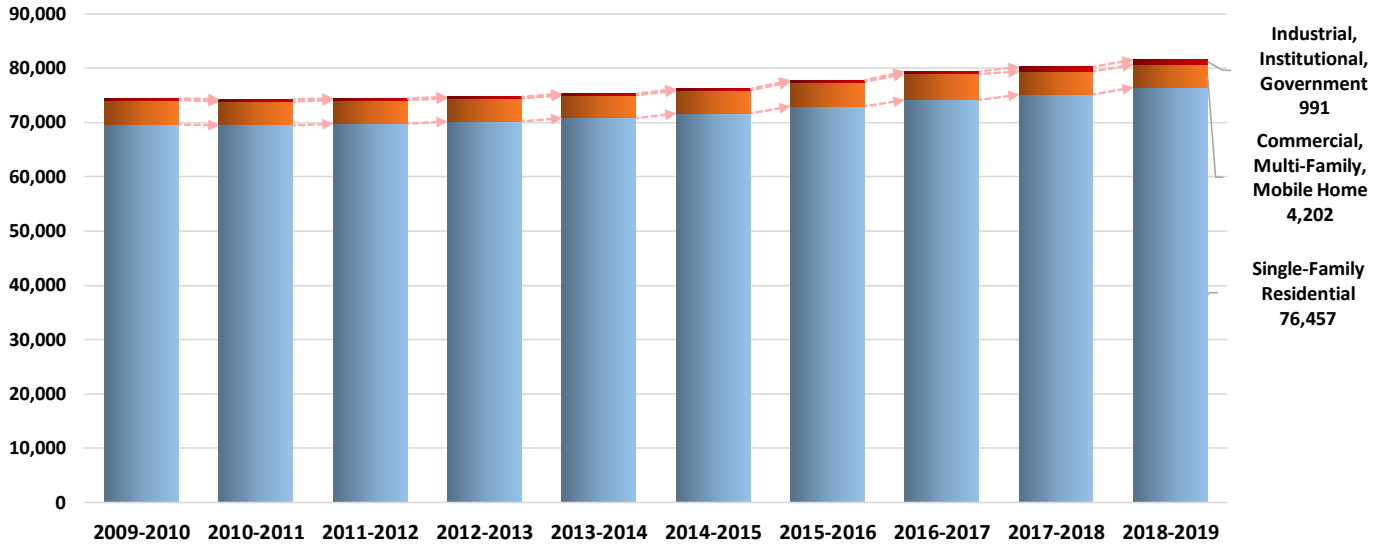






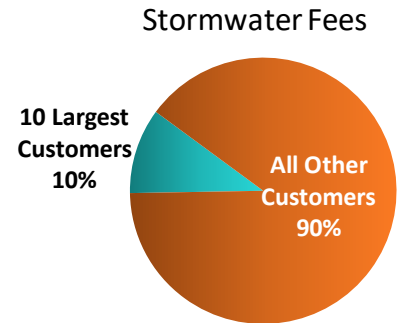
STORMWATER CUSTOMERS

The number of stormwater customers, in all categories, has continued to trend upward.



TOP TEN STORMWATER CUSTOMERS BY FEES PAID

Customer	Stormwater Fees	Percent
Department of Aviation ( <i>Hartsfield-Jackson Airport</i> )	\$ 613,976	6.17%
Georgia Department of Agriculture	84,551	0.85%
J C Penney Catalog Division	68,059	0.68%
Kroger	52,875	0.53%
Fort Gillem - Site Manager	46,839	0.47%
Weeks Robinson Properties	44,385	0.45%
Urban Redevelopment Agency	38,217	0.38%
Georgia Power Company	31,016	0.31%
Tindall Corporation - GA Division	26,490	0.27%
Gillem GA Industrial LLC	26,455	0.27%
<b>10 Largest Customers</b>	<b>\$ 1,032,863</b>	<b>10.37%</b>
All Other Customers	8,922,893	89.63%
<b>Total</b>	<b>\$ 9,955,756</b>	<b>100.00%</b>





OVERVIEW OF THE SYSTEM

<p><b>Water Production</b></p> <ul style="list-style-type: none"> <li>• 3 Production Plants</li> <li>• 47 MGD Capacity                     <ul style="list-style-type: none"> <li>• 26 MGD Produced</li> </ul> </li> <li>• 5 Reservoirs</li> <li>• Water Storage                     <ul style="list-style-type: none"> <li>• 3 Clear Wells: 6.7 MG</li> <li>• 7 Ground Storage Tanks: 23 MG</li> <li>• 4 Elevated Tanks: 2.5 MG</li> </ul> </li> </ul>	<p><b>Water Reclamation</b></p> <ul style="list-style-type: none"> <li>• 3 Reclamation Facilities</li> <li>• 38.4 MGD Treatment Capacity                     <ul style="list-style-type: none"> <li>• 21.2 MGD Treated</li> </ul> </li> <li>• 2 Constructed Wetlands systems</li> <li>• 41 Lift Stations</li> </ul>	<p><b>Stormwater</b></p> <ul style="list-style-type: none"> <li>• 6 city systems</li> <li>• 1 county system</li> <li>• 500 miles of piping</li> </ul>

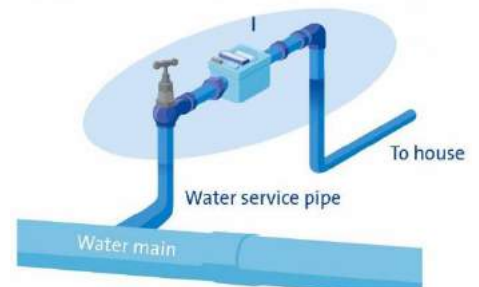
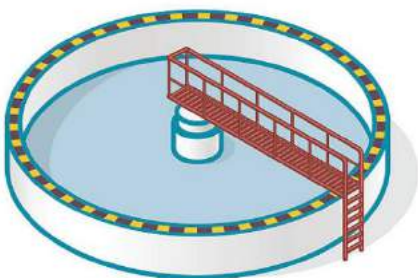
The Authority owns and operates five raw water reservoirs:

- **J.W. Smith** - 240 acres in size, holding approximately 844 million gallons of water at capacity
- **Shamrock** - 78 acres in size, holding approximately 260 million gallons of water at capacity
- **Edgar Blalock, Jr.** - 263 acres in size, holding approximately 889 million gallons of water at capacity
- **William J. "Billy" Hooper** - 143 acres in size, holding approximately 180 million gallons at capacity
- **Shoal Creek** - 387 acres in size, holding 2.19 billion gallons of water at capacity

INTERCONNECTIONS

**Drinking Water:** The Authority has six connections with the City of Atlanta that can be activated “on demand” pursuant of a contract that expires December 31, 2023. The Authority has piping capable of providing about 5 MGD, in additional supply from these connections. Additional connections exist with the water systems of neighboring DeKalb and Fayette Counties.

**Wastewater Treatment:** The Authority has a contract with DeKalb County for 1 MGD of capacity.






---

## DISTRIBUTION AND CONVEYANCE INFRASTRUCTURE

The Authority maintains almost (1,500) miles of water distribution lines, (1,400) miles of sewer conveyance pipe and (500) miles of stormwater pipe.




---

## BOND RATING

The Clayton County Water Authority has a bond rating from Standard & Poor's of AA+ and from Moody's of Aa2. Bonds with this rating are judged to be of high quality, by all standards. They are rated lower than the best bonds because margins of protection may not be as large. AAA and AA bonds are referred to as "High Grade." In general, the higher the grade, the lower the interest costs to the borrowing municipality.

The Authority currently has outstanding revenue bonds totaling \$89.4M. The final bond payment will be made on May 1, 2023 when the 2012 Series bond matures.

---

## LOCAL ECONOMY

Income growth is positively correlated with job growth and lower unemployment rates. Since the 1990's, job growth, in the southern crescent of Metro-Atlanta, has largely been rooted in the construction that occurs during a strong housing market and economic expansion. Clayton County is on the cusp of this type of expansion due to the growth in the film industry and the development surrounding Hartsfield-Jackson Atlanta International Airport.

A modern, extensive transportation along with logistical infrastructure allows Georgia to compete effectively in a global marketplace. Hartsfield-Jackson International Airport is the world's busiest passenger airport and 10th-largest in the nation for cargo. Georgia's deep-water ports and inland barge terminals are a major reason Georgia now ranks second nationally in exports. Moreover, with 5,000 miles of railroad track, Atlanta is the rail center of the South and the largest intermodal facility on the East Coast.

Several transportation projects, in various stages of development, in Clayton and Henry counties promise to open previously closed transportation channels and ease congestion on busy Interstate 75. The Metropolitan Atlanta Rapid



Transit Authority bus service (MARTA) has more than 160 stops by linking the County's workforce to major employers and activity centers throughout the Metro-Atlanta area.

Hartsfield-Jackson Atlanta International Airport is a powerful economic driver and two community improvement districts (CIDs), Airport West and Airport South (North Clayton County), have joined forces as the Atlanta Aerotropolis Alliance to assist the airport into becoming a major economic hub. These CIDs are coordinating plans for the creation of an "Airport City" that will attract new commercial office space, first-class hotels, entertainment venues, condominiums, apartments and other residences.

The Atlanta Aerotropolis Alliance, comprised of businesses, local government representatives, nonprofits and other key stakeholders are playing a major role in forging Hartsfield-Jackson into an even stronger economic development tool for the region. More than 50 percent of Fortune 500 corporate headquarters are located within 10 miles of U.S. hub airports and air travel of both passengers and cargo are expected to triple between 2010 and 2030 at airports around the world. Airports are evolving into the actual destination of the traveler and not just places of departure and arrival.

As more businesses come into the area, more jobs will be created, which spurs more amenities. This will start a perpetual cycle, as it will make the area an even more attractive choice for additional business relocations. The actual development and renovation of the airport will also provide additional jobs and economic impact. Hartsfield-Jackson recently unveiled its 20-year master plan that included \$6 billion in projects. The Authority's service area will see economic gains from the development surrounding Hartsfield-Jackson Atlanta International Airport.

In addition to offering some of the best tax incentives in the metro region, Clayton County is taking a proactive approach to bringing in new business with an innovative "Concierge Service" program. This initiative is designed to streamline the process of doing business in the County by streamlining processes and eliminating much of the bureaucratic red-tape and need to contract multiple departments or areas to get things done.

Georgia is taking a leading role in the movie industry, which contributes 55,000 jobs and \$7B in annual economic impact to the state. The film industry attracts multiple types of commercial and retail businesses to support its movie set building, actors and stage crews. EUE/Screen Gems Studios Atlanta opened a 10-stage, 33-acre studio complex in 2010 on the former Lakewood Fairgrounds. Fayette County, Clayton County's Southside neighbor, got an economic boost last year when Pinewood Atlanta Studios opened a 288-acre complex with five state of the art sound stages. Clayton County will now benefit directly from the movie industry growth as actor and

## BUSINESS EXPANSIONS

- ◆ **Clorox:** \$42M expansion; 100 new jobs.
- ◆ **Clayton Commerce Center:** \$38M building constructed.
- ◆ **Cummins:** \$10M New service and repair center and new parts redistribution center; 80 new jobs.
- ◆ **Waste Eliminator:** \$7M new 41,000 square-foot building; 30 new jobs.
- ◆ **Low Temp Industries:** \$17.5M new manufacturing headquarter building; 30 new jobs.
- ◆ **Fresh Express:** \$10M expansion; 20 new jobs.
- ◆ **Kabobs Inc.:** \$5M expansion; 7 new jobs.
- ◆ **TOTAL:** \$130M investment; 267 new jobs.

*Source: Clayton County Office of Economic Development and Film*



producer, Tyler Perry purchased 330 acres of the 488-acre site at the closed Fort McPherson army base in East Point. His new studio now employs 2,000 people.

## FACTORS INFLUENCING AREA

- ◆ Qualified opportunity zone which provides incentives to developers to invest in distressed areas.
- ◆ Atlanta Mayor has made economic development in southwest Atlanta a top priority.
- ◆ Near 2 Marta stations along with a proposed light rail project along Campbellton Road. A spur is planned to the Atlanta Beltline.
- ◆ New projects in area improving market:
  - Beltline's three-mile Westside Trail – a \$43 million pathway that opened in 2017 linking Washington Park to Adair Park
  - The trail spurred projects including Lee + White, 23-acre adaptive reuse of warehouses in Historic West End luring new businesses
  - Beltline is currently reviewing proposals for the redevelopment of 20-acres Murphy Crossing

*Sources: Atlanta Business Chronical, April 26, 2019, "Fort Mac project making progress, \$760M plan emerging," Wenk.*

In February 2017, Los Angeles developer of film studios stated that it planned to build a five-stage, state-of-the-art studio complex in Clayton County, giving another boost to film production in the County. Managed by Pacifica Ventures, the new studio will be named Clayton County Studios. The new \$12 million studio was built between Lake City and Morrow on 27 acres directly across the street from the National Archives in Morrow. Five sound studios being between 18,000 and 20,000 square feet each were constructed under the first phase. The complex includes production offices, post-production space, a green screen, mill and construction space and a commissary. When completed, it will be the company's second film-production studio in the United States. It has a nine-stage studio in Albuquerque, N.M., where hits like *"Breaking Bad"* and *"The Avengers"* were produced. The company chose the location because of its proximity to Hartsfield-Jackson International Airport and downtown Atlanta.

In 2016, Georgia Motion Picture Studios announced they would be calling Tucker, Georgia home. It is expected to have an additional \$1 billion economic to the area's economy.

The University System of Georgia began classes in January 2016 at its new Georgia Film Academy to train future industry workers in the State. Clayton State University has recently followed suite by adding relevant courses to its curriculum catalog. With local talent available, production companies will no longer need to bring crewmembers from New York and Los Angeles.

Film tourism has also had an economic impact on the state. With additional studios and movie productions, this revenue stream will continue to grow. Fans from all over the world visit Senoia, Georgia, which was redeveloped to film the popular television show *The Walking Dead*. Covington has had similar success from *The Vampire Diaries*, which has a real-life replica of the Mystic Grill, a familiar setting on the show. The State's film office has launched a website, [TourGeorgiaFilm.com](http://TourGeorgiaFilm.com), to cater specifically to film tourism.

With its headquarters located just over the Clayton County border and Hartsfield-Jackson Atlanta International Airport its primary hub, Delta Airlines has a large impact on economic growth for the County. Based on *Flightglobal*; *Flight Airline Business* reports, Delta is the second leading airline worldwide transporting 186.4 million passengers



annually in 2017. It is focusing growth in International markets and expanding its routes to China and Korea where air travel to Atlanta is expected to grow 56% and 33%, respectively by 2023.

Fort MacPherson was one of the military posts closed during a national draw down in 2011. Tyler Perry purchased 330 acres in 2015 and has built a film studio that employs 2,000 people. Macauley Investments LLC was selected to redevelop the remaining 145 acres of the site. The \$760M development will include new housing, retail, office, a hotel and community space to Fort Mac. Groundbreaking is anticipated in the Fall of 2019.

Porsche Cars North America completed the construction of its 26-acre complex at the former Ford Motor Company site in Hapeville. This complex includes its headquarters building, the Porsche Technical Service and Training Center and the Porsche Customer Experience Center that features a 1.6-mile test track and handling road course. Walmart completed a \$108M new fulfillment center to process online orders which has added 400 new jobs over the past couple of years.

The Forest Park Urban Redevelopment Agency is developing the Fort Gillem Army site for new industry and distribution centers. Kroger has hired 120 employees and has recently invested another \$175M at that location. Castellini Group, a large distributor of fresh produce, completed a \$52M distribution facility in 2016 that created 300 new jobs. Castellini is a complete vertical supply chain company that provides services from tomato ripening and repacking, to processing and transportation.

The Tri-Cities Urban Redevelopment Agency is comprised of three Urban Redevelopment Agencies; Forest Park, Lake City and Morrow. These redevelopment agencies have a total of 2,350 acres and 935 individual parcels along 11 miles of commercial corridors in Clayton County and help encourage economic development.

---

## LONG-TERM FINANCIAL PLAN

When the need arises, the Authority incurs capital-financing debt through the issuance of revenue bonds or State Revolving Fund (GEFA) loans. In adhering to conservative business operating practices, the debt is structured to maintain a level debt service payment over future periods. To further ensure fiscal stability, the Authority is required, by its bond ordinances, to maintain a debt service reserve. One-twelfth of the annual interest and principal payments are deposited into the debt service account each month. Interest payments are made semi-annually, and principal payments are made annually. Debt service funds are invested solely in a U.S. treasury money market fund.

The Authority, per its adopted bond ordinance, maintains a rate covenant of one and two-tenths to one, 1.2x, annual debt service coverage ratio. This means that gross revenues less operating expenses, excluding depreciation, each fiscal year must be sufficient to cover 120 percent of the bond debt service requirements that are due for that year.

A higher “target” coverage factor has been identified by the Board of 150 percent of the bond debt service requirement. [Schedule 21](#), located in the [Statistical Section](#), verifies that the Authority exceeded that higher target for every year except for fiscal years 2011 and 2012. The accrual of an additional \$1.2 million in operating expenses for other postemployment benefits (OPEB) that resulted from the implementation of GASB Statement Number 45 caused the Authority to fall short of its goal in those two fiscal years.



## CAPITAL IMPROVEMENT PROGRAM

Integral to the Authority's Capital Improvement Program, is its Strategic Master Plan (SMP). The Authority prepares a detailed ten-year strategic master plan every ten years and conducts mid-term updates every five years. Mid-term updates provide an opportunity to measure the progress of the plan's implementation and allows for a recalibration of the plan based on economic, demographic, regulatory and environmental factors that may have changed since the plan's inception.

The Authority uses the SMP as a guide, implementing strategies and improvements identified. It not only includes capital improvements, but also strategic business practices identified to assist CCWA in achieving its vision of Quality Water and Quality Service. This plan was also enhanced by the completion of an Information Technology (IT) Master Plan in 2012. The prioritized projects, included in the IT Master Plan, have been incorporated into the Strategic Master Plan project list, and this comprehensive list is used as an annual budgeting and work priority guide. The 2020 Strategic Master Plan is being developed in FY 2019 – 2020 and will be presented to the Board of Directors in Spring 2020 for approval.

The 2010 Master Plan identified seven operating strategies necessary to ensure we are a best in class utility. "Levels of Service" and performance targets were developed for each strategy so that we can gauge our success and identify areas of improvement and where to focus resources. This information is used to develop annual work priorities so that staffing and financial resources are not overburdened but used strategically to drive success.

## QUALITY WATER, QUALITY SERVICE PERFORMANCE MANAGEMENT

"Levels of Service" were established to measure expected organizational performance against actual performance and work as the Authority's Key Performance Indicators (KPIs). These metrics are measured on a daily, monthly, quarterly or annual basis and are reported to the Board of Directors monthly. Programs or projects are implemented to improve or enhance performance.





**PRIORITIES**

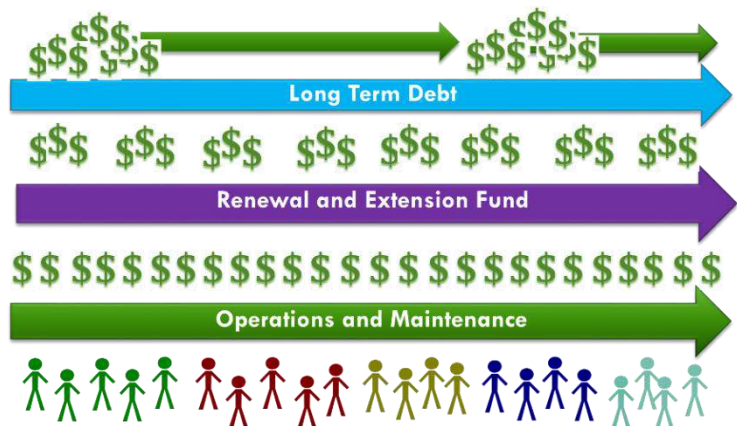
The table below lists the challenges that the Authority faces and management’s approach to addressing these issues, by the priority of its projects, in each year’s capital improvement program.

Challenge	CCWA Approach
Responding to Changing Economy	Continue balanced approach to funding projects: (1) focus on remaining debt from 2000 master plan, (2) “pay as you go approach” for most project needs and (3) consider accelerated funding for key large programs and projects.
Workforce Continuity	Plan for and anticipate changes in CCWA’s workforce to limit loss of institutional knowledge.
Water Quality/Regulatory Issues	Evaluate micro-constituents in CCWA’s water supply reservoirs to determine treatment options, potential impacts to indirect potable reuse system and the cost implications should regulations be implemented.
Managing Infrastructure and Assets	Utilize risk-based approaches to maintain, upgrade, and operate existing physical assets cost effectively.
Technology Advancement	Ensure operations utilize technology to allow CCWA to make best use of its resources.

**ECONOMIC FACTORS**

Maintaining a balance between the costs of system renewal while maintaining affordable rates for our customer base plays a large role in the timing of capital improvements. With the current customer base and usage levels, rates for both water and sewer would have to be raised by 1 percent for every \$1M in additional cash flow needed.

**Intergenerational Equity** is the concept that the beneficiaries of the service should be those that help pay for the service. Through monthly water bills, the customers of the system at any point in time pay for the everyday maintenance of the system plus help fund small to medium-sized projects through accumulation of funds in the Renewal and Extension Fund. For large projects that will benefit customers over several decades, funding through debt would be an equitable way to spread the cost of the project with those multiple generations of customers or citizens.







As of April 30, 2019, the Authority had four revenue bond issues with outstanding principal balances totaling \$89.4M. The final bond payment will be made on May 1, 2023 when the 2012 Series bond matures. The Authority, when possible, chooses to utilize its Renewal and Extension Program rather than incur additional debt to finance its capital projects.

In January 2017, the Authority was awarded a \$25M loan from the Georgia Environmental Finance Authority (GEFA) to fund a portion of its Large Sewer Interceptor Rehabilitation. The loan has an interest rate of 0.65% with a repayment term of 15-years beginning when construction is complete. There is no prepayment penalty. If all the funds are drawn, the annual debt service will be \$1.7M. The outstanding loan balance as of April 30, 2019 was \$7.0M. Because this Clean Water SRF loan is subordinate debt to bonds, its debt service is not included in the calculation of our bond debt service coverage ratio covenant. The Authority has two additional GEFA loans that are in repayment. The first loan was used to finance the construction of one of the phases of the constructed wetlands. It has a current outstanding principal balance of \$3.1M and its final payment will be November 1, 2025. The second loan funded the addition of backflow devices within our distribution system. It has a current outstanding principal balance of \$1.8M and matures on April 1, 2026. With the approval of the FY 2019 – 2020 budget, the Board of Directors approved the request for a second GEFA loan for up to \$25M to fund three additional phases of the Authority’s Large Outfall Replacement program.

#### WORKFORCE CONTINUITY

---

The Authority has implemented a succession planning process to maintain stability in its operations as changes in staffing occur. The process includes routine evaluation of staff and critical positions by department managers and supervisors. It also includes periodic reporting of this information by managers to a “Talent Development Committee” comprised of human resource personnel and executive leadership. In FY 2018 – 2019, the Authority completed a comprehensive compensation study that evaluated all existing positions and updated job descriptions, job titles and salary ranges if needed. The recommendations of the study were implemented effective May 1, 2019.

#### WATER QUALITY AND REGULATORY ISSUES

---

Along with stormwater, the water and sewer industries are heavily impacted by both current and emerging regulations. The strategic plan lists eleven projects with total estimated costs of \$46M that address regulatory issues. Of those projects, five projects totaling \$5.4M will be funded with part of the surplus from FY 2018 – 2019 budget, as directed by the Board of Directors at FYE 2019.

#### TECHNOLOGY ADVANCEMENT

---

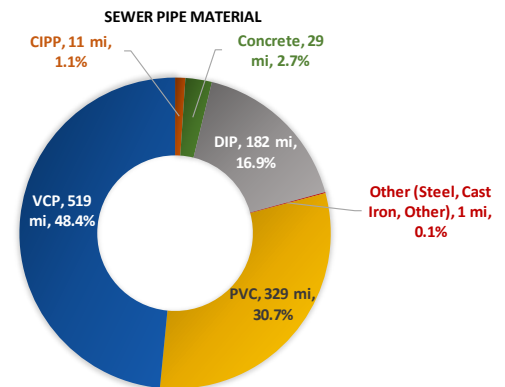
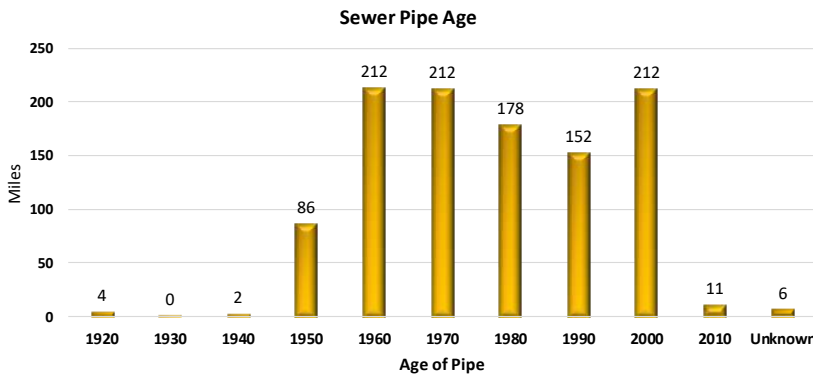
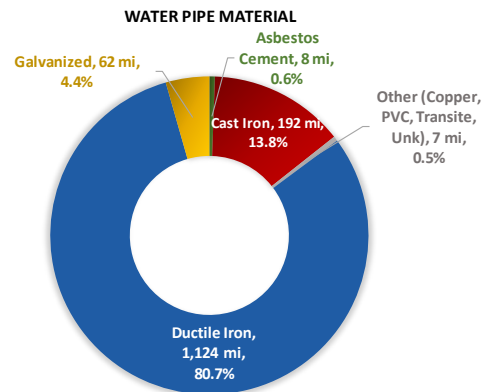
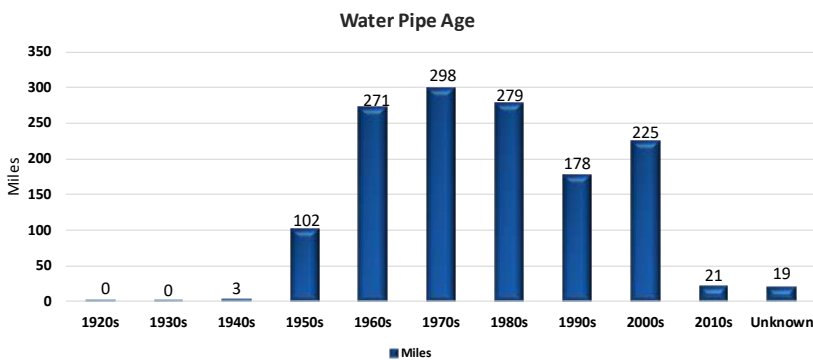
Technology is a vital component of the Authority’s operation. There are currently twenty-two projects with an estimated cost totaling \$15.5M listed on the master plan. Of those projects, the largest is currently underway, the implementation of the new Customer Information System (estimated completion Spring 2020). This project is funded from the Renewal and Extension Fund, which accumulated funds from previous budget years. This new system requires the development of an interface to the GIS/Cityworks application used to track the location of pipe infrastructure throughout the County, as well as, manage the maintenance and work on that infrastructure. The FY 2019-2020 capital budget includes \$302K for software, network and other technology infrastructure improvements.



## MANAGING INFRASTRUCTURE AND ASSETS

The United States’ aging infrastructure has been discussed frequently by news media in recent months. The American Society of Civil Engineers have voiced concern since the early 2000’s. The EPA estimates that over the next 20 years the price to repair the aging water infrastructure throughout the U.S. will reach \$335B. In our nation’s population centers, including the Metro-Atlanta area, sinkholes and water boiling notices are common occurrences as the underground water and wastewater pipe networks fail, due to deterioration caused by age. Full replacement of Clayton County’s water, sewer and stormwater pipes would range from about \$800M-\$1.6B, and the Authority is systematically addressing the aging infrastructure in Clayton County with projects outlined in its strategic plan. This challenge consumes the lion’s share of budget dollars addressing stormwater, sewer and water pipe projects that total an estimated \$220M over the ten years the plan covers. Of these projects, \$26.8M in funding will be needed in the upcoming year with \$8.3M of that amount included in the 2019 – 2020 budget. Loan disbursements will cover \$12M of the Large Interceptor Rehabilitation funding need and the remaining \$6.5M will be paid from the Renewal and Extension Fund with money accumulated from prior budget years.

### PIPE MATERIAL AND AGE



### PIPE TYPES

#### Used in sewer systems:

- PVC – Polyvinyl Chloride Pipe
- DIP – Ductile Iron Pipe
- HDPE– High Density Polyethylene Pipe
- VCP – Vitrified Clay Pipe

- CMP – Corrugated Metal Pipe
- RCP – Reinforced Concrete Pipe
- CIPP – Cured in Place Pipe
- Steel
- Concrete

#### Used in water systems:

- Cast Iron
- DIP – Ductile Iron Pipe
- Copper
- Galvanized
- PVC – PolyVinyl Chloride



## CURRENT YEAR CAPITAL INITIATIVES

Capital projects, included in the *FY 2019 - 2020 Budget* for the both the Water and Sewer and Stormwater Funds, are listed in the table below.

### WATER AND SEWER UTILITY - RENEWAL AND EXTENSION FUND

For the Fiscal Year Beginning May 1, 2019

Construction			Construction		
Line	Project Description	Amount Budgeted	Line	Project Description	Amount Budgeted
[RE146]	Outdoor Break Area - <i>Meter Services</i>	\$ 21,800	[RE225]	Water Line Inspection	\$ 40,000
[RE146]	Breakroom Remodel - <i>Forest Park</i>	20,000	[RE226]	Sewer Line Inspection	40,000
[RE146]	Drive-Thru Renovations - <i>Forest Park</i>	12,000	[RE227]	Water Meter Inspection	40,000
[RE146]	Call Center Furniture ( <i>Additional funds: 3-135-3</i> )	6,800	[RE230]	Blade Server	45,000
[RE146]	Breakroom Renovations - <i>Hooper Plant</i>	10,000	[RE230]	DR Storage Replacement	48,000
[RE166]	Basin Level Sewer Rehab	2,500,000	[RE230]	San Switch Console	48,000
[RE174]	Galvanized Water Main Replacement	1,500,000	[RE230]	Network Equipment	35,000
[RE180]	DOT - Valley Hill Rd Connector and Bridge	318,000	[RE230]	SCADA Host Refresh	46,000
[RE180]	DOT - Tara Blvd	120,000	[RE230]	Hyperconverged Pilot	40,000
[RE219]	Walnut Creek Lift Station Evaluation and Design	500,000	[RE230]	IT Parts Room Equipment	10,000
[RE222]	Security Mgt System Phase 3	200,000	[RE230]	Automated Testing Software	30,000
			<b>Total Capital Projects</b>		
			<b>\$ 5,630,600</b>		

### STORMWATER UTILITY - CONSTRUCTION FUND

For the Fiscal Year Beginning May 1, 2019

Construction		Amount Budgeted
Line	Project Description	
[SW004]	Cured In Place Pipe	1,500,000
[SW005]	Removal and Replacement	1,693,121
<b>Total Capital Projects</b>		<b>\$ 3,193,121</b>

As of April 30, 2019, there were a total of 177 active construction projects accounting for \$57.5M in construction in progress.

## INTERNAL CONTROLS

The Authority maintains internal accounting controls to ensure that the Authority's assets are protected from loss, theft or misuse; adequate accounting data allows financial statements to conform to GAAP. These controls provide reasonable, but not absolute, assurance of meeting the Authority's objectives recognizing that: 1) the cost of accounting control should not exceed the likely benefit, and 2) evaluating costs and benefits requires management estimates and judgments.

The Authority's financial policies encompass the following functional areas:

- Operating Budget Policy
- Capital Budget Policies
- Accounting, Auditing and Financial Reporting Policies
- Revenue Administration Policy
- Expenditure Administration Policy
- Debt Management Policy
- Investment Policy
- Reserve Policy
- Risk Management Policy
- Purchasing Policy



---

## RELEVANT FINANCIAL POLICIES

As one element of its financial policies, the Authority has adopted a debt policy, which provides that the Authority will confine long-term borrowing to capital improvements or projects that cannot be financed from current revenues. That policy also precludes the use of debt for the purchase of vehicles and other rolling stock. All funds acquired through the issuance of debt to provide for the construction or acquisition of capital items have been exhausted in previous fiscal years.

---

## CASH MANAGEMENT POLICIES AND PRACTICES

In carrying out its mission as an enterprise utility, the Authority is not the beneficiary of any tax related revenues. The Clayton County Water Authority functions solely from those revenues generated from its operations in providing water, sewer and stormwater service to its customers. One of the Authority's investment policies is that the safety of principal is a priority.

Except for Debt Service Funds and those of the OPEB Trust, idle funds are held as demand deposits. The interest-bearing accounts are fully collateralized at 110% of deposits by direct Federal obligations pledged to a collateral pool for public funds that is monitored by the State.

All receipts are deposited daily and are fully collateralized by the banking institution as part of the Georgia Office of Treasury and Fiscal Services' (OTFS) Pooled Funds program. Acceptable collateral levels are marked to market by this State agency to ensure that the depository has pledged sufficient collateral to cover all public funds in the pool program. The collateralization requirements that have been established by the State are 110% of the bank balance.

Debt Service Reserve and Sinking Fund investments are held in the money market fund are comprised of shares in a fund that holds U. S. Treasury Money Market Funds. The Authority can access these invested funds, as they are needed, with just a one-day notice to the fund manager. The Authority has one fiduciary fund, the OPEB Trust. This Trust holds only exchange traded index funds or mutual funds that are actively traded and can be liquidated within 24-48 hours without penalty.

---

## BUDGETARY CONTROLS

The Board of Directors will adopt the annual operating budget for the Authority no later than April 20<sup>th</sup>. Departments are expected to justify their budgetary requests. The budget process is intended to weigh all competing requests for resources, within expected fiscal constraints. All unencumbered operating budget appropriations will lapse at the year-end, unless their carry-over is specifically approved by the General Manager. Encumbered balances will be re-appropriated in the following fiscal period. The Authority will maintain a budgetary control system to ensure adherence to the budget and will prepare timely financial reports comparing actual revenues, expenditures and encumbrances with budgeted amounts. All departments will share in the responsibility of meeting policy goals and ensuring long-term financial health.

The operating budget provides for adequate maintenance of capital equipment and facilities, as well as, for their orderly replacement. Funding priorities in the Operating Budget are aligned with the Strategic Master Plan that has been prepared by the management team. During the year, the Finance Department prepares and disseminates quarterly budget-to-actual reports for all operating funds to members of the management team and quarterly reviews with Executive leadership and department managers are held to discuss budget progress. The reports include an



analysis of the revenue and expense activity year-to-date. The document will also discuss any significant deviations from the original budget operating plan.

---

## AWARDS AND ACKNOWLEDGEMENTS

The Authority is proud of its award-winning facilities and the outstanding professionals who run and maintain them.

---

### INDUSTRY AWARDS

During the FY 2018 – 2019, CCWA was recognized with several awards by the Georgia Association of Water Professionals (GAWP).

#### 2019

- Assistant General Manager Keisha Thorpe received the **William J. Greene Award** from the Georgia Section of the American Water Works Association
- Shoal Creek Reclamation Facility: Georgia Association of Water Professionals **Wastewater Plant of the Year for the Advanced Treatment 3 – 5.9 Million Gallons per Day**
- W.B. Casey WRRF Pelletizing Plant: Georgia Association of Water Professionals Biosolids/Residuals **Program of Excellence Award for Large Operating System – Greater than 5 Dry Ton Category for 2018 operations**
- Northeast WRF: **GAWP Biosolids/Residuals Program of Excellence Award for Small Operating System – Less Than 5 Dry Ton Category for 2018**
- J.W. Smith Water Production Plant (10 years), Terry R. Hicks Water Production Plant (18 years) and W.J. Hooper Water Production Plant (21 years): Georgia Association of Water Professionals **Production Plant Platinum Awards for 100 percent compliance in 2018**
- Northeast Water Reclamation Facility (10 years), W.B. Casey Water Resource Recovery Facility (14 years) and Shoal Creek Water Reclamation Facility (22 years): Georgia Association of Water Professionals **Water Reclamation Facility Platinum Awards for 100 percent compliance in 2018**
- Georgia Association of Water Professionals **Top Wastewater Operator for District 3**: Northeast WRF Chief Operator, Keith Kiblinger

#### 2018

- Northeast Water Reclamation Facility: **Water Environment Federation George W. Burke Safety Award**
- W.B. Casey Water Resource Recovery Facility Wastewater Lab: Georgia Association of Water Professionals **Laboratory Quality Assurance at a Municipal Wastewater Laboratory Award Serving Greater than 20 Million Gallons Per Day**
- Georgia Association of Water Professionals **Collection System Platinum Award**
- Georgia Association of Water Professionals **Distribution System Gold Award**



- Georgia Association of Water Professionals **Champion of Diversity Award**
- Northeast Water Reclamation Facility: Georgia Association of Water Professionals **Wastewater Plant of the Year for the Advanced Treatment 6 – 9.9 Million Gallons per Day**
- W.J. Hooper Water Production Plant: Georgia Association of Water Professionals **Certificate of Achievement for Water Plant Operation Surface Water 15 Million Gallons per Day to 49.99 MGD**
- J.W. Smith Water Production Plant (9 years), Terry R. Hicks Water Production Plant (17 years) and W.J. Hooper Water Production Plant (20 years): Georgia Association of Water Professionals **Production Plant Platinum Awards for 100 percent compliance in 2017**
- Northeast Water Reclamation Facility (9 years), W.B. Casey Water Resource Recovery Facility (13 years) and Shoal Creek Water Reclamation Facility (21 years): Georgia Association of Water Professionals **Water Reclamation Facility Platinum Awards for 100 percent compliance in 2017**
- Georgia Association of Water Professionals **Top Stormwater Operator** Marcus McLester
- Distribution & Conveyance Manager Jeff Jones was inducted into the **Georgia Association of Water Professionals Golden Hydrant Society**

---

## FINANCIAL AWARDS

The Government Finance Officers Association (GFOA) awarded a **Certificate of Achievement for Excellence in Financial Reporting** to the Clayton County Water Authority for its comprehensive annual financial report (CAFR) for the fiscal



year ended April 30, 2018. This was the thirty-second consecutive year that the Authority has received this prestigious award. To be awarded a Certificate of Achievement, the Authority had to publish an easily readable and efficiently organized CAFR satisfying both generally accepted accounting principles and applicable legal requirements.

In addition, the Authority received the **GFOA's Distinguished Budget Presentation Award with Special Distinction** for its annual budget document dated May 1, 2018. The Authority has received the Distinguished Budget Presentation award for a total of 13 years. To qualify for the award, CCWA's budget document had to be judged proficient as a policy document, a financial plan, an operations guide, and a communications device.

This is the third time they received the **Special Distinction**, which is awarded for two primary topics: Performance Measures (KPIs) and Capital. CCWA won for Performance Measures. Out of 1,554 governmental entities that received the Distinguished Budget award, 34 received special recognition (2.2% of award participants).



---

## ACKNOWLEDGEMENTS

The preparation of this report would not have been possible without the efficient and dedicated services of the administrative staff of the various departments; culminated by the Finance Department. We would like to express our appreciation to everyone who assisted and contributed to the preparation of this report. This would include the task of selecting the pictures for this year's cover along with the proofreading of all the financial and statistical information. The publication of this document represents the efforts of a diverse team personifying the art of thinking and performing individually together.

A great deal of the credit for our successes and achievements must be given to the Chairman and the entire Board of Directors for their unfailing support while maintaining the highest standards of professionalism in the management of the Clayton County Water Authority's finances. We commend you for your responsiveness and thank you for the opportunity to assist you in your efforts to provide the best services possible to our customers.

Respectfully submitted,

H. Bernard Franks  
General Manager



CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Clayton County Water Authority for its comprehensive annual financial report for the fiscal year ended April 30, 2018.



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Clayton County Water Authority**  
**Georgia**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**April 30, 2018**

*Christopher P. Morill*

Executive Director/CEO

Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.





ORGANIZATIONAL CHART

General Manager

FTE: 4.32

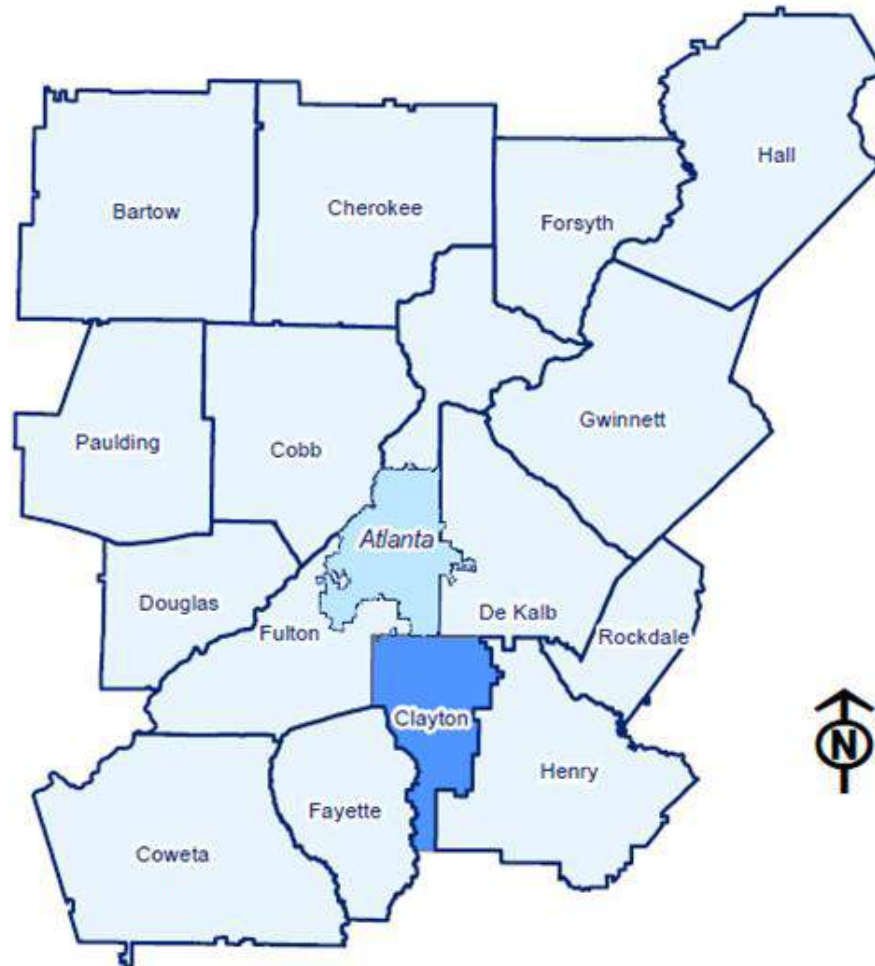
Assistant General Manager  
Operations

Assistant General Manager  
Support Services



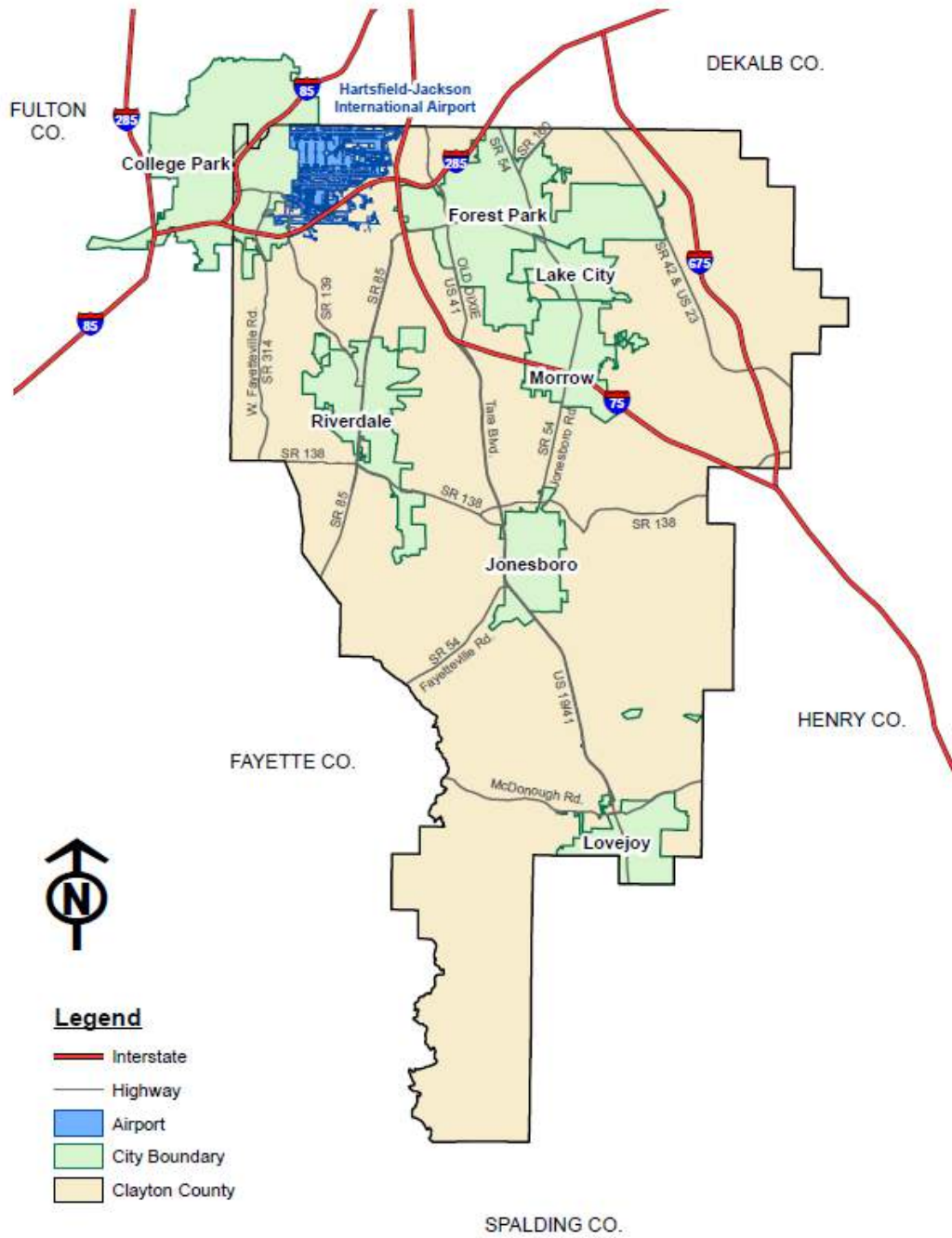


VICINITY MAP OF METRO ATLANTA AREA





# MAP OF CLAYTON COUNTY





LISTING OF PRINCIPAL OFFICIALS AND CONSULTANTS

**Board Members**

John M. Chafin, Chairman

Marie Barber, Vice Chair

Rodney Givens, Secretary-Treasurer

John L. Westervelt

Dr. Cephus Jackson

Robin Malone

Vivian Baldwin

**General Manager**

Bernard Franks

**Assistant General Manager - Operations**

Keisha Thorpe

**Assistant General Manager - Support Services**

Teresa Worley

**Legal Counsel**

Fincher, Denmark, Williams & Minnifield, LLC

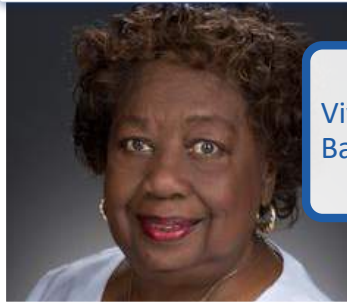
**Auditors**

Mauldin & Jenkins, Certified Public Accountants, LLC.



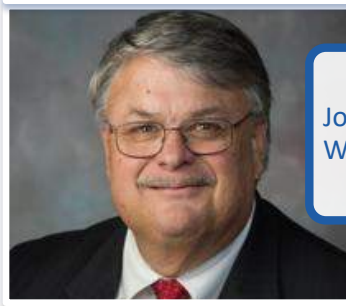
BOARD OF DIRECTORS

Member



Vivian  
Baldwin

Member



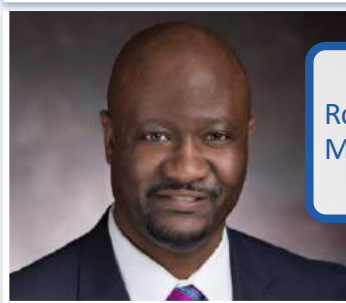
John  
Westervelt

Member



Dr.  
Cephus  
Jackson

Member



Robin  
Malone

Vice Chair



Marie  
Barber

Secretary - Treasurer



Rodney  
Givens


Chairman



John M.  
Chafin




LEADERSHIP TEAM



**General Manager**  
*Bernard Franks*



**Assistant General Manager  
Support Services**  
*Teresa Worley*



**Assistant General Manager  
Operations**  
*Keisha Thorpe*

**Suzanne Brown**  
**Ed Durham**  
**Allison G. Halron**  
**Chris Hamilton**  
**Dan Holverson**  
**Jeff Jones**  
**Marshall Maddox**  
**Kevin Osbey**  
**Karen Riser**  
**Kendra Staniel**  
**Kelly Taylor**  
**Rodney Perkins**

***Public Information Officer***  
***Human Resource Director***  
***Finance Director***  
***Water Reclamation Manager***  
***Information Technology Director***  
***Distribution and Conveyance Manager***  
***General Services Manager***  
***Stormwater Program Manager***  
***Risk Manager***  
***Water Production Manager***  
***Program Management and Engineering Manager***  
***Customer Accounts Director***



FINANCE DEPARTMENT STAFF





II. FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT  
MANAGEMENT DISCUSSION AND ANALYSIS  
BASIC FINANCIAL STATEMENTS  
NOTES TO FINANCIAL STATEMENTS







## INDEPENDENT AUDITOR'S REPORT




---

 INDEPENDENT AUDITOR'S REPORT
 

---

To the Board of Directors of the  
Clayton County Water Authority  
Clayton County, Georgia

**Report on the Financial Statements**

We have audited the accompanying financial statements of the business-type activities, each major fund, and the remaining fund information of the Clayton County Water Authority (the "Authority") as of and for the year ended April 30, 2019, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

***Management's Responsibility for the Financial Statements***

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

***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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



---

### *Opinions*

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities, each major fund, and the remaining fund information of the Clayton County Water Authority, as of April 30, 2019, and the respective changes in financial position and cash flows for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

### *Other Matters*

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 34 through 61, the Schedule of Proportionate Share of Net Pension Liability, Schedule of Contributions – Pension, the Schedule of Changes in Net OPEB Liability and Related Ratios, the Schedule of Contributions – Other Post-employment Benefits, and the Schedule of Other Post-employment Benefits Investment Returns on pages 100 - 102 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *Other Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Clayton County Water Authority's basic financial statements. The supplemental schedules of individual accounts, schedule of expenditures of federal awards as required by Title 2 *U.S Code of Federal Regulations*, Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance), introductory section and the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.



---

The supplemental schedules of individual accounts and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedules of individual accounts and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section and the statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated October 21, 2019, on our consideration of the Clayton County Water Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Clayton County Water Authority's internal control over financial reporting and compliance.

*Mauldin & Jenkins, LLC*

Macon, Georgia  
October 21, 2019

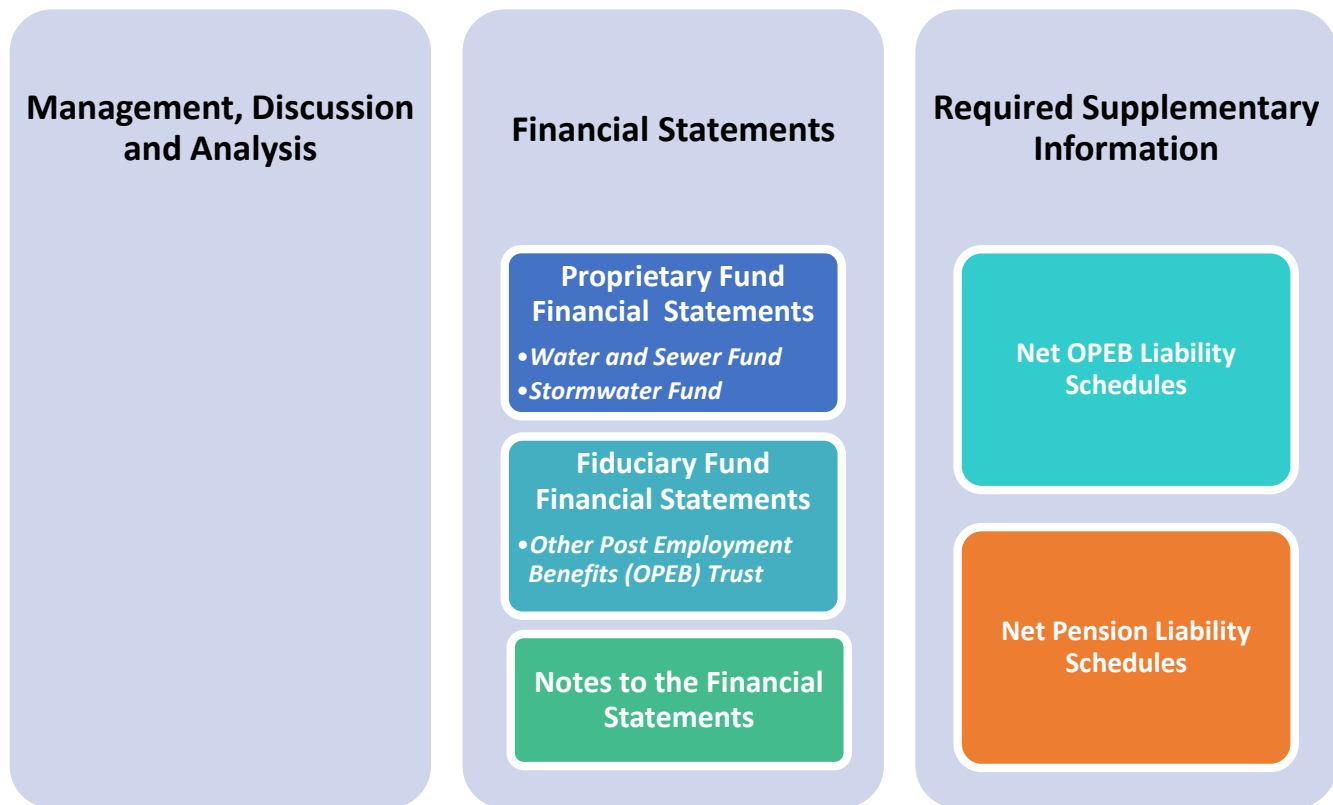


**MANAGEMENT DISCUSSION AND ANALYSIS**

As management of the Clayton County Water Authority (the Authority or CCWA), we offer readers of the Authority’s financial statements this narrative overview and analysis of the financial activities of the Clayton County Water Authority for the fiscal year ended April 30, 2019. This discussion is intended to: 1) assist the reader in understanding significant financial issues; 2) provide an overview of the Authority’s financial activities; 3) identify changes in the Authority’s financial position; and 4) identify individual fund issues or concerns. We encourage readers to consider the information presented within this section in conjunction with additional information that we have furnished in the financial statements and the notes to the financial statements.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This section of the document is arranged in the following format:



This discussion and analysis serve as an introduction to the Clayton County Water Authority’s basic financial statements. The Authority operates as a utility enterprise and presents its financial statements using the economic resources measurement focus and the full accrual basis of accounting. This type presentation means that financial information is reported using accounting methods similar to those followed by private sector companies. The statements offer both short-term and long-term financial information about the activities of the Clayton County Water Authority. Additional information on the accrual basis of accounting can be found in [Note I: Summary of Significant Accounting Policies](#) of this report.

The basic financial statements provide information about the Authority’s business-type activities through its two proprietary or enterprise funds: **Water and Sewer Fund** and **Stormwater Fund**. The Authority has only one other fund,



**Other Postemployment Benefits (OPEB) Trust Fund**, which is used to report fiduciary activities. The financial statements are prepared in accordance with U.S. generally accepted accounting principles as promulgated by the Governmental Accounting Standards Board (GASB).

In accounting for the financial activity of its business-type activities, the Authority internally maintains two separate proprietary funds, the Water and Sewer Fund and the Stormwater Fund. The user fees and other revenues generated from the provision of each of these two services are dedicated to funding those expenses incurred by the Authority in providing the respective services.

In reporting on the operations of its enterprise funds, the CCWA's basic financial statements include a **Statement of Net Position**, a **Statement of Revenues, Expenses and Changes in Net Position** and a **Statement of Cash Flows**. It provides our users with a contextual frame of reference and comparative information from the financial statements of the previous fiscal year. The financial statements also include **Notes to the Financial Statements** that are considered essential to a full understanding of the data that is being presented on the face of the statements. The primary purpose of the notes is to provide additional discussion, enhanced disclosures and tabular presentation of data to further explain information in the financial statements. In addition, they provide more detail.

The information contained on the [Statement of Net Position](#) represents all the Authority's assets and liabilities. It also includes deferred outflows and deferred inflows of resources. This statement provides information about the nature and amounts of investments in resources (assets) and obligations to the Authority's creditors (liabilities). It also provides the basis for computing rate of returns, evaluating the capital structure of the Authority and assessing the liquidity and financial flexibility of the Authority.

All the current year's revenues and expenses are accounted for in the [Statement of Revenues, Expenses and Changes in Net Position](#). This statement measures the success of the Authority's operations over the past year and can be used to determine whether CCWA has successfully recovered all its costs through user fees and other charges. It provides the user with basic financial information about the profitability and credit worthiness of the Authority.

The final required financial statement for the Proprietary Funds is the [Statement of Cash Flows](#). The primary purpose of this statement is to provide information about the Authority's cash receipts and cash payments during the fiscal year. The statement reports cash receipts, cash payments and net changes in cash resulting from operating; noncapital financing; capital and related financing and investing activities. The purpose of this statement is to tell the user where the Authority's cash came from, what the cash was used for and by how much the cash balance changed over the course of the fiscal year.

The [Statement of Fiduciary Net Position](#) and the [Statement of Changes in Fiduciary Net Position](#) for the Other Postemployment Benefit (OPEB) Trust follows the Proprietary Funds Financial Statements.

The **Required Supplementary** section contains the two required disclosures for Other Post-Employment Benefits, the [Schedule of Changes in Net OPEB Liability and Related Ratios](#) and the [Schedule of Contributions](#), and two required disclosures for Pensions, the [Schedule of Proportionate Share of Net Pension Liability](#) and the [Schedule of Contributions](#).

Additional schedules have been included in the **Supplementary Information** section. These schedules provide detail related to [Operating Revenues](#), [Operating Expenses](#) and [Capital Assets](#). More information on [Debt Service](#) and [Renewal and Extension](#) accounts are also available in this section



---

## FINANCIAL HIGHLIGHTS

- The *assets* and *deferred outflows* of the Clayton County Water Authority exceeded its *liabilities* and deferred inflows at the close of the 2019 fiscal year by \$562,917,488 (*net position*). Of this amount, \$55,042,013 (*unrestricted net position*) may be used to meet the Authority's ongoing obligations to citizens and creditors.
- The Authority's total net position at April 30, 2019 increased by \$9,087,476, or 1.6 percent, compared to the previous year's balance. Beginning net position at May 1, 2018 was reduced by \$18,425,639 due to a change in accounting principle that required new reporting requirements - GASB Statement No. 75 *Accounting and Financial Reporting for Post-employment Benefits Other Than Pensions – an amendment of GASB Statement No. 45 and 57*.
- At April 30, 2019, the Authority's total current assets of \$83,369,401 exceeded its total current liabilities of \$35,362,068 by \$48,007,333 million. The relative value of the difference in those two amounts provides an indication of CCWA's financial strength over the short-term.
- The Authority's total outstanding revenue bonds at April 30, 2019 decreased by \$15,995,000 when compared to the prior period. The bond premium decreased an additional \$1,799,861 reducing the *Revenue Bond Payable* liability a total of \$17,794,861 from the prior year.
- Total operating revenues for the fiscal year ended 2019 were \$112,410,553 a decrease of \$1,074,257, or negative 0.9 percent, compared to the previous period.
- Total operating expenses for the fiscal year ended 2019 totaled \$86,062,076, which was \$6,420,342, or 8.1 percent higher than the previous year. The primary factors that influenced this increase in operating expenses for the fiscal year were increases in net pension expenses of \$4,301,582 and in net OPEB expenses of \$504,879.
- Capital contributions from all sources totaled \$4,808,078 for the 2019 fiscal year.
- The Authority implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, in fiscal year 2019, and as a result an increase in net OPEB liabilities of \$11,637,312 was recognized along with increases in both Deferred Outflows and Inflows related to the net OPEB Liability of \$607,882 and \$10,229,301, respectively. More information can be found in [Note 11: Other Post-Employment Benefits](#) in the notes to the financial statements.

Clayton County Water Authority has a single-employer Other Post Employment Benefit plan and Trust. Effective May 1, 2018, the Authority implemented the provisions of GASB Statement No. 75 *Accounting and Financial Reporting for Post-employment Benefits Other Than Pensions – an amendment of GASB Statement No. 45 and 57*, which significantly changed the Authority's accounting for OPEB amounts by requiring that the total net OPEB liability and the deferred inflows and deferred outflows related to the net OPEB liability be reported in its financial statements. In particular, the net OPEB liability is listed on the



statement of net position and the amount is explained in the related note disclosures in [Note 11: Other Post-Employment Benefits](#) in the notes to the financial statements.

---

## FINANCIAL ANALYSIS OF THE AUTHORITY'S BUSINESS-TYPE ACTIVITIES

When analyzing the financial statements of the Clayton County Water Authority's business-type activities, the primary consideration should be whether the Authority is financially better off or worse off because of the year's activities. The Statement of Net Position and the Statement of Revenues, Expenses and Changes in Net Position are designed to report information about the Authority's activities that will help the user determine how good or bad a year it was from a financial perspective. These two statements report the net position of the Authority and changes in them.

Reviewing the Authority's net position, the difference between assets, deferred outflows, liabilities and deferred inflows is one way to measure financial health or financial position. Over time, increases or decreases in the Authority's net position are a general indicator of whether its financial health is improving or deteriorating. In addition to the relative change in net position, the impact on operations of other non-financial factors and external influences should be considered. These would include, but are not limited to, economic conditions, population growth, unusual rainfall patterns, changes in governmental legislation, restrictions on outdoor water use, the issuance of new regulations and the utilization of new technologies.





## CONDENSED STATEMENTS OF NET POSITION

The Statement of Net Position, shown in condensed format below, represents information on all the Authority's assets and liabilities with the difference between the two reported as net position. The Authority's total net position increased from the prior fiscal year by \$9,087,476, or 1.6 percent. This increase was the net effect of the increase in the number of construction projects completed, the reduction of revenue bonds payable and the changes in net pension liability and net OPEB liability as well as the deferred outflows and inflows related to those liabilities. The net position showed the impact with increases in *Net Investment in Capital Assets* and in *Restricted* net position of \$34.7 million and \$1.5 million, respectively, and a reduction in *Unrestricted* net position of \$27.1 million. The beginning *Net Position* balance was reduced by \$18,425,639 for fiscal year ended April 30, 2019. The beginning balance was restated as required by the implemented GASB Statement No. 75 *Accounting and Financial Reporting for Post-employment Benefits Other Than Pensions – an amendment of GASB Statement No. 45 and 57*.

	2019			2018			\$ Chg	% Chg
	Water and Sewer	Stormwater	Total	Water and Sewer	Stormwater	Total		
Current Assets	\$ 74,425,237	\$ 8,944,164	\$ 83,369,401	\$ 69,185,384	\$ 8,965,270	\$ 78,150,654	\$ 5,218,747	6.7%
Capital Assets, <i>net</i>	520,082,792	48,797,472	568,880,264	498,478,829	46,939,665	545,418,494	23,461,770	4.3%
Other Noncurrent Assets	92,256,233	124,302	92,380,535	97,557,957	121,886	97,679,843	(5,299,308)	-5.4%
<b>Total Assets</b>	<b>\$ 686,764,262</b>	<b>\$ 57,865,938</b>	<b>\$ 744,630,200</b>	<b>\$ 665,222,170</b>	<b>\$ 56,026,821</b>	<b>\$ 721,248,991</b>	<b>\$ 23,381,209</b>	<b>3.2%</b>
Deferred Charges - Debt Refunding	\$ 2,341,829	\$ -	\$ 2,341,829	\$ 3,673,852	\$ -	\$ 3,673,852	\$ (1,332,023)	-36.3%
Deferred Charges - OPEB Liability	577,488	30,394	607,882	-	-	-	607,882	100.0%
Deferred Charges - Pension Liability	7,092,821	453,572	7,546,393	10,288,618	621,772	10,910,390	(3,363,997)	-30.8%
<b>Deferred Outflows</b>	<b>\$ 10,012,138</b>	<b>\$ 483,966</b>	<b>\$ 10,496,104</b>	<b>\$ 13,962,470</b>	<b>\$ 621,772</b>	<b>\$ 14,584,242</b>	<b>\$ (4,088,138)</b>	<b>-28.0%</b>
Current Liabilities Payable - <i>Unrestricted Assets</i>	\$ 9,204,938	\$ 284,147	\$ 9,489,085	\$ 5,990,908	\$ 208,001	\$ 6,198,909	\$ 3,290,176	53.1%
Current Liabilities Payable - <i>Restricted Assets</i>	25,872,983	-	25,872,983	24,543,600	-	24,543,600	1,329,383	5.4%
Compensated Absences - <i>Noncurrent</i>	642,507	23,505	666,012	672,572	29,020	701,592	(35,580)	-5.1%
Loans Payable	11,178,534	-	11,178,534	5,963,284	-	5,963,284	5,215,250	87.5%
Revenue Bonds Payable, <i>net</i>	77,295,071	-	77,295,071	96,354,932	-	96,354,932	(19,059,861)	-19.8%
OPEB Obligation	-	-	-	3,702,571	12,004	3,714,575	(3,714,575)	-100.0%
Net OPEB Liability	11,413,220	600,696	12,013,916	-	-	-	12,013,916	100.0%
Net Pension Liability	34,782,846	2,261,683	37,044,529	31,611,774	2,094,784	33,706,558	3,337,971	9.9%
<b>Total Liabilities</b>	<b>\$ 170,390,099</b>	<b>\$ 3,170,031</b>	<b>\$ 173,560,130</b>	<b>\$ 168,839,641</b>	<b>\$ 2,343,809</b>	<b>\$ 171,183,450</b>	<b>\$ 2,376,680</b>	<b>1.4%</b>
Deferred Charges - OPEB Liability	\$ 9,717,836	\$ 511,465	\$ 10,229,301	\$ -	\$ -	\$ -	\$ 10,229,301	100.0%
Deferred Charges - Pension Liability	7,998,416	420,969	8,419,385	10,278,782	540,989	10,819,771	(2,400,386)	-22.2%
<b>Deferred Inflows</b>	<b>\$ 17,716,252</b>	<b>\$ 932,434</b>	<b>\$ 18,648,686</b>	<b>\$ 10,278,782</b>	<b>\$ 540,989</b>	<b>\$ 10,819,771</b>	<b>\$ 7,828,915</b>	<b>72.4%</b>
Net Position:								
Net Investment in Capital Assets	\$ 416,030,294	\$ 48,797,472	\$ 464,827,766	\$ 383,197,988	\$ 46,939,665	\$ 430,137,653	\$ 34,690,113	8.1%
Restricted	42,923,407	124,302	43,047,709	41,435,098	121,886	41,556,984	1,490,725	3.6%
Unrestricted	49,716,348	5,325,665	55,042,013	75,433,131	6,702,244	82,135,375	(27,093,362)	-33.0%
<b>Total Net Position</b>	<b>\$ 508,670,049</b>	<b>\$ 54,247,439</b>	<b>\$ 562,917,488</b>	<b>\$ 500,066,217</b>	<b>\$ 53,763,795</b>	<b>\$ 553,830,012</b>	<b>\$ 9,087,476</b>	<b>1.6%</b>
<i>Prior period Adjustment, GASB 75</i>				(17,330,632)	(1,095,007)	(18,425,639)	18,425,639	-100.0%
<b>Total Net Position, restated</b>	<b>\$ 508,670,049</b>	<b>\$ 54,247,439</b>	<b>\$ 562,917,488</b>	<b>\$ 482,735,585</b>	<b>\$ 52,668,788</b>	<b>\$ 535,404,373</b>	<b>\$ 27,513,115</b>	<b>5.1%</b>

## ANALYSIS OF NET POSITION

To better understand the Authority's financial position and its ability to deliver services in future periods, the reader will need to review the various components of net position and obtain an understanding of how each relates to the business activities performed. For example, the largest component of the net position of CCWA, \$464,827,766, or 83 percent, is its net investment in capital assets, important in providing water, sewer and stormwater services.





Net Position	2019	2018	\$ Chg	% Chg	% Net Position
Net Investment in Capital Assets	\$ 464,827,766	\$430,137,653	\$ 34,690,113	8.1%	82.6%
Restricted	43,047,709	41,556,984	1,490,725	3.6%	7.6%
Unrestricted	55,042,013	82,135,375	(27,093,362)	-33.0%	9.8%
<b>Total Net Position</b>	<b>\$ 562,917,488</b>	<b>\$553,830,012</b>	<b>\$ 9,087,476</b>	<b>1.6%</b>	<b>100.0%</b>

For the 2019 fiscal year, *Net Investment in Capital Assets* increased by \$34,690,113, or 8.1 percent, compared to the previous year. The amount shown in this category is calculated by taking the depreciated value of our capital assets and subtracting the associated bond and GEFA loan debt. As part of this calculation, the Authority recognized approximately \$20.7 million in depreciation expense in the 2019 fiscal year. The overall increase in this component of net position is due to the completion of multiple construction projects and a reduction of outstanding bond principal.

In comparing the total amount of *Restricted Net Position* with the previous fiscal year, there was an increase of \$1,490,725 or 3.6 percent due to a variance in the amount of current revenue bonds that are payable between years of \$1,265,000 and increases in the both the debt service reserve and escrow accounts from interest earned.

Compared to the prior year's balance, there was a decrease in the *Unrestricted Net Position* category of \$27,093,362 or negative 33.0 percent. This component decreased by \$18,425,639 due to the increase in net OPEB liability as the Authority implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. An increase in net pension liability decreased this component of net position another \$3,337,971. Increases in operating expenses and lower revenues, coupled with changes in nonoperating revenues in the current year were responsible for the remaining decrease in unrestricted net position.

*Unrestricted Net Position* consists of assets that do not meet the definition of "restricted" or "net investment in capital assets". However, certain amounts of the unrestricted net position have been designated for purposes authorized by the Board. As the funding mechanism for the Authority's pay-as-you-go capital plan, monies have already been earmarked for various construction projects.

A comparison of the April 30, 2019 and 2018 *Net Position* balances, by fund, are shown in the tables below.

#### WATER AND SEWER FUND

Net Position	2019	2018	\$ Chg	% Chg	% Net Position
Net Investment in Capital Assets	\$ 416,030,294	\$383,197,988	\$ 32,832,306	8.6%	81.8%
Restricted	42,923,407	41,435,098	1,488,309	3.6%	8.4%
Unrestricted	49,716,348	75,433,131	(25,716,783)	-34.1%	9.8%
<b>Total Net Position</b>	<b>\$ 508,670,049</b>	<b>\$500,066,217</b>	<b>\$ 8,603,832</b>	<b>1.7%</b>	<b>100.0%</b>

For the 2019 fiscal year, *Net Investment in Capital Assets* in the Water and Sewer Fund increased by \$32,832,306, or 8.6 percent, compared to the previous year. The amount shown in this category is calculated by taking the depreciated value of our capital assets and subtracting the associated bond and GEFA loan debt. As part of this calculation, the Water and Sewer Fund recognized approximately \$17.3 million in depreciation expense in the 2019 fiscal year. The overall increase in this component of net position is due to the completion of multiple construction projects and a reduction of outstanding bond principal.



*Restricted Net Position* increased during the fiscal year by \$1,488,309 or 3.6 percent due to a variance in the amount of current revenue bonds that are payable between years of \$1,265,000 and interest earned in the debt service reserve account.

Compared to the prior year's balance, the Water and Sewer Fund showed a decrease in the *Unrestricted Net Position* category of \$25,716,783 or negative 34.1 percent. This component decreased by \$17,330,633 due to the increase in net OPEB liability as the Authority implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. An increase in net pension liability decreased this component of net position another \$3,171,072. Increases in operating expenses and lower revenues, coupled with changes in nonoperating revenues in the current year were responsible for the remaining decrease in unrestricted net position.

## STORMWATER FUND

Net Position	2019	2018	\$ Chg	% Chg	% Net Position
Net Investment in Capital Assets	\$ 48,797,472	\$ 46,939,665	\$ 1,857,807	4.0%	90.0%
Restricted	124,302	121,886	2,416	2.0%	0.2%
Unrestricted	5,325,665	6,702,244	(1,376,579)	-20.5%	9.8%
<b>Total Net Position</b>	<b>\$ 54,247,439</b>	<b>\$ 53,763,795</b>	<b>\$ 483,644</b>	<b>0.9%</b>	<b>100.0%</b>

For the 2019 fiscal year, *Net Investment in Capital Assets* in the Stormwater Fund increased by \$1,857,807, or 4.0 percent, compared to the previous year. The amount shown in this category is calculated by taking the depreciated value of our capital assets including the recognition of \$3.4 million in depreciation expense in the 2019 fiscal year. The overall increase in this component of net position is due to the completion of multiple construction projects.

In comparing the total amount of *Restricted Net Position* with the previous fiscal year, there was an increase of \$2,416 or 2.0 percent due to interest earned in an escrow account.

Compared to the prior year's balance, the Stormwater Fund showed a decrease in the *Unrestricted Net Position* category of \$1,376,579 or negative 20.5 percent. This component decreased by \$1,095,006 due to the increase in net OPEB liability as the Authority implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. An increase in net pension liability decreased this component of net position another \$166,899. Increases in operating expenses and lower revenues in the current year were responsible for the remaining decrease in unrestricted net position.

## ANALYSIS OF CURRENT ASSETS

*Current Assets* are defined as balance sheet items that could be converted to cash in less than one year. Current assets are an important component to consider in a financial analysis because it is from current assets that a business funds its ongoing, day-to-day operation.

Total *Current Assets* of the Authority increased by \$5,218,747 or 6.7 percent compared to the previous period. This increase is the net impact of an increase in *Cash* of \$7,449,791 offset by reductions in other current asset items. Other Receivables in the Water and Sewer Fund had the largest decrease primarily because of the timing of a requested reimbursement in construction funds from GEFA of \$982,246 and \$955,723 due from the sale of timber on April 30, 2018. The timing of inventory purchases between years resulted in a reduction of \$311,772 between years and slight changes in the amount of water usage between years resulted in a reduction in customer billings of \$276,905.



Current Asset Classification	2019	2018	\$ Chg	% Chg	% Current Assets
Unrestricted:					
Cash and Cash Equivalents	\$ 36,208,908	\$ 29,913,188	\$ 6,295,720	21.0%	43.4%
Accounts Receivable, <i>net</i>	15,285,390	15,562,295	(276,905)	-1.8%	18.3%
Other Receivables	474,742	2,116,996	(1,642,254)	-77.6%	0.6%
Inventories	2,060,407	2,372,179	(311,772)	-13.1%	2.5%
Prepaid Expenses and Deposits	88,853	88,966	(113)	-0.1%	0.1%
Total Unrestricted	\$ 54,118,300	\$ 50,053,624	\$ 4,064,676	8.1%	64.9%
Restricted:					
Cash and Cash Equivalents	29,251,101	28,097,030	1,154,071	4.1%	35.1%
<b>Total Current Assets</b>	<b>\$ 83,369,401</b>	<b>\$ 78,150,654</b>	<b>\$ 5,218,747</b>	<b>6.7%</b>	<b>100.0%</b>

A comparison of the April 30, 2019 and 2018 balances, by fund and asset classification, are shown in the tables below. The changes in *Current Assets* for the Authority came primarily from the Water and Sewer Fund.

### WATER AND SEWER FUND

Current Asset Classification	2019	2018	\$ Chg	% Chg	% Current Assets
Unrestricted:					
Cash and Cash Equivalents	\$ 27,870,480	\$ 21,546,719	\$ 6,323,761	29.3%	37.4%
Accounts Receivable, <i>net</i>	14,680,258	14,964,126	(283,868)	-1.9%	19.7%
Other Receivables	474,138	2,116,364	(1,642,226)	-77.6%	0.6%
Inventories	2,060,407	2,372,179	(311,772)	-13.1%	2.8%
Prepaid Expenses and Deposits	88,853	88,966	(113)	-0.1%	0.1%
Total Unrestricted	\$ 45,174,136	\$ 41,088,354	\$ 4,085,782	9.9%	60.7%
Restricted:					
Cash and Cash Equivalents	29,251,101	28,097,030	1,154,071	4.1%	39.3%
<b>Total Current Assets</b>	<b>\$ 74,425,237</b>	<b>\$ 69,185,384</b>	<b>\$ 5,239,853</b>	<b>7.6%</b>	<b>100.0%</b>

### STORMWATER FUND

Current Asset Classification	2019	2018	\$ Chg	% Chg	% Current Assets
Unrestricted:					
Cash and Cash Equivalents	\$ 8,338,428	\$ 8,366,469	\$ (28,041)	-0.3%	93.2%
Accounts Receivable, <i>net</i>	605,132	598,169	6,963	1.2%	6.8%
Other Receivables	604	632	(28)	-4.4%	0.0%
Inventories	-	-	-	0.0%	0.0%
Prepaid Expenses and Deposits	-	-	-	0.0%	0.0%
Total Unrestricted	\$ 8,944,164	\$ 8,965,270	\$ (21,106)	-0.2%	100.0%
Restricted:					
Cash and Cash Equivalents	-	-	-	0.0%	0.0%
<b>Total Current Assets</b>	<b>\$ 8,944,164</b>	<b>\$ 8,965,270</b>	<b>\$ (21,106)</b>	<b>-0.2%</b>	<b>100.0%</b>

### ANALYSIS OF NONCURRENT ASSETS

*Noncurrent assets* represent assets that are not expected to be realized in cash, sold, or consumed during the next fiscal year. When making the distinction between whether an asset should be considered current or noncurrent, liquidity or nearness to cash are not the only considerations for determining the classification; restrictions on the use



of the asset must also be considered. Cash investments intended for liquidation of liabilities due beyond the one-year period are noncurrent assets, as are assets segregated or restricted for the liquidation of long-term debts including those amounts due within the next operating cycle. Assets designated to be used to acquire, construct or improve capital assets would also be noncurrent.

In the following table, the *Noncurrent Assets* of the Authority at April 30, 2019 and 2018 are compared by major classification. Total noncurrent assets increased by \$18,162,462 or 2.8 percent during the 2019 fiscal year. This growth was fueled by the increase in capital projects between years.

Noncurrent Assets	2019	2018	\$ Chg	% Chg	% Noncurrent Assets
Unrestricted Cash Assets	\$ 15,878	\$ 13,210	\$ 2,668	20.2%	0.0%
Restricted Assets	92,364,657	97,666,633	(5,301,976)	-5.4%	14.0%
Capital Assets (Net)	568,880,264	545,418,494	23,461,770	4.3%	86.0%
<b>Total Noncurrent Assets</b>	<b>\$ 661,260,799</b>	<b>\$643,098,337</b>	<b>\$ 18,162,462</b>	<b>2.8%</b>	<b>100.0%</b>

*Restricted Assets* consist of cash in the Renewal and Extension account of \$70.5 million, \$21.8 million in a debt service reserve and \$124 thousand in a Stormwater escrow account. This classification decreased by \$5.3 million dollars as the Authority slightly decreased the transfers into the Renewal and Extension account to self-fund capital projects and deployed capital assets it had completed during the fiscal year.

At the end of the 2019 fiscal year, the Authority had capital assets of \$568,880,264 representing 86 percent of total noncurrent assets.

*Net Capital Assets* increased by \$23,461,770 or 4.3 percent. This increase is due to the completion of large capital projects focused on the renewal and replacement of pipe infrastructure and improvements to production and reclamation facilities. Investment in large capital projects typically follows a cyclical pattern and the Authority's Strategic Master Plan lists major construction projects to rehabilitate both its treatment facilities and pipe infrastructure in upcoming years. During the 2019 fiscal year, \$21.5 million in new assets were added and Construction in Progress increased \$23.6 million. Completed capital projects accounted for \$15.6 million of the new assets added which included \$2.4 million from donated infrastructure. As offsetting entries to those additions, depreciation expense for the year totaled \$20.7 million and capital assets having a net book value of approximately \$714 thousand were disposed.

A comparison of the April 30, 2019 and 2018 *Noncurrent Assets* balances, by fund, are shown in the tables below.

#### WATER AND SEWER FUND

Noncurrent Assets	2019	2018	\$ Chg	% Chg	% Noncurrent Assets
Unrestricted Cash Assets	\$ 15,878	\$ 13,210	\$ 2,668	20.2%	0.0%
Restricted Assets	92,240,355	97,544,747	(5,304,392)	-5.4%	15.1%
Capital Assets (Net)	520,082,792	498,478,829	21,603,963	4.3%	84.9%
<b>Total Noncurrent Assets</b>	<b>\$ 612,339,025</b>	<b>\$596,036,786</b>	<b>\$ 16,302,239</b>	<b>2.7%</b>	<b>100.0%</b>

*Restricted Assets* consist of cash in the Renewal and Extension account of \$70.5 million and \$21.8 million in a debt service reserve. The decrease of \$5.3 million in this account classification was due to fewer funds being transferred into the renewal and extension fund in fiscal year 2019 than in fiscal year 2018.



*Noncurrent Assets* in the Water and Sewer Fund increased \$16,302,239 or 2.7 percent during fiscal year 2019. *Net Capital Assets* increased by \$21,603,963 or 4.3 percent. This increase is due to the completion of large capital projects that replaced pipe infrastructure and made improvements to production and reclamation facilities. During the 2019 fiscal year, \$15.9 million in new assets were added and Construction in Progress increased \$23.7 million. Completed capital projects accounted for \$11.4 million of the new assets added which included \$1.6 million from donated infrastructure. As offsetting entries to those additions, depreciation expense for the year totaled \$17.3 million and capital assets having a net book value of approximately \$714 thousand were disposed.

## STORMWATER FUND

Noncurrent Assets	2019	2018	\$ Chg	% Chg	% Noncurrent Assets
Unrestricted Cash Assets	\$ -	\$ -	\$ -	0.0%	0.0%
Restricted Assets	124,302	121,886	2,416	2.0%	0.3%
Capital Assets (Net)	48,797,472	46,939,665	1,857,807	4.0%	99.7%
<b>Total Noncurrent Assets</b>	<b>\$ 48,921,774</b>	<b>\$ 47,061,551</b>	<b>\$ 1,860,223</b>	<b>4.0%</b>	<b>100.0%</b>

*Noncurrent Assets* in the Stormwater Fund increased \$1,860,223 or 4.0 percent during fiscal year 2019. Cash in an escrow account related to a watershed project completed in 2015 is the only item in *Restricted Assets*. The increase in this account category of \$2,416 was interest earned on the account during the year.

*Net Capital Assets* of \$48,797,472 increased by \$1,857,807 or 4.0 percent. This increase is due to the completion of large capital projects that replaced stormwater infrastructure. During the 2019 fiscal year, \$5.6 million in new assets were added and Construction in Progress decreased \$142 thousand. Completed capital projects accounted for \$4.2 million of the new assets added which included \$762 thousand from donated infrastructure. Depreciation expense for the year totaled \$3.4 million offsetting increases in this account category.

## ANALYSIS OF DEFERRED OUTFLOWS OF RESOURCES

*Deferred Outflows of Resources* are a separate element on the Statement of Net Position. Items in this category represent the consumption of net position by the Authority that is applicable to a future reporting period and will not be recognized as an outflow of resources until then. *Deferred Outflows of Resources* increase net position, similar to assets. The Authority has three items that qualify for reporting in this section. The first item is the deferred charges on debt refunding which resulted from the difference between the carrying value of the refunded bonds and their reacquisition price. These charges are deferred and amortized over the life of the refunded or refunding debt, whichever is shorter. The second two items are the deferred outflows of resources relating to OPEB and the deferred outflows of resources relating to pension.

Deferred Outflows of Resources	2019	2018	\$ Chg	% Chg
Deferred Charges Related to Debt Refunding	\$ 2,341,829	\$ 3,673,852	\$ (1,332,023)	-36.3%
Deferred Charges Related to OPEB Liability	607,882	-	607,882	100.0%
Deferred Charges Related to Pension Liability	7,546,393	10,910,390	(3,363,997)	-30.8%
<b>Total Deferred Outflows of Resources</b>	<b>\$ 10,496,104</b>	<b>\$ 14,584,242</b>	<b>\$ (4,088,138)</b>	<b>-28.0%</b>

Deferred Outflows of Resources decreased by \$4,088,138 or 28 percent between April 30, 2019 and 2018. Of that decrease, \$1,332,023 was related to the amortization of bond premiums and \$3,363,997 was related to net pension and was the combined changes related to experience differences, assumption changes, investment earnings and changes in proportion and contributions. Deferred charges related to OPEB increased between years with the



implementation of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions* which significantly changed how amounts related to Other Postemployment Benefits (OPEB) are treated in financial reporting. More information can be found in [Note 11: Other Post-Employment Benefits](#) in the notes to the financial statements.

A comparison of the April 30, 2019 and 2018 *Deferred Outflows of Resources* balances, by fund, are shown in the tables below.

#### WATER AND SEWER FUND

Deferred Outflows of Resources	2019	2018	\$ Chg	% Chg
Deferred Charges Related to Debt Refunding	\$ 2,341,829	\$ 3,673,852	\$ (1,332,023)	-36.3%
Deferred Charges Related to OPEB Liability	577,488	-	577,488	100.0%
Deferred Charges Related to Pension Liability	7,092,821	10,288,618	(3,195,797)	-31.1%
<b>Total Deferred Outflows of Resources</b>	<b>\$ 10,012,138</b>	<b>\$ 13,962,470</b>	<b>\$ (3,950,332)</b>	<b>-28.3%</b>

#### STORMWATER FUND

Deferred Outflows of Resources	2019	2018	\$ Chg	% Chg
Deferred Charges Related to Debt Refunding	\$ -	\$ -	\$ -	0.0%
Deferred Charges Related to OPEB Liability	30,394	-	30,394	100.0%
Deferred Charges Related to Pension Liability	453,572	621,772	(168,200)	-27.1%
<b>Total Deferred Outflows of Resources</b>	<b>\$ 483,966</b>	<b>\$ 621,772</b>	<b>\$ (137,806)</b>	<b>-22.2%</b>

The Stormwater Fund has no debt. Changes in deferred outflows of resources relating to OPEB and the deferred outflows of resources relating to pension are listed in the table above.

#### ANALYSIS OF CURRENT LIABILITIES

In financial accounting, the term "liability" is defined as an obligation of an entity arising from past transactions or events, the settlement of which may result in the transfer or use of assets, provision of services or other yielding of economic benefits in the future. This section analyzes the various claims that creditors and vendors have against the Authority's assets due within the next twelve months.

Current Liabilities Payable from Unrestricted Assets	2019	2018	\$ Chg	% Chg
Accounts Payable	\$ 6,128,420	\$ 3,124,401	\$ 3,004,019	96.1%
Accrued Payroll and Withholdings	1,187,915	1,089,258	98,657	9.1%
Accrued Pension Contribution	219,640	215,168	4,472	2.1%
Compensated Absences	1,077,253	1,049,317	27,936	2.7%
Loans Payable - Due Within One Year	660,722	641,477	19,245	3.0%
Accrued Loan Interest	15,376	13,621	1,755	12.9%
Unearned Revenue	199,759	65,667	134,092	204.2%
<b>Total Current Liabilities Payable From Unrestricted Assets</b>	<b>\$ 9,489,085</b>	<b>\$ 6,198,909</b>	<b>\$ 3,290,176</b>	<b>53.1%</b>

Current Liabilities Payable from Restricted Assets	2019	2018	\$ Chg	% Chg
Accounts Payable	\$ 1,445,978	\$ 1,033,748	\$ 412,230	39.9%
Accrued Revenue Bond Interest	1,905,115	2,098,978	(193,863)	-9.2%
Customer Deposits	5,261,890	5,415,874	(153,984)	-2.8%
Revenue Bonds Payable - Due Within One Year	17,260,000	15,995,000	1,265,000	7.9%
<b>Total Current Liabilities Payable From Restricted Assets</b>	<b>\$ 25,872,983</b>	<b>\$ 24,543,600</b>	<b>\$ 1,329,383</b>	<b>5.4%</b>



As indicated in the table, *Current Liabilities Payable from Unrestricted Assets* had a net increase of \$3,290,176 from the previous fiscal year's balances. *Accounts Payable* increased \$3,004,019. Approximately half of this increase is due to the recognition by the Water and Sewer Fund of an obligation from a probable legal settlement estimated at \$1.5 million. The remaining increase was due to the timing differences of payments to vendors between years with higher amounts accrued in the current year than in the previous year, including a large payment to a contractor for \$1.0 million in fiscal year 2019. The *Unearned Revenue* line item is primarily related to lift stations donated by residential developers. Each lift station is valued at \$50,000 and the Authority recognizes revenue at \$5,000 per year for each of ten years once operations begin. The increase in this account between April 30, 2019 and 2018 is due to the donation of three new lift stations in 2019 combined with the recognition of revenue from existing stations that have been in operation.

*Current Liabilities Payable from Restricted Assets* increased by \$1,329,383 or 5.4 percent. The current liabilities in this section of the Statement of Net Position will be paid from current assets that have been set aside for each of the items listed. The Stormwater Fund carries no *Current Liabilities Payable from Restricted Assets*. *Revenue Bonds Payable* increased \$1,295,000 due to the variations of bond principal payments from year to year. *Accounts Payable* from restricted assets are retainage payable funds. This account increased by \$412,230 due to changes in retainage for construction projects between years. *Accrued Revenue Bond Interest* decreased by \$193,863 due slight changes in annual debt service requirements from year to year.

The tables below show a comparison of the April 30, 2019 and 2018 *Current Liabilities Payable* balances by fund and whether payable from unrestricted or restricted assets.

#### WATER AND SEWER FUND

<b>Current Liabilities Payable from Unrestricted Assets</b>	<b>2019</b>	<b>2018</b>	<b>\$ Chg</b>	<b>% Chg</b>
Accounts Payable	\$ 5,968,747	\$ 3,041,291	\$ 2,927,456	96.3%
Accrued Payroll and Withholdings	1,128,054	1,027,968	100,086	9.7%
Accrued Pension Contribution	208,735	203,705	5,030	2.5%
Compensated Absences	1,023,545	997,179	26,366	2.6%
Loans Payable - Due Within One Year	660,722	641,477	19,245	3.0%
Accrued Loan Interest	15,376	13,621	1,755	12.9%
Unearned Revenue	199,759	65,667	134,092	204.2%
<b>Total Current Liabilities Payable From Unrestricted Assets</b>	<b>\$ 9,204,938</b>	<b>\$ 5,990,908</b>	<b>\$ 3,214,030</b>	<b>53.6%</b>

<b>Current Liabilities Payable from Restricted Assets</b>	<b>2019</b>	<b>2018</b>	<b>\$ Chg</b>	<b>% Chg</b>
Accounts Payable	\$ 1,445,978	\$ 1,033,748	\$ 412,230	39.9%
Accrued Revenue Bond Interest	1,905,115	2,098,978	(193,863)	-9.2%
Customer Deposits	5,261,890	5,415,874	(153,984)	-2.8%
Revenue Bonds Payable - Due Within One Year	17,260,000	15,995,000	1,265,000	7.9%
<b>Total Current Liabilities Payable From Restricted Assets</b>	<b>\$ 25,872,983</b>	<b>\$ 24,543,600</b>	<b>\$ 1,329,383</b>	<b>5.4%</b>

As indicated in the table, *Current Liabilities Payable from Unrestricted Assets* had a net increase of \$3,214,030 from the previous fiscal year's balances. *Accounts Payable* increased \$3,004,019. Approximately half of this increase is due to the recognition by the Water and Sewer Fund of an obligation from a probable legal settlement estimated at \$1.5 million. The remaining increase was due to the timing differences of payments to vendors between years with higher amounts accrued in the current year than in the previous year, including a large payment to a contractor for \$1.0 million in fiscal year 2019. The *Unearned Revenue* line item is primarily related to lift stations donated by residential



developers. Each lift station is valued at \$50,000 and the Authority recognizes revenue at \$5,000 per year for each of ten years once operations begin. The increase in this account between April 30, 2019 and 2018 is due to the donation of three new lift stations in 2019 combined with the recognition of revenue from existing stations that have been in operation.

*Current Liabilities Payable from Restricted Assets* increased by \$1,329,383 or 5.4 percent. *Revenue Bonds Payable* increased \$1,295,000 due to the variations of bond principal payments from year to year. *Accounts Payable* from restricted assets are retainage payable funds. This account increased by \$412,230 due to changes in retainage for construction projects between years. *Accrued Revenue Bond Interest* decreased by \$193,863 due slight changes in annual debt service requirements from year to year.

## STORMWATER FUND

<b>Current Liabilities Payable from Unrestricted Assets</b>	<b>2019</b>	<b>2018</b>	<b>\$ Chg</b>	<b>% Chg</b>
Accounts Payable	\$ 159,673	\$ 83,110	\$ 76,563	92.1%
Accrued Payroll and Withholdings	59,861	61,290	(1,429)	-2.3%
Accrued Pension Contribution	10,905	11,463	(558)	-4.9%
Compensated Absences	53,708	52,138	1,570	3.0%
Loans Payable - Due Within One Year	-	-	-	0.0%
Accrued Loan Interest	-	-	-	0.0%
Unearned Revenue	-	-	-	0.0%
<b>Total Current Liabilities Payable From Unrestricted Assets</b>	<b>\$ 284,147</b>	<b>\$ 208,001</b>	<b>\$ 76,146</b>	<b>36.6%</b>

<b>Current Liabilities Payable from Restricted Assets</b>	<b>2019</b>	<b>2018</b>	<b>\$ Chg</b>	<b>% Chg</b>
Accounts Payable	\$ -	\$ -	\$ -	0.0%
Accrued Revenue Bond Interest	-	-	-	0.0%
Customer Deposits	-	-	-	0.0%
Revenue Bonds Payable - Due Within One Year	-	-	-	0.0%
<b>Total Current Liabilities Payable From Restricted Assets</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>0.0%</b>

*Current Liabilities Payable from Unrestricted Assets* had a net increase of \$76,146 from the previous fiscal year's balances mostly due to the timing differences of payments to vendors between years with higher amounts accrued in the current year than in the previous year in the *Accounts Payable* line item.

The Stormwater Fund carries no *Current Liabilities Payable from Restricted Assets*.

## ANALYSIS OF NONCURRENT LIABILITIES

*Noncurrent Liabilities* decreased by \$2,242,879 or 1.6 percent from the previous fiscal year. Accounts listed in this category of the Statement of Net Position are obligations due in more than the next twelve months. *Loans Payable* contain principal outstanding from three Georgia Environmental Finance Authority (GEFA) loans that is not due within the next twelve-month period. The change in this item of \$5,215,250 is the net impact of the reduction of principal paid of the Authority's two loans in repayment of \$641,477 and the increase in principal outstanding of a third loan which has had construction disbursements during fiscal year 2019 of \$5,875,972 less the change in *Loans Payable – Due within a year* of \$19,245. Interest only payments will be made on this loan until construction is completed and the loan goes into repayment which is expected in the fiscal year ending 2021.





Other changes in this category was the reduction in *Revenue Bonds Payable* of \$19.1 million with the repayment of bond principal and amortized issuance premium, the increase in *Net Pension Liability* of \$3.2 million and the net increase in OPEB liability of \$8.3 million as the Authority adopted GASB Statement No. 75 *Accounting and Financial Reporting for Post-employment Benefits Other Than Pensions – an amendment of GASB Statement No. 45 and 57*, which significantly changed the accounting for OPEB amounts by requiring that the total net OPEB liability and the deferred inflows and deferred outflows related to the net OPEB liability be reported in its financial statements. More information can be found in [Note 11: Other Post-Employment Benefits](#) in the notes to the financial statements.

<b>Noncurrent Liabilities</b>	<b>2019</b>	<b>2018</b>	<b>\$ Chg</b>	<b>% Chg</b>
Compensated Absences	\$ 666,012	\$ 701,592	\$ (35,580)	-5.1%
Loans Payable	11,178,534	5,963,284	5,215,250	87.5%
Revenue Bonds Payable ( <i>Net of Bond Premium</i> )	77,295,071	96,354,932	(19,059,861)	-19.8%
OPEB Obligation ( <i>Asset</i> )	-	3,714,575	(3,714,575)	-100.0%
Net OPEB Liability	12,013,916	-	12,013,916	0.0%
Net Pension Liability	37,044,529	33,706,558	3,337,971	9.9%
<b>Total Noncurrent Liabilities</b>	<b>\$ 138,198,062</b>	<b>\$140,440,941</b>	<b>(2,242,879)</b>	<b>-1.6%</b>

The tables below show a comparison of *Noncurrent Liabilities* balances by Fund on April 30, 2019 and 2018.

#### WATER AND SEWER FUND

<b>Noncurrent Liabilities</b>	<b>2019</b>	<b>2018</b>	<b>\$ Chg</b>	<b>% Chg</b>
Compensated Absences	\$ 642,507	\$ 672,572	\$ (30,065)	-4.5%
Loans Payable	11,178,534	5,963,284	5,215,250	87.5%
Revenue Bonds Payable ( <i>Net of Bond Premium</i> )	77,295,071	96,354,932	(19,059,861)	-19.8%
OPEB Obligation ( <i>Asset</i> )	-	3,702,571	(3,702,571)	-100.0%
Net OPEB Liability	11,413,220	-	11,413,220	0.0%
Net Pension Liability	34,782,846	31,611,774	3,171,072	10.0%
<b>Total Noncurrent Liabilities</b>	<b>\$ 135,312,178</b>	<b>\$138,305,133</b>	<b>(2,992,955)</b>	<b>-2.2%</b>

#### STORMWATER FUND

<b>Noncurrent Liabilities</b>	<b>2019</b>	<b>2018</b>	<b>\$ Chg</b>	<b>% Chg</b>
Compensated Absences	\$ 23,505	\$ 29,020	\$ (5,515)	-19.0%
Loans Payable	-	-	-	0.0%
Revenue Bonds Payable ( <i>Net of Bond Premium</i> )	-	-	-	0.0%
OPEB Obligation ( <i>Asset</i> )	-	12,004	(12,004)	-100.0%
Net OPEB Liability	600,696	-	600,696	0.0%
Net Pension Liability	2,261,683	2,094,784	166,899	8.0%
<b>Total Noncurrent Liabilities</b>	<b>\$ 2,885,884</b>	<b>\$ 2,135,808</b>	<b>750,076</b>	<b>35.1%</b>

#### ANALYSIS OF DEFERRED INFLOWS OF RESOURCES

*Deferred Inflows of Resources* is a separate financial statement element on the Statement of Net Position. These items represent an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. *Deferred inflows of Resources* decrease net position, similar to liabilities. The Authority has two items that qualify for reporting in this category in the statement of net position, the deferred inflows of resources relating to pension and the deferred inflows of resources relating to OPEB.



*Deferred Inflows of Resources* increased \$7,828,915 or 72.4 percent between April 30, 2019 and 2018. *Deferred Charges Related to Pension Liability* decreased \$2.4 million due to changes between years in actuarial assumptions. *Deferred Charges Related to OPEB Liability* increased \$10.2 million as the Authority implemented GASB Statement No. 75 *Accounting and Financial Reporting for Post-employment Benefits Other Than Pensions – an amendment of GASB Statement No. 45 and 57*, which significantly changed the accounting for OPEB amounts by requiring that the total net OPEB liability and the deferred inflows and deferred outflows related to the net OPEB liability be reported in its financial statements. More information can be found in [Note 11: Other Post-Employment Benefits](#) in the notes to the financial statements.

Deferred Inflows of Resources	2019	2018	\$ Chg	% Chg
Deferred Charges Related to OPEB Liability	\$ 10,229,301	\$ -	\$ 10,229,301	100.0%
Deferred Charges Related to Pension Liability	8,419,385	10,819,771	(2,400,386)	-22.2%
<b>Total Deferred Inflows of Resources</b>	<b>\$ 18,648,686</b>	<b>\$ 10,819,771</b>	<b>\$ 7,828,915</b>	<b>72.4%</b>

The tables below show a comparison of *Deferred Inflows of Resources* balances by Fund on April 30, 2019 and 2018.

**WATER AND SEWER FUND**

Deferred Inflows of Resources	2019	2018	\$ Chg	% Chg
Deferred Charges Related to OPEB Liability	\$ 9,717,836	\$ -	\$ 9,717,836	100.0%
Deferred Charges Related to Pension Liability	7,998,416	10,278,782	(2,280,366)	-22.2%
<b>Total Deferred Inflows of Resources</b>	<b>\$ 17,716,252</b>	<b>\$ 10,278,782</b>	<b>\$ 7,437,470</b>	<b>72.4%</b>

**STORMWATER FUND**

Deferred Inflows of Resources	2019	2018	\$ Chg	% Chg
Deferred Charges Related to OPEB Liability	\$ 511,465	\$ -	\$ 511,465	100.0%
Deferred Charges Related to Pension Liability	420,969	540,989	(120,020)	-22.2%
<b>Total Deferred Inflows of Resources</b>	<b>\$ 932,434</b>	<b>\$ 540,989</b>	<b>\$ 391,445</b>	<b>72.4%</b>





## CONDENSED STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

The differences in net position between the two fiscal years are primarily due to a decrease in operating revenues of \$1.1 million, or negative 0.9 percent, coupled with an increase operating expenses of \$6.4 million, an increase of 8.1 percent. The drop-in revenues are due to the \$1.5 million in Sales of Pellets, Timber and Materials received from the timber harvest in fiscal year 2018 while operating expenses rose due to increases in both net pension expense and net OPEB expense. Additional analysis of the various components is provided in the following discussion.

Changes in Net Position	2019	2018	\$ Chg	% Chg
<b>Operating Revenues:</b>				
Charges for Sales and Services:				
Sale of Water	\$ 52,010,546	\$ 51,638,780	\$ 371,766	0.7%
Sewer Service	44,449,171	44,316,956	132,215	0.3%
Stormwater Fees	9,955,756	9,869,285	86,471	0.9%
Tapping Fees	1,334,445	1,308,596	25,849	2.0%
Penalties and Reconnect Charges	4,158,182	4,168,748	(10,566)	-0.3%
Sale of Pellets, Timber and Materials	44,060	1,523,310	(1,479,250)	-97.1%
Other Operating Revenues	458,393	659,135	(200,742)	-30.5%
<b>Total Operating Revenues</b>	<b>\$112,410,553</b>	<b>\$113,484,810</b>	<b>\$ (1,074,257)</b>	<b>-0.9%</b>
<b>Operating Expenses:</b>				
Water	\$ 12,669,453	\$ 13,206,938	\$ (537,485)	-4.1%
Sewer	16,521,214	16,450,059	71,155	0.4%
Stormwater	2,989,969	2,654,832	335,137	12.6%
Indirect	12,614,189	11,528,995	1,085,194	9.4%
Administrative	20,573,887	14,833,778	5,740,109	38.7%
Depreciation	20,693,364	20,967,132	(273,768)	-1.3%
<b>Total Operating Expenses</b>	<b>\$ 86,062,076</b>	<b>\$ 79,641,734</b>	<b>\$ 6,420,342</b>	<b>8.1%</b>
<b>Operating Income</b>	<b>\$ 26,348,477</b>	<b>\$ 33,843,076</b>	<b>\$ (7,494,599)</b>	<b>-22.1%</b>
<b>Nonoperating Revenues (Expenses):</b>				
Interest Income	\$ 746,723	\$ 465,865	\$ 280,858	60.3%
Interest Expense	(3,519,088)	(3,938,428)	419,340	-10.6%
Gain (Loss) of Disposal of Capital Assets	(714,269)	(1,237,170)	522,901	-42.3%
Other (Net)	(3,540)	(6,645)	3,105	-46.7%
<b>Total Nonoperating Revenues (Expenses)</b>	<b>\$ (3,490,174)</b>	<b>\$ (4,716,378)</b>	<b>\$ 1,226,204</b>	<b>26.0%</b>
<b>Income Before Contributions and Transfers</b>	<b>\$ 22,705,037</b>	<b>\$ 29,126,698</b>	<b>\$ (6,421,661)</b>	<b>-22.0%</b>
<b>Capital Contributions:</b>				
Impact Fees	\$ 1,891,142	\$ 2,580,852	\$ (689,710)	-26.7%
Subdividers	2,354,727	2,250,698	104,029	4.6%
Other Governments	562,209	416,710	145,499	34.9%
<b>Transfers In</b>	<b>1,413,558</b>	<b>1,158,251</b>	<b>255,307</b>	<b>22.0%</b>
<b>Transfers Out</b>	<b>(1,413,558)</b>	<b>(1,158,251)</b>	<b>(255,307)</b>	<b>-22.0%</b>
<b>Change in Net Position</b>	<b>\$ 27,513,115</b>	<b>\$ 34,374,958</b>	<b>\$ (6,861,843)</b>	<b>-20.0%</b>
Net Position - Beginning, <i>as restated</i>	\$ 535,404,373	\$ 519,455,054	\$ 15,949,319	3.1%
<b>Net Position - Ending</b>	<b>\$562,917,488</b>	<b>\$553,830,012</b>	<b>\$ 9,087,476</b>	<b>1.6%</b>



## WATER AND SEWER FUND

As indicated in the table that follows, net position of \$508,670,049 increased by \$8.6 million or 1.7 percent for the fiscal year ended April 30, 2019.

Changes in Net Position	2019	2018	\$ Chg	% Chg
<b>Operating Revenues:</b>				
Charges for Sales and Services:				
Sale of Water	\$ 52,010,546	\$ 51,638,780	\$ 371,766	0.7%
Sewer Service	44,449,171	44,316,956	132,215	0.3%
Stormwater Fees	-	-	-	0.0%
Tapping Fees	1,334,445	1,308,596	25,849	2.0%
Penalties and Reconnect Charges	3,991,134	4,001,749	(10,615)	-0.3%
Sale of Pellets, Timber and Materials	39,884	1,519,113	(1,479,229)	-97.4%
Other Operating Revenues	458,393	659,135	(200,742)	-30.5%
<b>Total Operating Revenues</b>	<b>\$ 102,283,573</b>	<b>\$ 103,444,329</b>	<b>\$ (1,160,756)</b>	<b>-1.1%</b>
<b>Operating Expenses:</b>				
Water	\$ 12,669,453	\$ 13,206,938	\$ (537,485)	-4.1%
Sewer	16,521,214	16,450,059	71,155	0.4%
Stormwater	-	-	-	0.0%
Indirect	11,242,735	10,409,966	832,769	8.0%
Administrative	20,573,887	14,833,778	5,740,109	38.7%
Depreciation	17,310,962	17,767,139	(456,177)	-2.6%
<b>Total Operating Expenses</b>	<b>\$ 78,318,251</b>	<b>\$ 72,667,880</b>	<b>\$ 5,650,371</b>	<b>7.8%</b>
<b>Operating Income</b>	<b>\$ 23,965,322</b>	<b>\$ 30,776,449</b>	<b>\$ (6,811,127)</b>	<b>-22.1%</b>
<b>Nonoperating Revenues (Expenses):</b>				
Interest Income	\$ 746,723	\$ 456,857	\$ 289,866	63.4%
Interest Expense	(3,519,088)	(3,938,428)	419,340	-10.6%
Gain (Loss) of Disposal of Capital Assets	(714,269)	(1,165,635)	451,366	-38.7%
Other (Net)	(3,540)	(4,145)	605	-14.6%
<b>Total Nonoperating Revenues (Expenses)</b>	<b>\$ (3,490,174)</b>	<b>\$ (4,651,351)</b>	<b>\$ 1,161,177</b>	<b>25.0%</b>
<b>Income Before Contributions and Transfers</b>	<b>\$ 20,475,148</b>	<b>\$ 26,125,098</b>	<b>\$ (5,649,950)</b>	<b>-21.6%</b>
<b>Capital Contributions:</b>				
Impact Fees	\$ 1,891,142	\$ 2,580,852	\$ (689,710)	-26.7%
Subdividers	1,592,408	1,684,704	(92,296)	-5.5%
Other Governments	562,209	416,710	145,499	34.9%
<b>Transfers In</b>	<b>1,413,558</b>	<b>1,158,251</b>	<b>255,307</b>	<b>22.0%</b>
<b>Transfers Out</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Change in Net Position</b>	<b>\$ 25,934,465</b>	<b>\$ 31,965,615</b>	<b>\$ (6,031,150)</b>	<b>-18.9%</b>
Net Position - Beginning, <i>as restated</i>	\$ 482,735,584	\$ 468,100,602	\$ 14,634,982	3.1%
<b>Net Position - Ending</b>	<b>\$ 508,670,049</b>	<b>\$ 500,066,217</b>	<b>\$ 8,603,832</b>	<b>1.7%</b>



## STORMWATER FUND

As indicated in the table that follows, net position of \$54,247,439 increased by \$483 thousand or 0.9 percent for the fiscal year ended April 30, 2019.

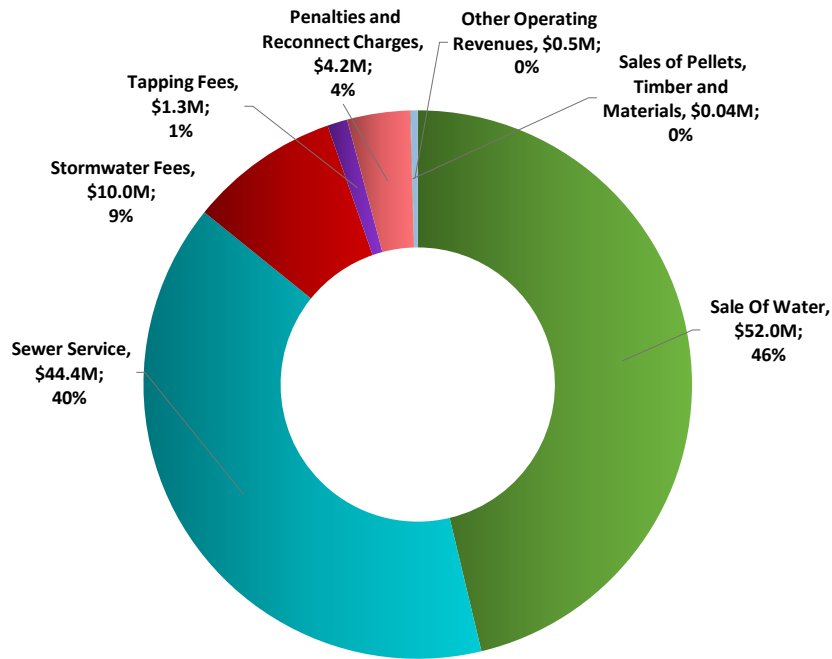
Changes in Net Position	2019	2018	\$ Chg	% Chg
<b>Operating Revenues:</b>				
Charges for Sales and Services:				
Sale of Water	\$ -	\$ -	\$ -	0.0%
Sewer Service	-	-	-	0.0%
Stormwater Fees	9,955,756	9,869,285	86,471	0.9%
Tapping Fees	-	-	-	0.0%
Penalties and Reconnect Charges	167,048	166,999	49	0.0%
Sale of Pellets, Timber and Materials	4,176	4,197	(21)	-0.5%
Other Operating Revenues	-	-	-	0.0%
<b>Total Operating Revenues</b>	<b>\$ 10,126,980</b>	<b>\$ 10,040,481</b>	<b>\$ 86,499</b>	<b>0.9%</b>
<b>Operating Expenses:</b>				
Water	\$ -	\$ -	\$ -	0.0%
Sewer	-	-	-	0.0%
Stormwater	2,989,969	2,654,832	335,137	12.6%
Indirect	1,371,454	1,119,029	252,425	22.6%
Administrative	-	-	-	0.0%
Depreciation	3,382,402	3,199,993	182,409	5.7%
<b>Total Operating Expenses</b>	<b>\$ 7,743,825</b>	<b>\$ 6,973,854</b>	<b>\$ 769,971</b>	<b>11.0%</b>
<b>Operating Income</b>	<b>\$ 2,383,155</b>	<b>\$ 3,066,627</b>	<b>\$ (683,472)</b>	<b>-22.3%</b>
<b>Nonoperating Revenues (Expenses):</b>				
Interest Income	\$ 10,676	\$ 9,008	\$ 1,668	18.5%
Interest Expense	-	-	-	0.0%
Gain (Loss) of Disposal of Capital Assets	(161,442)	(71,535)	(89,907)	125.7%
Other (Net)	(2,500)	(2,500)	-	0.0%
<b>Total Nonoperating Revenues (Expenses)</b>	<b>\$ (153,266)</b>	<b>\$ (65,027)</b>	<b>\$ (88,239)</b>	<b>135.7%</b>
<b>Income Before Contributions and Transfers</b>	<b>\$ 2,229,889</b>	<b>\$ 3,001,600</b>	<b>\$ (771,711)</b>	<b>-25.7%</b>
<b>Capital Contributions:</b>				
Impact Fees	\$ -	\$ -	\$ -	0.0%
Subdividers	762,319	565,994	196,325	34.7%
Other Governments	-	-	-	0.0%
<b>Transfers In</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Transfers Out</b>	<b>(1,413,558)</b>	<b>(1,158,251)</b>	<b>(255,307)</b>	<b>22.0%</b>
<b>Change in Net Position</b>	<b>\$ 1,578,650</b>	<b>\$ 2,409,343</b>	<b>\$ (830,693)</b>	<b>-34.5%</b>
Net Position - Beginning, <i>as restated</i>	\$ 52,668,789	\$ 51,354,452	\$ 1,314,337	2.6%
<b>Net Position - Ending</b>	<b>\$ 54,247,439</b>	<b>\$ 53,763,795</b>	<b>\$ 483,644</b>	<b>0.9%</b>



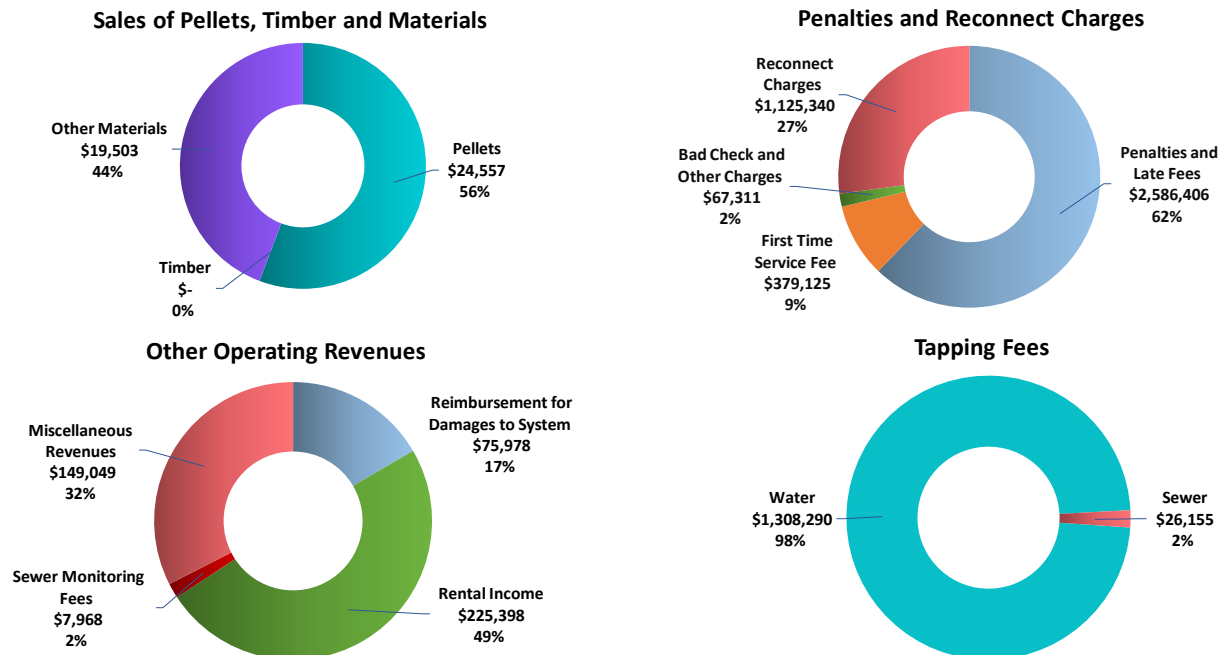
ANALYSIS OF REVENUES

For the 2019 fiscal year, the *Operating Revenues* of the Authority totaled \$112,410,553. This amount represented a decrease of \$1,074,247, or 0.9 percent lower than the previous year total of \$113,484,810. The operating revenues have been broken down by their major categories in the chart below. Each revenue class is shown by amount and its relative percentage of this fiscal year’s total.

OPERATING REVENUES BY MAJOR CATEGORY



OPERATING REVENUES BY DETAIL





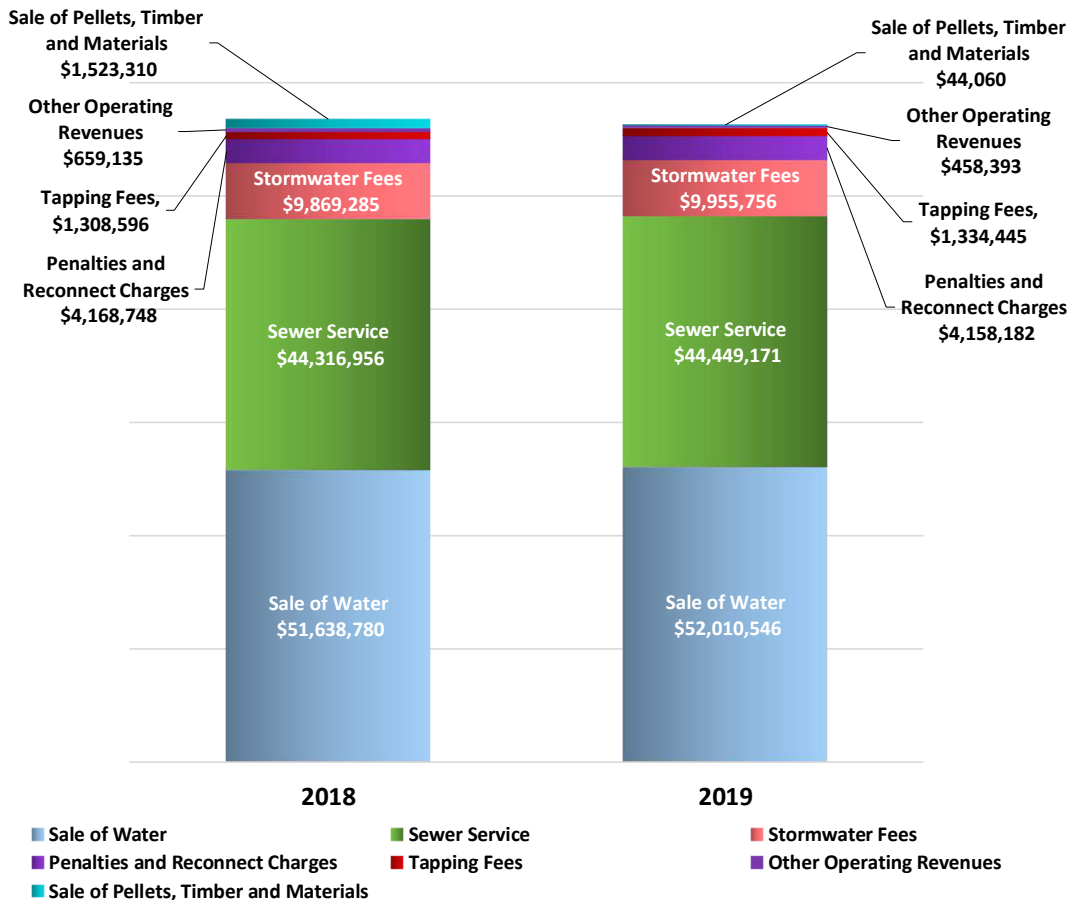
The table below provides a side-by-side comparison of Operating Revenues for the 2019 and 2018 fiscal years.

Operating Revenues	2019	2018	\$ Chg	% Chg	% Operating Revenues
Sale of Water	\$ 52,010,546	\$ 51,638,780	\$ 371,766	0.7%	46.2%
Sewer Service	44,449,171	44,316,956	132,215	0.3%	39.5%
Stormwater Fees	9,955,756	9,869,285	86,471	0.9%	8.9%
Tapping Fees	1,334,445	1,308,596	25,849	2.0%	1.2%
Penalties and Reconnect Charges	4,158,182	4,168,748	(10,566)	-0.3%	3.7%
Sale of Pellets, Timber and Materials	44,060	1,523,310	(1,479,250)	-97.1%	0.0%
Other Operating Revenues	458,393	659,135	(200,742)	-30.5%	0.4%
<b>Total Operating Revenues</b>	<b>\$ 112,410,553</b>	<b>\$ 113,484,810</b>	<b>\$ (1,074,257)</b>	<b>-0.9%</b>	<b>100.0%</b>

Operating revenues remained relatively flat with the prior year, down less than one percent. The sale of water, sewer service, stormwater fees and tapping fees all increased slightly. The decrease between years was due to a timber harvest and sale which provided revenue of \$ 1,492,637 in the prior year, 2018 . The Authority harvests and sells timber every few years based on tree maturity and market price and no harvest was planned for the fiscal year ended April 30, 2019. Operating revenue detail can be found in the [Schedule of Operating Revenues](#) in the Supplementary Information section of this document.

The improving economy has resulted in higher occupancy rates and new commercial and residential development, which boosted revenue from all utility services by \$616,301 over the prior year.

### COMPARISON OF OPERATING REVENUES



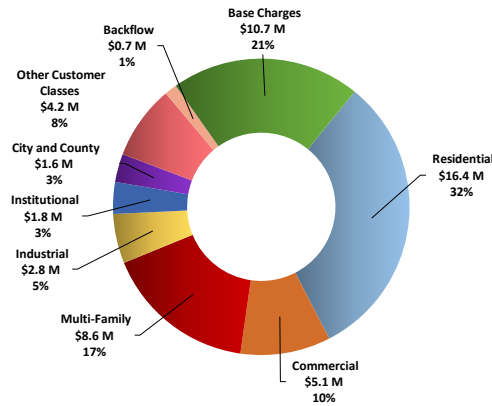


The tables below provide a side-by-side comparison of *Operating Revenues* by fund for the 2019 and 2018 fiscal years. The graphs provide additional detail of each the operating revenue categories.

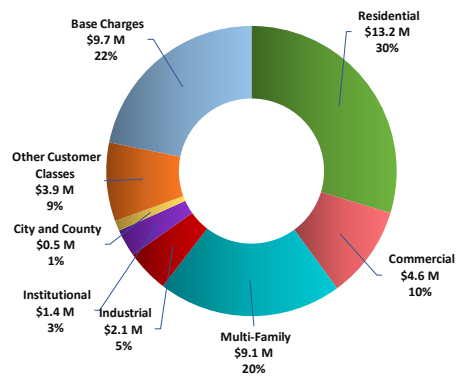
**WATER AND SEWER FUND**

Operating Revenues	2019	2018	\$ Chg	% Chg	% Operating Revenues
Sale of Water	\$ 52,010,546	\$ 51,638,780	\$ 371,766	0.7%	46.2%
Sewer Service	44,449,171	44,316,956	132,215	0.3%	39.5%
Stormwater Fees	-	-	-	0.0%	0.0%
Tapping Fees	1,334,445	1,308,596	25,849	2.0%	1.2%
Penalties and Reconnect Charges	3,991,134	4,001,749	(10,615)	-0.3%	3.6%
Sale of Pellets, Timber and Materials	39,884	1,519,113	(1,479,229)	-97.4%	0.0%
Other Operating Revenues	458,393	659,135	(200,742)	-30.5%	0.4%
<b>Total Operating Revenues</b>	<b>\$ 102,283,573</b>	<b>\$ 103,444,329</b>	<b>\$ (1,160,756)</b>	<b>-1.1%</b>	<b>100.0%</b>

**Sale of Water Detail**



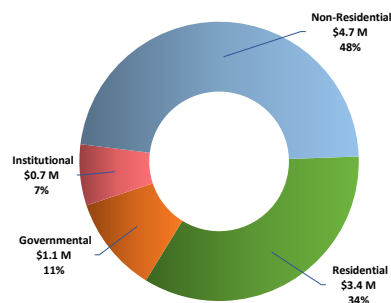
**Sewer Service Detail**



**STORMWATER FUND**

Operating Revenues	2019	2018	\$ Chg	% Chg	% Operating Revenues
Sale of Water	\$ -	\$ -	\$ -	0.0%	-0.1%
Sewer Service	-	-	-	0.0%	0.0%
Stormwater Fees	9,955,756	9,869,285	86,471	0.9%	8.9%
Tapping Fees	-	-	-	0.0%	0.0%
Penalties and Reconnect Charges	167,048	166,999	49	0.0%	0.1%
Sale of Pellets, Timber and Materials	4,176	4,197	(21)	-0.5%	0.0%
Other Operating Revenues	-	-	-	0.0%	0.0%
<b>Total Operating Revenues</b>	<b>\$ 10,126,980</b>	<b>\$ 10,040,481</b>	<b>\$ 86,499</b>	<b>0.9%</b>	<b>100.0%</b>

**Stormwater Fee Detail**



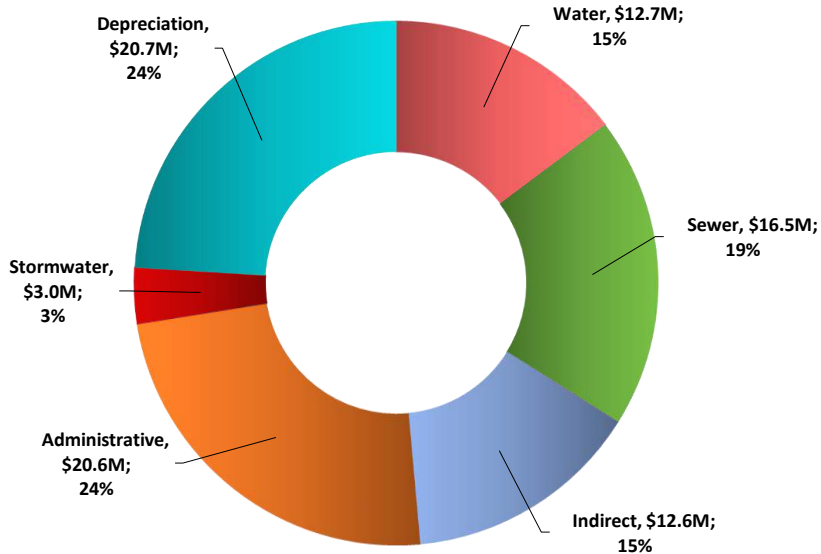




ANALYSIS OF EXPENSES

The Total Operating Expenses for FY 2019 were \$86,062,076. That amount represents an increase of \$6,420,342, or 8.1 percent more than the prior fiscal year total of \$79,641,734. The six major categories of Operating Expenses are shown in the chart below.

OPERATING EXPENSES BY MAJOR CATEGORY



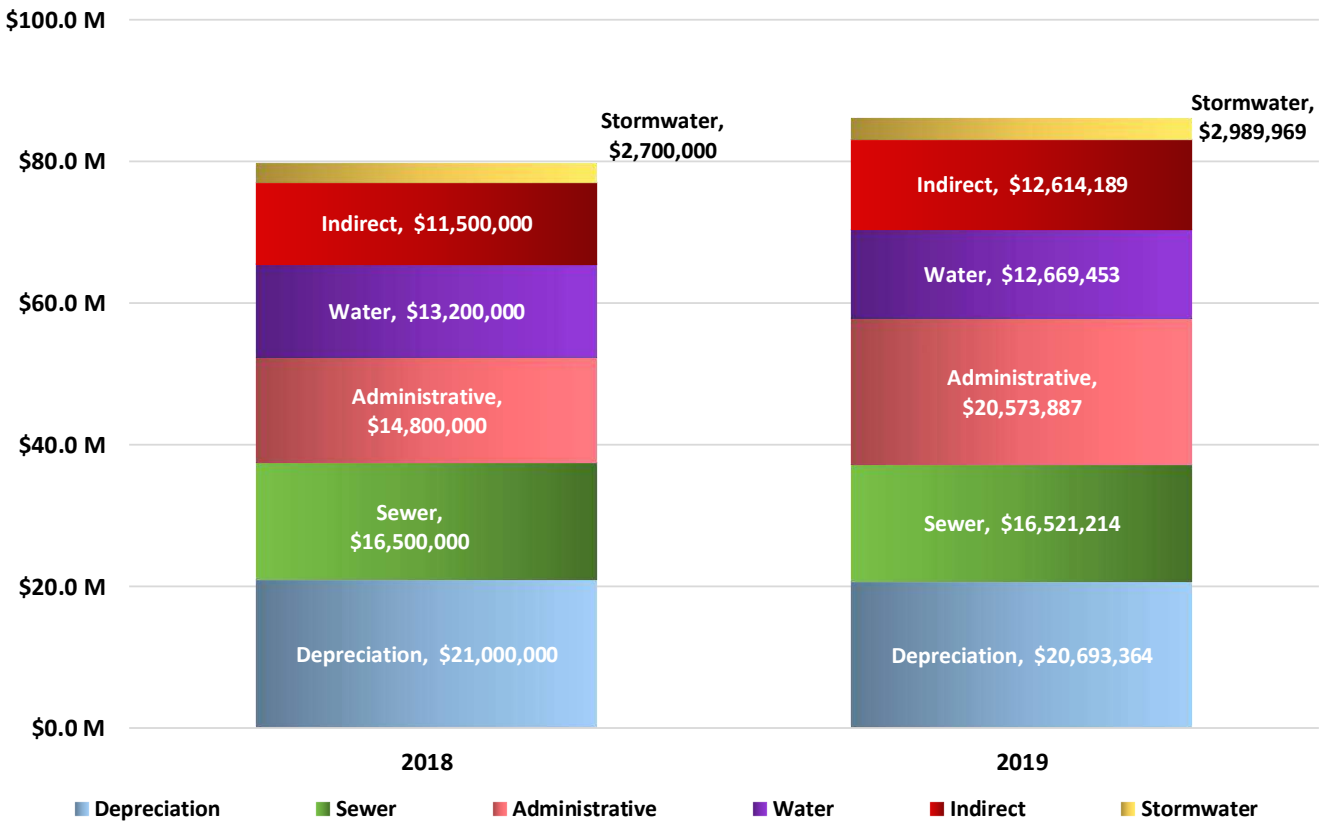
The table below provides a side-by-side comparison of Operating Expenses for the 2019 and 2018 fiscal years.

Operating Expenses	2019	2018	\$ Chg	% Chg	% Operating Expenses
Water	\$ 12,669,453	\$ 13,206,938	\$ (537,485)	-4.1%	14.7%
Sewer	16,521,214	16,450,059	71,155	0.4%	19.2%
Indirect	12,614,189	11,528,995	1,085,194	9.4%	14.7%
Administrative	20,573,887	14,833,778	5,740,109	38.7%	23.9%
Stormwater	2,989,969	2,654,832	335,137	12.6%	3.5%
Depreciation	20,693,364	20,967,132	(273,768)	-1.3%	24.0%
<b>Total Operating Expenses</b>	<b>\$ 86,062,076</b>	<b>\$ 79,641,734</b>	<b>\$ 6,420,342</b>	<b>8.1%</b>	<b>100.0%</b>

For the 2019 fiscal year, administrative expenses were up \$5.7 million, or 38.7 percent. The largest changes contributing to the net increase was the implementation of GASB 75 which added \$504,879 in *Net OPEB Expense* and an increase in *Net Pension Expense* which added an additional \$4,301,582. Indirect expenses also increased, up \$1,085,194, or 9.4 percent, over last year due to changes in engineering consulting needs that vary year to year. Water Expense dropped from the prior year because of water purchases of \$868,235 made in Fall 2017 during a taste and odor event. Depreciation Expense decreased by \$273,788 due to net changes between capital additions and disposals and the variation of the estimated life of those assets.



COMPARISON OF OPERATING EXPENSES



The tables below provide a side-by-side comparison of Operating Expenses by fund for the 2019 and 2018 fiscal years.

WATER AND SEWER FUND

Operating Expenses	2019	2018	\$ Chg	% Chg	% Operating Expenses
Water	\$ 12,669,453	\$ 13,206,938	\$ (537,485)	-4.1%	14.7%
Sewer	16,521,214	16,450,059	71,155	0.4%	19.2%
Indirect	11,242,735	10,409,966	832,769	8.0%	13.1%
Administrative	20,573,887	14,833,778	5,740,109	38.7%	23.9%
Stormwater	-	-	-	0.0%	0.0%
Depreciation	17,310,962	17,767,139	(456,177)	-2.6%	20.1%
<b>Total Operating Expenses</b>	<b>\$ 78,318,251</b>	<b>\$ 72,667,880</b>	<b>\$ 5,650,371</b>	<b>7.8%</b>	<b>91.0%</b>

STORMWATER FUND

Operating Expenses	2019	2018	\$ Chg	% Chg	% Operating Expenses
Water	\$ -	\$ -	\$ -	0.0%	0.0%
Sewer	-	-	-	0.0%	0.0%
Indirect	1,371,454	1,119,029	252,425	22.6%	1.6%
Administrative	-	-	-	0.0%	0.0%
Stormwater	2,989,969	2,654,832	335,137	12.6%	3.5%
Depreciation	3,382,402	3,199,993	182,409	5.7%	3.9%
<b>Total Operating Expenses</b>	<b>\$ 7,743,825</b>	<b>\$ 6,973,854</b>	<b>\$ 769,971</b>	<b>11.0%</b>	<b>9.0%</b>



## ANALYSIS OF CAPITAL CONTRIBUTIONS

“*Capital Contributions*” are contributions or donations of capital in the form of money or property to a business by an owner, partner, or shareholder. In the case of the Authority where the equity interest in the business really belongs to our customers, the term typically refers to money or infrastructure that is given to the Authority to improve or expand the system. Examples would include water and sewer lines that are donated by developers and impact fees that are paid to offset the costs of constructing capacity, in advance of service demands.

Historically, *Capital Contributions* have been a critical source of capital for the Authority in expanding the capacity and service delivery areas of its water and sewer systems. In FY 2008, it served as the principal method for initiating the Stormwater Utility when the Authority received almost \$52.3 million in net book value of donated stormwater infrastructure from the County and its municipalities.

During periods of strong economic development, commercial and residential developers contribute the piping and meter infrastructure they install when their construction is completed. During the recent economic downturn, development stopped. With the continually improving economy, higher levels of contributions occur. Although contributions decreased \$440,182 from the prior year, a total of \$2.4 million in donated infrastructure was made during 2019. Four larger projects accounted for over a third of donated stormwater, sewer and water infrastructure; a new cold storage company, an apartment complex, a residential subdivision and an elementary school.

Intergovernmental contributions are cash payments from the Urban Redevelopment Agency of Clayton County. These payments are reimbursement to the Authority for a portion of its cost to construct pipe infrastructure at the closed Fort Gillem Army Base. This ongoing project is part of the Agency’s economic development plan to repurpose the site for industrial use and donated pipelines vary from year to year. The final payment of the contract, \$530,603, was reimbursed to the Authority in July 2018.

Capital Contributions	2019	2018	\$ Chg	% Chg
Impact Fees	\$ 1,891,142	\$ 2,580,852	\$ (689,710)	-26.7%
Subdividers	2,354,727	2,250,698	104,029	4.6%
Intergovernmental	562,209	416,710	145,499	34.9%
<b>Total Capital Contributions</b>	<b>\$ 4,808,078</b>	<b>\$ 5,248,260</b>	<b>\$ (440,182)</b>	<b>-8.4%</b>

The tables that follow show a comparison of *Capital Contributions* by Fund on April 30, 2019 and 2018.

### WATER AND SEWER FUND

Capital Contributions	2019	2018	\$ Chg	% Chg
Impact Fees	\$ 1,891,142	\$ 2,580,852	\$ (689,710)	-26.7%
Subdividers	1,592,408	1,684,704	(92,296)	-5.5%
Intergovernmental	562,209	416,710	145,499	34.9%
<b>Total Capital Contributions</b>	<b>\$ 4,045,759</b>	<b>\$ 4,682,266</b>	<b>\$ (636,507)</b>	<b>-13.6%</b>

### STORMWATER FUND

Capital Contributions	2019	2018	\$ Chg	% Chg
Impact Fees	\$ -	\$ -	\$ -	0.0%
Subdividers	762,319	565,994	196,325	34.7%
Intergovernmental	-	-	-	0.0%
<b>Total Capital Contributions</b>	<b>\$ 762,319</b>	<b>\$ 565,994</b>	<b>\$ 196,325</b>	<b>34.7%</b>



## CAPITAL ASSETS AND DEBT

### CAPITAL ASSETS

At April 30, 2019, the Clayton County Water Authority had an investment of \$569 million in capital assets, net of depreciation and amortization. This amount represents a net increase, including additions and disposals, of \$23.5 million, or 4.3 percent more than last year. Of that total investment in plant, property, equipment and construction-in-progress at April 30, 2019, the Water and Sewer Fund had \$520,082,792 in net capital assets, and the Stormwater Fund had \$48,797,472. Comparative schedules for each fund's capital assets by major classification for the two most recent fiscal years is shown in the following tables.

Capital Asset Classification	2019	2018	\$ Chg	% Chg	% Capital Assets
Land and Easements	\$ 32,184,580	\$ 31,974,924	209,656	0.7%	5.7%
Building and Structures	92,637,371	96,889,398	(4,252,027)	-4.4%	16.3%
Operating and Maintenance Equipment	43,276,105	44,998,900	(1,722,795)	-3.8%	7.6%
Field Equipment	12,526,846	11,978,700	548,146	4.6%	2.2%
Road Equipment	1,695,361	1,962,632	(267,271)	-13.6%	0.3%
Piping	283,890,076	280,746,208	3,143,868	1.1%	49.9%
Technology and Office Equipment	3,511,922	3,664,090	(152,168)	-4.2%	0.6%
Furniture and Fixtures	359,465	307,135	52,330	17.0%	0.1%
System Franchises and Engineering Studies	41,289,133	38,970,804	2,318,329	5.9%	7.3%
Construction in Progress	57,509,405	33,925,703	23,583,702	69.5%	10.1%
<b>Total Capital Assets, net of accumulated depreciation</b>	<b>\$ 568,880,264</b>	<b>\$ 545,418,494</b>	<b>\$ 23,461,770</b>	<b>4.3%</b>	<b>100.0%</b>

### WATER AND SEWER FUND

Capital Asset Classification	2019	2018	\$ Chg	% Chg	% Capital Assets
Land and Easements	\$ 30,411,764	\$ 30,410,082	1,682	0.0%	5.8%
Building and Structures	92,104,589	96,336,410	(4,231,821)	-4.4%	17.7%
Operating and Maintenance Equipment	43,250,481	44,966,297	(1,715,816)	-3.8%	8.3%
Field Equipment	12,107,118	11,871,230	235,888	2.0%	2.3%
Road Equipment	1,280,968	1,480,714	(199,746)	-13.5%	0.2%
Piping	240,279,209	238,201,394	2,077,815	0.9%	46.2%
Technology and Office Equipment	3,489,719	3,648,639	(158,920)	-4.4%	0.7%
Furniture and Fixtures	305,922	288,304	17,618	6.1%	0.1%
System Franchises and Engineering Studies	40,642,698	38,790,722	1,851,976	4.8%	7.8%
Construction in Progress	56,210,324	32,485,037	23,725,287	73.0%	10.8%
<b>Total Capital Assets, net of accumulated depreciation</b>	<b>\$ 520,082,792</b>	<b>\$ 498,478,829</b>	<b>\$ 21,603,963</b>	<b>4.3%</b>	<b>100.0%</b>

### STORMWATER FUND

Capital Asset Classification	2019	2018	\$ Chg	% Chg	% Capital Assets
Land and Easements	\$ 1,772,816	\$ 1,564,842	207,974	13.3%	3.6%
Building and Structures	532,782	552,988	(20,206)	-3.7%	1.1%
Operating and Maintenance Equipment	25,624	32,603	(6,979)	-21.4%	0.1%
Field Equipment	419,728	107,470	312,258	290.6%	0.9%
Road Equipment	414,393	481,918	(67,525)	-14.0%	0.8%
Piping	43,610,867	42,544,814	1,066,053	2.5%	89.4%
Technology and Office Equipment	22,203	15,451	6,752	43.7%	0.0%
Furniture and Fixtures	53,543	18,831	34,712	184.3%	0.1%
System Franchises and Engineering Studies	646,435	180,082	466,353	259.0%	1.3%
Construction in Progress	1,299,081	1,440,666	(141,585)	-9.8%	2.7%
<b>Total Capital Assets, net of accumulated depreciation</b>	<b>\$ 48,797,472</b>	<b>\$ 46,939,665</b>	<b>\$ 1,857,807</b>	<b>4.0%</b>	<b>100.0%</b>



Additional detailed information concerning the Authority's capital assets can be found in the *Notes to the Financial Statements*, [Note 6: Capital Assets](#).

## DEBT

At April 30, 2019, the Clayton County Water Authority had \$106.4 million in debt obligation, a net decrease of \$12.6 million or 10.6 percent less than the previous fiscal year. The Authority's debt is comprised solely of various series of revenue bonds and three loans from the Georgia Environmental Finance Authority (GEFA), two are in repayment and one is in the disbursement phase during construction. The Stormwater Fund has no debt obligation.

Comparative schedules by major type of debt and fund at April 30 of 2019 and 2018 are shown in the tables below.

### WATER AND SEWER FUND

Type of Debt	2019	2018	\$ Chg	% Chg
Revenue Bonds - Outstanding Principal	\$ 89,400,000	\$ 105,395,000	\$ (15,995,000)	-15.2%
Unamortized Bond Premium	5,155,071	6,954,932	(1,799,861)	-25.9%
GEFA Loans	11,839,256	6,604,761	5,234,495	79.3%
<b>Total Debt</b>	<b>\$ 106,394,327</b>	<b>\$ 118,954,693</b>	<b>\$ (12,560,366)</b>	<b>-10.6%</b>

For April 30, 2019, the decrease in revenue bond debt represents the scheduled annual maturities for the different series of bonds and the refunding bonds issued during the year. The increase in GEFA loans outstanding at the end of the fiscal year was due to \$5.9 million in disbursements requested from the GEFA construction loan coupled with complete year of principal payments of \$642 thousand for the two GEFA loans on projects completed during the 2006 fiscal year.

Additional detailed information concerning the Authority's liabilities can be found in the *Notes to the Financial Statements*, [Note 7: Long-term Obligations](#).

### STORMWATER FUND

Type of Debt	2019	2018	\$ Chg	% Chg
Revenue Bonds - Outstanding Principal	\$ -	\$ -	\$ -	0.0%
Unamortized Bond Premium	-	-	-	0.0%
GEFA Loans	-	-	-	0.0%
<b>Total Debt</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>0.0%</b>

The Stormwater Fund carries no debt.

## ECONOMIC FACTORS, RATES AND NEXT YEAR'S FINANCIAL ACTIVITY

### ECONOMIC FACTORS

The improving housing market and labor markets indicate continued economic growth.

Over the past twelve months, the overall economy of the Metropolitan Atlanta area continued to grow. Both residential and commercial development are increasing, with building permits for both on the rise.

Fortunately, for the financial well-being of the Authority, the provision of water, sewer and stormwater services represents a necessary purchase for the residents and industries of Clayton County. Based on historical trend



information, the annual demand for water sales appears to be much more dependent on weather patterns than on the prevailing economic conditions. Thus, even during periods of poor economic conditions, water production levels have typically remained stable from one fiscal year to the next.

Some of the more significant economic indicators and conditions that management feels could possibly affect CCWA's operations over the short-term include the following:

- The industrial development occurring at the Fort Gillem military complex and the planned expansion of Hartsfield-Jackson International Airport and the area surrounding it with residential, commercial and industrial development.
- The continuing economic improvement in Clayton County and the Metro-Atlanta area including the continued expansion of the film industry within the County and surrounding area.
- Possible water restrictions imposed by the Georgia Environmental Protection Division due to drought restrictions.

## NEXT YEAR'S BUDGET

The Authority's operating budget for 2019 - 2020 took into consideration the anticipated impact of the economic factors cited above. The revenue projections did not include a rate adjustment. The operating budget was balanced with no appropriation of cash reserves and adequate funding was available for each of the projects that have been identified in the pay-as-you-go capital plan. A summary of the FY 2019 - 2020 Budget is in the table below.

## CONSOLIDATED BUDGET - FY 2019 - 2020

	Water and Sewer	Stormwater	Total FY 2019 - 2020
<b>Revenues</b>			
Water Sales	\$ 50,165,164	\$ -	\$ 50,165,164
Sewer Sales	43,410,151	-	43,410,151
Stormwater Fees	-	9,724,285	9,724,285
Installation Charges	875,974	-	875,974
Account Servicing Charge	3,956,849	157,205	4,114,054
Miscellaneous Income	553,747	3,098	556,845
Interest Income	32,235	5,193	37,428
Impact Fees	1,539,088	-	1,539,088
Interfund Transfer	1,271,151	-	1,271,151
<b>Total Revenues</b>	<b>\$ 101,804,359</b>	<b>\$ 9,889,781</b>	<b>\$ 111,694,140</b>
<b>Expenses</b>			
Personal Services	\$ 32,923,306	\$ 1,809,428	\$ 34,732,734
Operating Expenses	39,498,061	3,084,005	42,582,066
Debt Service	20,242,549	-	20,242,549
Interfund Transfer	-	1,271,151	1,271,151
Capital Expenditures	3,509,843	532,076	4,041,919
Capital Projects	5,630,600	3,193,121	8,823,721
<b>Total Expenses</b>	<b>\$ 101,804,359</b>	<b>\$ 9,889,781</b>	<b>\$ 111,694,140</b>



---

## STORMWATER FEES

With the initiation of the stormwater utility, at the beginning of the 2008 fiscal year, the monthly residential rate was set at \$3.75 per household. For ease of fee administration, a uniform rate was established for residential properties based on the average amount of impervious surfaces. Using the resulting standard as a baseline, the rate for commercial customers was set at \$3.75 for each 2,950 square feet of impervious surfaces. These initial rates were not adjusted for either the current or the upcoming fiscal year. A recent analysis of all nonresidential customers was completed at the end of FY 2015. This analysis compared the impervious surface the Authority was given when it assumed the stormwater systems of Clayton County and its municipalities in 2007 with new, more accurate digital data. The billings based on the new impervious surface data became effective on January 1, 2016.

---

## REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the Clayton County Water Authority's finances for all those individuals having an interest in the Authority's operations and financial condition. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Clayton County Water Authority, Finance Director, 1600 Battle Creek Road, Morrow, Georgia 30260.





## BASIC FINANCIAL STATEMENTS

## STATEMENT OF NET POSITION

**Clayton County Water Authority**  
**Statement of Net Position**  
**Proprietary Funds**  
**April 30, 2019**

	Water and Sewer	Stormwater	Total
<b>ASSETS</b>			
Current Assets:			
Cash and Cash Equivalents:			
Unrestricted	\$ 27,870,480	\$ 8,338,428	\$ 36,208,908
Restricted	29,251,101	-	29,251,101
Accounts Receivable <i>(Net of Allowance for Uncollectible)</i>	14,680,258	605,132	15,285,390
Other Receivables	474,138	604	474,742
Inventories	2,060,407	-	2,060,407
Prepaid Expenses and Deposits	88,853	-	88,853
Total Current Assets	<u>\$ 74,425,237</u>	<u>\$ 8,944,164</u>	<u>\$ 83,369,401</u>
Noncurrent Assets:			
Unrestricted Assets:			
Cash and Cash Equivalents	\$ 15,878	\$ -	\$ 15,878
Total Unrestricted Assets	<u>\$ 15,878</u>	<u>\$ -</u>	<u>\$ 15,878</u>
Restricted Assets:			
Cash and Cash Equivalents:			
Debt Service	\$ 21,758,292	\$ -	\$ 21,758,292
Renewal and Extension	70,482,063	-	70,482,063
Escrow Agreement	-	124,302	124,302
Total Restricted Assets	<u>\$ 92,240,355</u>	<u>\$ 124,302</u>	<u>\$ 92,364,657</u>
Capital Assets:			
Land and Easements	\$ 30,411,764	\$ 1,772,816	\$ 32,184,580
Buildings and Structures	174,903,063	738,424	175,641,487
Operating and Maintenance Equipment	79,688,497	136,335	79,824,832
Field Equipment	51,285,072	1,131,356	52,416,428
Road Equipment	7,035,210	1,393,712	8,428,922
Piping	353,036,030	137,511,080	490,547,110
Technology and Office Equipment	13,028,027	88,059	13,116,086
Furniture and Fixtures	2,328,888	101,891	2,430,779
System Franchise and Engineering Studies	74,763,451	680,949	75,444,400
Construction in Process	56,210,324	1,299,081	57,509,405
Less: Accumulated Depreciation	(322,607,534)	(96,056,231)	(418,663,765)
Total Capital Assets <i>(Net of Accumulated Depreciation)</i>	<u>\$ 520,082,792</u>	<u>\$ 48,797,472</u>	<u>\$ 568,880,264</u>
Total Noncurrent Assets	<u>\$ 612,339,025</u>	<u>\$ 48,921,774</u>	<u>\$ 661,260,799</u>
Total Assets	<u>\$ 686,764,262</u>	<u>\$ 57,865,938</u>	<u>\$ 744,630,200</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Charges Related to Debt Refunding	\$ 2,341,829	\$ -	\$ 2,341,829
Deferred Charges Related to OPEB Liability	577,488	30,394	607,882
Deferred Charges Related to Pension Liability	7,092,821	453,572	7,546,393
Total Deferred Outflows of Resources	<u>\$ 10,012,138</u>	<u>\$ 483,966</u>	<u>\$ 10,496,104</u>

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

*Continued on next page*





**Clayton County Water Authority**  
**Statement of Net Position (Continued)**  
**Proprietary Funds**  
**April 30, 2019**

	Water and Sewer	Stormwater	Total
<b>LIABILITIES</b>			
Current Liabilities Payable From Unrestricted Assets:			
Accounts Payable	\$ 5,968,747	\$ 159,673	\$ 6,128,420
Accrued Payroll Withholdings	1,128,054	59,861	1,187,915
Accrued Pension Contribution	208,735	10,905	219,640
Compensated Absences	1,023,545	53,708	1,077,253
Loans Payable - Due Within One Year	660,722	-	660,722
Accrued Loan Interest	15,376	-	15,376
Unearned Revenue	199,759	-	199,759
Total Current Liabilities Payable From Unrestricted Assets	\$ 9,204,938	\$ 284,147	\$ 9,489,085
Current Liabilities Payable From Restricted Assets:			
Accounts Payable	\$ 1,445,978	\$ -	\$ 1,445,978
Accrued Revenue Bond Interest	1,905,115	-	1,905,115
Customer Deposits	5,261,890	-	5,261,890
Revenue Bonds Payable - Due Within One Year	17,260,000	-	17,260,000
Total Current Liabilities Payable From Restricted Assets	\$ 25,872,983	\$ -	\$ 25,872,983
Total Current Liabilities	\$ 35,077,921	\$ 284,147	\$ 35,362,068
Noncurrent Liabilities:			
Compensated Absences	\$ 642,507	\$ 23,505	\$ 666,012
Loans Payable	11,178,534	-	11,178,534
Revenue Bonds Payable (Net of Bond Premium)	77,295,071	-	77,295,071
Net OPEB Liability	11,413,220	600,696	12,013,916
Net Pension Liability	34,782,846	2,261,683	37,044,529
Total Noncurrent Liabilities	\$ 135,312,178	\$ 2,885,884	\$ 138,198,062
Total Liabilities	\$ 170,390,099	\$ 3,170,031	\$ 173,560,130
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Charges Related to OPEB Liability	\$ 9,717,836	\$ 511,465	\$ 10,229,301
Deferred Charges Related to Pension Liability	7,998,416	420,969	8,419,385
Total Deferred Inflows of Resources	\$ 17,716,252	\$ 932,434	\$ 18,648,686
<b>NET POSITION</b>			
Net Investment in Capital Assets	\$ 416,030,294	\$ 48,797,472	\$ 464,827,766
Restricted for:			
Debt Service	40,923,407	-	40,923,407
Renewal and Extension	1,500,000	-	1,500,000
Working Capital	500,000	-	500,000
Escrow Agreement	-	124,302	124,302
Unrestricted	49,716,348	5,325,665	55,042,013
Total Net Position	\$ 508,670,049	\$ 54,247,439	\$ 562,917,488

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



## STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

**Clayton County Water Authority**  
**Statement of Revenues, Expenses and Changes in Net Position**  
**Proprietary Funds**  
**For the Fiscal Year Ended April 30, 2019**

	Water and Sewer	Stormwater	Total
<b>Operating Revenues:</b>			
Charges for Sales and Services:			
Sale of Water	\$ 52,010,546	\$ -	\$ 52,010,546
Sewer Service	44,449,171	-	44,449,171
Stormwater Fees	-	9,955,756	9,955,756
Tapping Fees	1,334,445	-	1,334,445
Penalties and Reconnect Charges	3,991,134	167,048	4,158,182
Sale of Pellets, Timber and Materials	39,884	4,176	44,060
Other Operating Revenues	458,393	-	458,393
Total Operating Revenues	<u>\$ 102,283,573</u>	<u>\$ 10,126,980</u>	<u>\$ 112,410,553</u>
<b>Operating Expenses:</b>			
Water	\$ 12,669,453	\$ -	\$ 12,669,453
Sewer	16,521,214	-	16,521,214
Stormwater	-	2,989,969	2,989,969
Indirect	11,242,735	1,371,454	12,614,189
Administrative	20,573,887	-	20,573,887
Depreciation	17,310,962	3,382,402	20,693,364
Total Operating Expenses	<u>\$ 78,318,251</u>	<u>\$ 7,743,825</u>	<u>\$ 86,062,076</u>
Operating Income	\$ 23,965,322	\$ 2,383,155	\$ 26,348,477
<b>Nonoperating Revenues (Expenses):</b>			
Interest Income	\$ 746,723	\$ 10,676	\$ 757,399
Interest Expense	(3,519,088)	-	(3,519,088)
Gain (Loss) of Disposal of Capital Assets	(714,269)	(161,442)	(875,711)
Other (Net)	(3,540)	(2,500)	(6,040)
Total Nonoperating Revenues (Expenses)	<u>\$ (3,490,174)</u>	<u>\$ (153,266)</u>	<u>\$ (3,643,440)</u>
Income Before Contributions and Transfers	\$ 20,475,148	\$ 2,229,889	\$ 22,705,037
<b>Capital Contributions:</b>			
Impact Fees	\$ 1,891,142	\$ -	\$ 1,891,142
Subdividers and Developers	1,592,408	762,319	2,354,727
Other Governments	562,209	-	562,209
<b>Transfers In</b>	1,413,558	-	1,413,558
<b>Transfers Out</b>	-	(1,413,558)	(1,413,558)
Change in Net Position	<u>\$ 25,934,465</u>	<u>\$ 1,578,650</u>	<u>\$ 27,513,115</u>
Net Position - Beginning, <i>as restated</i>	<u>\$ 482,735,584</u>	<u>\$ 52,668,789</u>	<u>\$ 535,404,373</u>
Net Position - Ending	<u>\$ 508,670,049</u>	<u>\$ 54,247,439</u>	<u>\$ 562,917,488</u>

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



## STATEMENT OF CASH FLOWS

**Clayton County Water Authority**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Fiscal Year Ended April 30, 2019**

	Water and Sewer	Stormwater	Total
<b>Cash Flows from Operating Activities:</b>			
Cash Received from Customers	\$ 104,189,775	\$ 10,120,045	\$ 114,309,820
Cash Paid to Suppliers	(28,447,219)	(2,747,260)	(31,194,479)
Cash Paid to Employees	(25,323,371)	(1,526,783)	(26,850,154)
Net Cash Provided by Operating Activities	\$ 50,419,185	\$ 5,846,002	\$ 56,265,187
<b>Cash Flows from Noncapital Financing Activities:</b>			
Transfers from Other Funds	\$ 1,413,558	-	\$ 1,413,558
Transfers to Other Funds	-	(1,413,558)	(1,413,558)
Net Cash Provided by (Used In) Noncapital Financing Activities	\$ 1,413,558	\$ (1,413,558)	-
<b>Cash Flows from Capital and Related Financing Activities:</b>			
Acquisition and Construction of Capital Assets	\$ (38,036,437)	\$ (4,477,895)	\$ (42,514,332)
Fees Received From Subdividers	1,891,142	-	1,891,142
Principal Paid on Bonds Payable	(15,995,000)	-	(15,995,000)
Principal Paid on Notes Payable	(641,477)	-	(641,477)
Proceeds from Loans Payable	5,875,972	-	5,875,972
Interest Paid on Bonds and Loans Payable	(4,179,034)	-	(4,179,034)
Proceeds from Sale of Capital Assets	119,267	9,150	128,417
Fees Received from Other Governments	562,209	-	562,209
Net Cash Used In Capital and Related Financing Activities	\$ (50,403,358)	\$ (4,468,745)	\$ (54,872,103)
<b>Cash Flows from Investing Activities:</b>			
Interest on investments	\$ 746,723	\$ 10,676	\$ 757,399
Net Cash Provided by Investing Activities	\$ 746,723	\$ 10,676	\$ 757,399
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>\$ 2,176,108</b>	<b>\$ (25,625)</b>	<b>\$ 2,150,483</b>
Cash and Cash Equivalents, April 30, 2018	147,201,706	8,488,355	155,690,061
Cash and Cash Equivalents, April 30, 2019	\$ 149,377,814	\$ 8,462,730	\$ 157,840,544
<b>Reconciliation of Operating Income to Net Cash Provided by Operating Activities:</b>			
Operating Income	\$ 23,965,322	\$ 2,383,155	\$ 26,348,477
<b>Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:</b>			
Depreciation Expense	\$ 17,310,962	\$ 3,382,402	\$ 20,693,364
(Increase) Decrease in Accounts Receivable	283,868	(6,963)	276,905
(Increase) Decrease in Other Receivables	1,642,226	28	1,642,254
(Increase) Decrease in Inventories	311,772	-	311,772
(Increase) Decrease in Prepaid Items	113	-	113
(Decrease) Increase in Accounts Payable	3,339,686	76,563	3,416,249
(Decrease) Increase in Accrued Liabilities	(18,040)	(175,074)	(193,114)
(Decrease) Increase in Customer Deposits	(153,984)	-	(153,984)
(Decrease) Increase in Compensated Absences	(3,700)	(3,944)	(7,644)
(Decrease) Increase in OPEB Obligation	(479,635)	(25,244)	(504,879)
(Decrease) Increase in Net Pension Liability	4,086,503	215,079	4,301,582
(Decrease) Increase in Unearned Revenue	134,092	-	134,092
<b>Total Adjustments</b>	<b>26,453,863</b>	<b>3,462,847</b>	<b>29,916,710</b>
Net Cash Provided by Operating Activities	\$ 50,419,185	\$ 5,846,002	\$ 56,265,187

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

*Continued on next page*



**Clayton County Water Authority  
Statement of Cash Flows (Continued)  
Proprietary Funds  
For the Fiscal Year Ended April 30, 2019**

	<u>Water and Sewer</u>	<u>Stormwater</u>	<u>Total</u>
<b>Reconciliation of Cash Presentation to Cash and Cash Equivalents:</b>			
Unrestricted Assets:			
Cash and Cash Equivalents:			
Current	\$ 27,870,480	\$ 8,338,428	\$ 36,208,908
Noncurrent	15,878	-	15,878
Restricted Assets:			
Cash and Cash Equivalents:			
Current	29,251,101	-	29,251,101
Noncurrent	92,240,355	124,302	92,364,657
<b>Total Cash and Cash Equivalents</b>	<b>\$ 149,377,814</b>	<b>\$ 8,462,730</b>	<b>\$ 157,840,544</b>
<b>Non-cash Capital and Related Financing Activities</b>			
Contributions of Capital Assets by Subdividers and Developers	\$ 1,592,408	\$ 762,319	\$ 2,354,727
Capital Assets Transferred Between Funds	-	-	-
<b>Total Non-cash Capital and Related Financing Activities</b>	<b>\$ 1,592,408</b>	<b>\$ 762,319</b>	<b>\$ 2,354,727</b>

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






---

**STATEMENT OF FIDUCIARY NET POSITION – OPEB TRUST**

**Clayton County Water Authority  
Statement of Fiduciary Net Position  
Other Postemployment Benefits (OPEB) Trust Fund  
April 30, 2019**

<b>ASSETS</b>	
Cash and Cash Equivalents	\$ 155,061
Investments	
Exchange Traded Index Funds - Equity	542,803
Exchange Traded Index Funds - Fixed Income	1,680,378
Mutual Funds - Equity	6,354,127
Mutual Funds - Fixed Income	4,069,105
Interest Receivable	7,365
Total Assets	<u>\$ 12,808,839</u>
<b>LIABILITIES</b>	
Accounts Payable	\$ -
Total Liabilities	<u>\$ -</u>
<b>NET POSITION</b>	
Restricted for Other Postemployment Benefits	<u>\$ 12,808,839</u>

The accompanying notes are an integral part of this financial statement.

---

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION – OPEB TRUST**

**Clayton County Water Authority  
Statement of Changes in Fiduciary Net Position  
Other Postemployment Benefits (OPEB) Trust Fund  
For The Fiscal Year Ended April 30, 2019**

<b>Additions:</b>	
Contributions:	
Employer	\$ -
Investment Earnings:	
Interest Income	499,923
Net Appreciation in the Fair Value of Assets	301,719
Total Additions	<u>\$ 801,642</u>
<b>Deductions:</b>	
Benefits Paid to Participants or Beneficiaries	\$ -
Bank Fees and Charges	53,763
Change in Net Position	<u>\$ 747,879</u>
<b>Net Position Restricted for Other Postemployment Benefits:</b>	
Beginning of Year	\$ 12,060,960
End of Year	<u>\$ 12,808,839</u>

The accompanying notes are an integral part of this financial statement.



## NOTES TO THE FINANCIAL STATEMENTS

### NOTE I: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Clayton County Water Authority, Clayton County, Georgia (“CCWA” or “Authority”), have been prepared in conformity with Generally Accepted Accounting Principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

#### A. ORGANIZATION

The Clayton County Water Authority (“Authority” or “CCWA”), a public body corporate and politic of the State of Georgia, was created on March 7, 1955 by an act of the General Assembly of the State of Georgia to have general supervision and control over the water and sewerage systems of Clayton County, Georgia. As indicated by certain provisions contained in the enabling legislation, the Authority was created to operate independently of Clayton County’s government.

The Clayton County Board of Commissioners is responsible for appointing the Authority’s seven-member Board of Directors. Each Authority board member serves a term of five years in length. Appointments to the Water Authority’s Board are staggered by years and are structured in a manner that limits the possibility of having more than two new members in any one year. Officers of the Board are selected by and serve at the pleasure of the entire Board of Directors for a period of one year. Elected Authority officers include the Chairman, Vice-Chairman and Secretary-Treasurer.

On May 1, 2007, the Authority expanded its functional responsibilities for control over water resources and established a second utility fund to begin recording those transactions related to the provision of stormwater services to the citizens of Clayton County. Pursuant to the terms of an intergovernmental agreement, Clayton County and the cities of Forest Park, Jonesboro, Lake City, Lovejoy, Morrow, and Riverdale conveyed ownership of their stormwater systems to the Authority. In exchange for providing this contributed capital, each of those local jurisdictions was relieved of their maintenance responsibilities.

CCWA is now the sole governmental entity in the county responsible for coordinating and maintaining stormwater infrastructure. The conveyed assets were recorded at their estimated fair value on the date of transfer. In May of 2007, CCWA began collecting a separate stormwater user fee based on the amount of impervious surfaces located on a customer’s property to fund the provision of this new service.

#### B. REPORTING ENTITY

The Authority complies with GASB Statements No. 14, “*The Financial Reporting Entity*” as amended by GASB Statements No. 39 and 61. These statements establish standards for defining and reporting on the financial reporting entity. It defines component units as legally separate organizations for which the officials of the primary government are financially accountable and other organizations for which the nature and significance of their relationship with a primary government are such that exclusion would cause the reporting entity’s financial statements to be misleading or incomplete.



When applying the requirements of these statements, it was determined that the Board of Commissioners does not have the power to remove a member of the Authority's Board, except in the case of neglect of duty or malfeasance in office. While the CCWA is required, by statute, to make a quarterly report of its operations to the Board of Commissioners, the enabling legislation contains language to the effect that the Commissioners cannot control or otherwise direct the operations of the Authority.

In reviewing the operating environment of CCWA, it was also determined that Clayton County does not approve the Authority's annual budgets, is not liable for any operating deficits, does not provide any funding to the Authority and is not legally responsible for the Authority's debt obligations. Another factor in this determination, is that the County is not entitled to nor does it can otherwise access most of the economic resources received or held by the Authority. Because of these findings, the Clayton County Water Authority is not considered a component unit of Clayton County for financial reporting purposes.

The Authority considered all potential component units in determining what organizations should be included in its financial statements. Based on an evaluation of the established criteria, management determined that there were no component units to include in the Authority's financial statements.

CCWA administers the Clayton County Water Authority Other Post-Employment Benefits (OPEB) Trust Fund, which was established during the fiscal year ended April 30, 2009. The purpose of this irrevocable IRC §115 trust is for the deposit of monies to pre-fund the cost of future retiree health insurance premiums. The OPEB Trust Fund is reported in the Authority's financial statements as a fiduciary activity. Effective May 1, 2018, the Authority implemented the provisions of *GASB Statement No. 75 Accounting and Financial Reporting for Post-employment Benefits Other Than Pensions – an amendment of GASB Statement No. 45 and 57*, which significantly changed the Authority's accounting for OPEB amounts by requiring that the total net OPEB liability and the deferred inflows and deferred outflows related to the net OPEB liability be reported in its financial statements. The information presented is in accordance with these newer standards.

---

### C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION

The basic financial statements provide information about CCWA's business and fiduciary type activities. Separate statements for each category - business and fiduciary activity types - are presented. The financial statements for the business-type activities are also often referred to as enterprise fund financial statements.

"Measurement Focus" is an accounting term used to describe which transactions and types of balances are recorded within the various financial statements. The expression, "Basis of Accounting", refers to when transactions or events are recorded regardless of the measurement focus applied.

The Clayton County Water Authority utilizes two, stand-alone enterprise funds for its business-type activities. The larger of the two, in terms of net position, is the Water and Sewer Fund, which is used to account for water sales activities, wastewater treatment services and the related administrative functions of the Authority. The second one, the Stormwater Fund, is used to account for the delivery of stormwater related services.

Because of the "business-like" characteristics of our operations, the accompanying financial statements for business-type activities reflect the economic resources measurement focus and the accrual basis of accounting. The accounting objectives of the "economic resources" measurement focus is the determination of operating income, changes in net



position (or cost recovery), financial position and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Proprietary fund equity is classified as net position.

Under full accrual accounting, revenues are recorded when earned and expenses are recorded when a liability is incurred, or economic asset used, regardless of the timing of the related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The Authority utilizes enterprise funds to record its financial operating activities. In the practice of governmental accounting, the enterprise fund is used to account for operations that are financed and operated in a manner similar to private business or where the Board of Directors has decided that the determination of revenues earned, costs incurred, and/or net income is necessary for management accountability.

As the means for delivering service to its customers, the Clayton County Water Authority utilizes water production plants, water distribution systems, wastewater reclamation facilities, wastewater collection systems and stormwater collection systems. To provide the funds that are necessary to pay for the provision of these utility services and the related support functions, the Authority charges its customers monthly user fees, which are based on the specific level of services that they are receiving. Because the operations of the Clayton County Water Authority closely mirror those of a typical, commercial company, its accounting records reflect a similar approach for measuring its business activity.

The Authority's various bond resolutions or ordinances require the establishment of certain accounts, which are referred to as "funds". These required accounts are maintained as part of the accounting records of the Water and Sewer Fund. They include the Sinking Fund (Debt Service) and Renewal and Extension Fund (R&E). These are not "funds", as the term is used in generally accepted accounting principles but are separate "accounts" used to delineate the accounting and reporting for bond-related money and repayment security requirements.

The balances and activity that occur in these various accounts represent specific segments of the Water and Sewer enterprise fund, as reported in the Authority's basic financial statements. Additional compliance information about these accounts is presented in a separate set of schedules that follow the basic financial statements.

The two enterprise funds used by the Authority distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and delivering goods in connection with the Authority's principal on-going operations. The principal operating revenues are charges to customers for sales and services that are provided to them. The Authority also recognizes, as operating revenue, the portion of tap fees intended to recover the cost of connecting new customers to the water and sewer systems. Operating expenses include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the Authority's policy to use restricted resources first, then unrestricted resources, as they are needed.

CCWA also has a single fiduciary fund, which is the Other Post-Employment Benefits (OPEB) Trust Fund. The financial statements for the fiduciary activities are used to account for the assets held by CCWA, in trust, for the payment of future retiree health insurance benefits. The assets of the Other Postemployment Benefits (OPEB) Trust Fund cannot be used to support the Authority's operations.

The Authority's fiduciary fund financial statements are also reported using the economic resources measurement focus and the accrual basis of accounting.





---

## D. ASSETS, LIABILITIES AND NET POSITION

### CASH, CASH EQUIVALENTS, AND INVESTMENTS

---

The Authority's Cash and Cash Equivalents are cash on hand, demand deposits, money market accounts, and short-term investments with original maturities of three months or less from the date of acquisition. More specifically, short-term investments are in the form of shares in a U. S. Treasury Securities Money Market Fund that has the general characteristics of a demand deposit account in that the Authority may deposit and withdraw cash at any time and without prior notice or penalty.

The fiscal policies adopted by the Authority's Board of Directors require all funds that are idle for any period be invested. In terms of general requirements, these investments are to be made in federal or state government instruments or repurchase agreements, which are insured or collateralized, according to State statutes.

State statutes require all deposits and investments (other than federal or state government instruments) to be collateralized by depository insurance, obligations of the United States government, or bonds of public authorities, counties, or municipalities. The collateral pledged by the banks' trust departments is held in a custodian bank, as part of the State of Georgia's collateral pool, a multibank pledging pool program referred to as the Secure Deposit Program. Pursuant to O.C.G.A §§50-17-50 through 50-17-60; 45-8-1 through 45-8-13.1, this Program was established on April 18, 2017 by the State Depository Board of Georgia with policies and procedures related to the operation of a multibank pool, including defining eligible collateral, collateral limits, schedule of fees charged to covered depositories and a formula to calculate different collateralization tiers and reporting requirements. The collateral that is in the pool is composed of various obligations of the United States government and the sufficiency of the pooled investments is monitored by the Georgia Office of Treasury and Fiscal Services (OTFS).

Under the bond resolutions, which are more restrictive as to types of investments, moneys in the Sinking Fund, and the Renewal and Extension Fund, may only be invested in securities that are direct and general obligations of the United States of America or are guaranteed by the United States of America, as to both principal and interest. These investments must mature within twenty-four months after the date of purchase or be redeemable at the option of the holder.

Investments for the Authority are reported at fair value. Pursuant to the requirements set forth in the bond resolutions, the investment of certain idle funds has been made into U. S. Treasury Money Market Funds. The reported value of the money market fund is the same as the fair value of the fund shares.

### RECEIVABLES

---

Accounts receivable are stated at face amount, net of an allowance for doubtful accounts. The amount recognized as an uncollectible balance is based on an aging schedule of accounts and historical collection patterns. At April 30, 2019, the allowance for doubtful accounts was \$232,995 and \$4,958 for the Water and Sewer Fund and the Stormwater Fund, respectively. Unbilled receivables represent income earned during the current year but not yet billed to the customer.



## INTERFUND RECEIVABLES AND PAYABLES

---

During the normal course of operations, numerous transactions occur between the two enterprise funds that result in amounts owed between funds. Those related to goods and service type transactions are classified as “Interfund Receivables and Payables”.

## INVENTORIES AND PREPAID ITEMS

---

The inventory of the Authority consists of pipe and fittings intended for use in construction of water and sewer line extensions. Also included are materials and supplies to support maintenance work on the various distribution and collection systems, as well as, to maintain the vehicles and equipment used in system operations. All inventories maintained by the Authority are valued using the weighted average cost method.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items. An example of a prepaid item for the Authority is property and liability insurance premiums.

## RESTRICTED ASSETS

---

Some of the Authority’s assets have certain constraints that have been placed on how they can be used. Restricted assets are cash or other assets whose use in whole or in part is restricted for specific purposes bound by contractual agreements, legal requirements, or enabling legislation.

Certain proceeds of the Authority's revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the statement of net position because their use is limited by applicable bond covenants. The “*debt service*” accounts are used to segregate resources accumulated for debt service payments over the next twelve months. The “*debt service reserve*” account are used to report resources set aside to make up potential future deficiencies in the debt service accounts. The “*renewal and extension*” account is used to report resources set aside and committed to fund asset renewals, replacements, and extensions.

## CAPITAL ASSETS

---

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., water distribution systems, sewer collection systems, stormwater collection systems, dams and similar items) are reported as a component of noncurrent assets in the basic financial statements. Capital assets are defined by the Authority as being those assets with an initial individual cost of more than \$5,000 and an estimated useful life longer than 12 months. Such assets are recorded at historical cost or estimated historical cost, if purchased or constructed.

Donated capital assets are recorded at estimated acquisition value at the date of donation. Historically, the Authority has received significant donations of water distribution and sewage collection lines from developers. In more recent periods, donations of stormwater infrastructure are received infrequently.

The reported value excludes the costs of normal maintenance and repairs, which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or extend its useful life beyond the original estimate.

During fiscal year 2008, the Authority engaged an independent appraisal firm to value the stormwater assets that were transferred by the County and six municipalities. These infrastructure systems were valued at roughly \$52.4 million and were recorded as capital contributions at their estimated fair value at May 1, 2007.



Depreciation is charged as an expense against operations monthly. Capital assets of the Authority are depreciated using the straight-line method over the following estimated useful lives in years:

General Classification of Capital Assets	Life Years
Buildings and Structures	30 to 40
Operating and Maintenance Equipment	5 to 10
Field Equipment	5 to 10
Road Equipment	5 to 10
Piping	25 to 75
Technology and Office Equipment	5 to 10
Furniture and Fixtures	10
Purchased System	30 to 40
Stormwater Structures	25

Major outlays for capital assets and improvements are capitalized, as projects are constructed. Interest incurred during the construction phase of capital assets is reflected in the capitalized value of the asset constructed. The total interest expense incurred by the Authority during the current fiscal year was \$3,519,088 the majority of which was related to outstanding bond principal. Construction funded by GEFA debt will not have interest expense capitalized until the projects it funds are completed. No interest expense was capitalized in fiscal year 2019 because no projects funded by this loan were completed during the year.

Construction in progress represents cost accumulated for the replacement of sections of the Authority's transmission and distribution systems; collection systems; plant construction, expansions, and rehabilitation; stormwater structures and other projects that were not completed at year-end.

#### DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES

In addition to assets, the Statement of Net Position reports a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. The Authority has three items that qualify for reporting in this category and reported in the Statement of Net Position; the deferred charge on refunding, the deferred outflows of resources related to pension and the deferred outflows of resources related to OPEB. A deferred charge on refunding of debt results from the difference in the 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 outflows and inflows related to the changes in the net pension liability and to changes in net OPEB liability are discussed below.

In addition to liabilities, the Statement of Net Position reports a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until then. The Authority has two items that qualify for reporting in this category and reported in the Statement of Net Position; the deferred inflows of resources relating to pension and the deferred inflows of resources relating to OPEB.

The Authority has deferred inflows and deferred outflows related to the recording of changes in its net pension liability and its net OPEB liability. Certain changes in the net pension liability and net OPEB liability are recognized as pension expense and OPEB expense over time instead of all being recognized in the year of occurrence. Experience gains or losses result from periodic studies by the pension actuary, which adjust the net pension liability for actual experience



for certain trend information that was previously assumed, for example the assumed dates of retirement of plan members. These experience gains or losses are recorded as deferred outflows of resources or deferred inflows of resources and are amortized into pension expense over the expected remaining service life of plan members. Experience losses result from periodic studies by the Authority's actuary, which adjust the net OPEB liability for actual experience for certain trend information that was previously assumed. Changes in actuarial assumptions which adjust the net pension liability are also recorded as deferred outflows of resources or deferred inflows of resources and are amortized into pension expense over the expected remaining lives of plan members. The difference between projected investment return on pension investment and the actual return on those investments is also deferred and amortized against pension expense over a five-year period. Additionally, any contributions made by the Authority to the pension and OPEB plan before year-end but subsequent to the measurement date of the Authority's net pension liability and net OPEB liability are reported as deferred outflows of resources.

### PENSION AND OTHER POST-EMPLOYMENT BENEFITS (OPEB)

---

For purposes of measuring the net pension liability, net OPEB liability, deferred outflows of resources and deferred inflows of resources related to pensions and OPEB, pension expense and OPEB expense, information about the fiduciary net position of the Clayton County Public Employees Retirement System (the "Retirement Plan") and the Clayton County Water Authority's Post-Employment Health Care Plan (the "OPEB Plan") and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the respective plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable, in accordance with the benefit terms. Investments are reported at fair value.

Effective May 1, 2015, the Authority implemented the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27 and Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*, which significantly changed the Authority's accounting treatment of pensions. The information presented is in accordance with these newer standards.

Effective May 1, 2018, the Authority adopted a new accounting standard issued by Government Accounting Standards Board (GASB): *GASB Statement No. 75 Accounting and Financial Reporting for Post-employment Benefits Other Than Pensions – an amendment of GASB Statement No. 45 and 57*, which significantly changed the Authority's accounting for OPEB amounts. The information presented is in accordance with these newer standards.

### COMPENSATED ABSENCES

---

It is the Authority's policy to permit its employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since the Authority does not have a policy to pay any amounts when employees separate from service with CCWA. The unused vacation or annual leave is considered a vested employee benefit.

In recognition of the resulting obligation, the Authority has accrued a liability for future vacation leave, having determined that payment of such compensation is probable and having developed a reasonable estimate based upon current salary costs and annual leave balances as of April 30. In reviewing historical usage patterns, a three-year average of annual leave usage was determined and utilized as the basis of the current portion of the Authority's compensated balances liability. The remainder is classified as a noncurrent liability at April 30.



**LONG-TERM OBLIGATIONS**

The Authority has issued revenue bonds and taken out loans to finance the expansion of the water and sewer systems. The outstanding balances for each of these long-term obligations are reported as liabilities on the statement of net position. The amount of the obligation, that is due within one year, is shown as a current liability and the balance is shown as a noncurrent liability.

Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method, which is not materially different than the effective interest rate. Bonds payable are reported net of the applicable bond premiums or discounts.

The difference between the carrying amount of the bonds that have been refunded and their reacquisition price is also recognized as a deferred charge in the Authority’s accounting records. This amount, which represents the gain or loss on the transaction, is amortized using the straight-line method over the shorter of the life of the new debt or the life of the old debt, had it not been refunded.

Debt service payments, a pro rata portion of principal and interest, are transferred from the Water and Sewer account to the Debt Service account monthly. Interest expense is accrued monthly, and the payment of principal and interest is recorded when disbursements have been made by the paying agent.

**NET POSITION**

The Clayton County Water Authority’s financial statements are being presented in conformance with provisions of the Governmental Accounting Standards Board (GASB) Statement No. 63 “*Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*” (GASB 63). As required by GASB 63, the Authority has classified net position into three components; net investment in capital assets, restricted, and unrestricted. These classifications of Net Position are defined as follows:

- **Net investment in capital assets:** This component of net position consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets. If there are significant unspent proceeds at year-end, the portion of the debt attributable to the unspent proceeds is not included in the calculation of net investment in capital assets. Instead, that portion of the debt is included in the same net position component as the unspent proceeds.
- **Restricted:** This component of net position consists of constraints placed on net position through external restrictions imposed by creditors (e.g., debt covenants), grantors, contributors, laws or regulations of other governments. This component would also include constraints imposed by law through constitutional provisions or enabling legislation. A description of the restrictions and related amounts as of April 30, 2019 are shown in the following table:

Type of Restriction	Water and Sewer	Stormwater	Total
Bond Covenants:			
Debt Service	\$ 40,923,407	\$ -	\$ 40,923,407
Renewal and Extension	1,500,000	-	1,500,000
Working Capital	500,000	-	500,000
Escrow Agreement	-	124,302	124,302
<b>Total Restricted Net Position</b>	<b>\$ 42,923,407</b>	<b>\$ 124,302</b>	<b>\$ 43,047,709</b>



- **Unrestricted:** This component of net position consists of net position that does not meet the definition of “restricted” or “net investment in capital assets”. Generally, this represents those financial resources that are available to the Authority to meet any future obligations that might arise.

The Authority applies restricted resources first, when an expense is incurred, for which both restricted and unrestricted net position is available.

---

## E. REVENUES AND EXPENSES

### OPERATING AND NONOPERATING REVENUES AND EXPENSES

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund’s principal ongoing operations. These types of funds function similarly to business-type operations. The principal operating revenues of the Authority’s Water and Sewer Fund and its Stormwater Fund are charges to customers for sales and services. The Water and Sewer Fund also recognizes the portion of tap fees intended to recover the cost of connecting new customers to the system as operating revenue. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

---

## F. CONTINGENCIES

Liabilities from loss contingencies arising from claims, assessments, litigation, fines and penalties, and other sources, are recorded when information available before the financial statements are issued indicates that it is probable that an asset has been impaired or a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. When the reasonable estimate of the loss is a range, and when no amount within the range is a better estimate than any other amount, the Authority accrues a loss for the average the range.

---

## G. USE OF ESTIMATES

The preparation of financial statements in conformity with U.S generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities and deferred inflows of resources and disclosure of contingent assets and liabilities at the date of the basic financial statements. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

---

## H. ADOPTION OF NEW ACCOUNTING STANDARDS

During the fiscal year ended April 30, 2019, the Authority adopted a new accounting standard issued by Government Accounting Standards Board (GASB): *GASB Statement No. 75 Accounting and Financial Reporting for Post-employment Benefits Other Than Pensions – an amendment of GASB Statement No. 45 and 57*, which significantly changed the Authority’s accounting for OPEB amounts by requiring that the net OPEB liability and the deferred inflows and deferred outflows related to the net OPEB liability be reported in its financial statements. The implementation of this new accounting standard had no impact on the Authority's fiscal year 2018 financial statements.



NOTE 2: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

BUDGETARY INFORMATION

The Authority prepares annual operating budgets for the managerial control of expenditures and for the monitoring of cash flows during the fiscal year. Project-length budgets, which generally encompass more than one fiscal year, are also prepared for major construction projects and the renewal and extension account. Both the operating and project-length expenditure plans are prepared on the modified accrual basis of accounting, which significantly differs from the accrual basis of accounting that the Authority uses in the preparation of its financial statements.

These managerial budgets that are prepared for operations each year, or at the inception of a major construction project, and are not adopted by the Board of Directors as legally imposed restrictions on expenditures. Rather, the operating budgets provide management with a tool for estimating and monitoring cash flows in each fiscal period. Accordingly, budgetary comparisons are not presented in the accompanying financial statements.

NOTE 3: CASH, CASH EQUIVALENTS AND INVESTMENTS

The table below summarizes the Statement of Net Position classification of the Authority’s cash and cash equivalents for the business-type activities at April 30, 2019. As indicated in the presentation by classification, 81 percent of the deposits and investment balances represent restricted assets.

ANALYSIS OF CASH AND CASH EQUIVALENTS

For the purposes of the statement of cash flows, cash and cash equivalents is defined as cash on hand, cash in the bank and cash invested in U.S. Treasury money market funds. The Authority’s cash and cash equivalents include both unrestricted and restricted components.

The carrying amount of the Authority's cash deposits and cash equivalents, on April 30, 2019, is presented below. The table provides a breakdown of the balances between the cash and investment components and is also classified by general type.

	Water and Sewer	Stormwater	OPEB Trust	Total
<b>Cash and Cash Equivalents:</b>				
Unrestricted	\$ 27,886,358	\$ 8,338,428	\$ -	\$ 36,224,786
Restricted	121,491,456	124,302	155,061	121,770,819
<b>Total Cash and Cash Equivalents</b>	<b>\$ 149,377,814</b>	<b>\$ 8,462,730</b>	<b>\$ 155,061</b>	<b>\$ 157,995,605</b>

	Demand Deposits	Cash on Hand	Investments	Total Balances
<b>Unrestricted:</b>				
Water and Sewer:				
Current	\$ 27,862,080	\$ 8,400	\$ -	\$ 27,870,480
Noncurrent	15,878	-	-	15,878
Stormwater:				
Current	8,338,428	-	-	8,338,428
Noncurrent	-	-	-	-
<b>Restricted:</b>				
Water and Sewer:				
Debt Service	-	-	19,165,115	19,165,115
Debt Service Reserve	-	-	21,758,292	21,758,292
Renewal and Extension	75,306,159	-	-	75,306,159
Customer Deposits	5,261,890	-	-	5,261,890
Stormwater:				
Escrow	124,302	-	-	124,302
Other Post Employment Benefit Trust:				
Trust	155,061	-	-	155,061
<b>Total Cash and Cash Equivalents</b>	<b>\$ 117,063,798</b>	<b>\$ 8,400</b>	<b>\$ 40,923,407</b>	<b>\$ 157,995,605</b>



---

## DEMAND DEPOSITS

---

### CUSTODIAL CREDIT RISK

---

Demand deposits are insured by the FDIC up to \$250,000, so there is a risk that in the event of a bank failure, the Authority may lose a portion of its deposits. CCWA does not have a specific deposit policy, which covers custodial credit risk. However, the statutes of the State of Georgia require that the depository bank pledge acceptable collateral, in an amount equal to 110% of the balance, in excess of the Federal Depository Insurance. Another way that the Authority minimizes this risk is that its staff reviews the bank safety ratings that are prepared by external rating agencies for each proposing bank as part of the periodic process of selecting a principal depository.

---

## INVESTMENTS

---

### INTEREST RATE RISK

---

When investing idle funds, there is the risk that changes in interest rates will adversely affect the fair value of that investment. The revenue bond resolutions limit the term of investments held by the Authority to twenty-four months after the date of their purchase or redeemable at the option of the holder. The Authority does not currently have an investment policy that limits its exposure to fair value losses by establishing a specific threshold for maturity timeframes. However, the Authority does have a policy that requires that the portfolio will be structured to meet cash flow requirements for ongoing operations; thereby, avoiding the need to sell securities on the open market prior to maturity.

At April 30, 2019, all the Authority's investments were in the First American Treasury Obligation Money Market Fund, which holds market instruments maturing in 397 days or less. The average maturity of the fund's investments, on a dollar-weighted basis, is 90 days or less. This money market fund also provides the Authority with the option of removing any or all its invested funds with one-day notice.

---

### CREDIT RISK

---

There is also the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The statutes of the State of Georgia authorize the Authority to invest in U.S. Government obligations; U.S. Government agency obligations; State of Georgia obligations; obligations of counties, municipal corporations and political subdivisions of the State of Georgia, which are rated "A" or better by Moody's Investors Services, Inc.; negotiable certificates of deposits issued by any bank or trust company organized under the laws of any state of the United States of America or any national banking association; repurchase agreements when collateralized by U.S. Government or agency obligations and pooled investment programs sponsored by the State of Georgia for the investment of local government funds.

While the State statutes were drafted to minimize this type of risk, the terms of the revenue bond resolutions are even more restrictive. These covenants provide that funds in the Sinking Fund and the Renewal and Extension Fund may only be invested in securities that are direct and general obligations of the United States of America or are guaranteed by the United States of America, as to both principal and interest.

At April 30, 2019, all the investments of the Authority were in the First American Treasury Obligations Money Market Fund. This external investment pool complies with the Securities and Exchange Commission (SEC) regulations that





apply to money market funds. The money market fund is rated Aaa, Aaa-mf, AAA and AAAm by Moody's, Standard & Poor's and Fitch, respectively. U.S. Treasuries carry the explicit guarantee of the U.S. government.

### CONCENTRATION OF CREDIT RISK

In addition, there is the risk of loss attributed to the magnitude of the Authority's investment in a single issuer. Given the relative safety of those investment instruments that CCWA can purchase, the policies of the Authority do not place a limit on the amount that may be invested in any one issuer. At April 30, 2019, the Authority had all its investments in U.S. government securities, which are considered to have minimal risk because of the issuer.

### BALANCES

The carrying amount of the investment balances, as of April 30, 2019, was maintained in U.S. Treasury money market funds – First American Treasury Obligations Money Market Fund. GASB Statement No. 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools", allows governmental entities to report money market investments at amortized cost. Since these investments are purchased as institutional shares and are not evidenced by securities that exist in physical or book entry form, they are not classified by category of credit risk. The value of the pooled investment at its actual pooled share price, which approximates fair value, was \$40,964,609.

### INVESTMENTS OF THE FIDUCIARY-TYPE ACTIVITIES

The investments of the Other Post-Employment Benefit Trust ("Trust") must be made in accordance with State of Georgia, Title 47, Chapter 20, Article 7 (47-20-83). Accordingly, the Trust's policy provides for investment in the following: (1) obligations of the United States and its agencies; (2) highly-rated obligations of any state of the United States or of any political subdivision, authority, or agency thereof; (3) corporations or obligations of corporations organized under the state or any other state or under the laws of Canada; (4) corporations or obligations of corporations organized in a foreign country provided that such investment is deemed investment-grade by the United States Securities and Exchange Commission (SEC) or (5) shares or other interest in custodial arrangements or pools maintained in highly-rated money market and mutual funds whose portfolios are limited to obligations or investments previously noted.

Investments	4/30/2019	Average Credit Quality	Weighted Average Maturity (Yrs)
Cash Equivalents	\$ 155,061	-	-
Mutual Funds - Fixed Income	367,257	A	2.44
Mutual Funds - Fixed Income	781,888	BBB	10.05
Mutual Funds - Fixed Income	1,074,343	AA	9.29
Mutual Funds - Fixed Income	396,075	BBB	12.22
Mutual Funds - Fixed Income	1,072,137	BB	5.49
Mutual Funds - Fixed Income	377,404	B	5.95
Exchange Traded Index Funds - Fixed Income	355,872	AA	2.90
Exchange Traded Index Funds - Fixed Income	1,324,506	AA	8.20
Exchange Traded Index - Equity	251,364	-	-
Exchange Traded Index - Equity	291,440	-	-
Mutual Funds - Equities	6,354,127	-	-
<b>Total Investments Measured at Fair Value</b>	<b>\$ 12,801,474</b>		



## INTEREST RATE RISK

When investing idle funds, there is the risk that changes in interest rates will adversely affect the fair value of that investment. The Trust has structured its investment portfolio to meet the longer-term objectives of funding future benefits by investing in liquid investments that provide for the potential for long-term appreciation. The Trust seeks to protect the principal and minimize interest rate risk by guiding the investment parameters or asset allocations. As a means of limiting its exposure to fair value losses arising from rising interest rates, the Trust invests in mutual funds and exchange traded index funds. This practice mitigates most of the interest rate risk associated with these types of investments because the Trust can terminate its investment within 24 to 48 hours without penalty. At April 30, 2019, \$12,646,412 was held in either a mutual or exchange index fund and therefore not exposed to interest rate risk.

The OPEB Trust Fund investment policy adopts the following asset mix to achieve the lowest level of risk for the plan: The overall target of allocation is split at 50 percent each Equity and Fixed Income, managed within 10 percent of the target range. The policy benchmark is *40 percent Russell 3000/10 percent MSCI ACWI ex US/50 percent Barclays Aggregate Index*. As of April 30, 2019, the Fixed Income investments had an average effective duration of 4.97 years compared to the Bloomberg-Barclays Aggregate Bond Index of 6.00 years. The weighted average yield to maturity of the Portfolio was 3.09 percent compared to the Bloomberg-Barclays Aggregate Bond Index of 2.35 percent. The average credit quality of the portfolio was “A” versus the benchmark of “AA”.

## FAIR VALUE MEASUREMENTS

The Authority categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs. Level 3 inputs are significant unobservable inputs.

The Authority has the following Trust investments recurring fair value measurements as of April 30, 2019. The exchange traded index funds and mutual funds classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those investments.

Investments	Cost	Fair Value Measurement Using			Fair Value	Allocation
		Level 1	Level 2	Level 3		
Exchange Traded Index Funds - Equity	\$ 397,674	\$ 542,803	\$ -	\$ -	\$ 542,803	4.3%
Exchange Traded Index Funds - Fixed Assets	1,728,139	1,680,378	-	-	1,680,378	13.3%
Mutual Funds - Equity	4,979,902	6,354,127	-	-	6,354,127	50.2%
Mutual Funds - Fixed Income	4,142,759	4,069,105	-	-	4,069,105	32.2%
<b>Total Investments</b>	<b>\$ 11,248,474</b>	<b>\$ 12,646,413</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 12,646,413</b>	<b>100.0%</b>

## CUSTODIAL CREDIT RISK

In the case of investments, there is a risk that in the event of the failure of the counterparty, the Authority will not be able to recover the value of its investments that are in the possession of an outside party. To protect the beneficiaries of the trust from this risk, the Authority has created a custodial relationship, regarding these monies, with the trust department of its principal depository. Under this trust arrangement, these monies are not subject to the general creditors of the bank. The Authority also mitigates this risk through portfolio diversification, target asset allocations and ongoing investment advisor and investment committee review.



## CONCENTRATION OF CREDIT RISK

In addition, there is the risk of loss attributed to the magnitude of investment in a single issuer. The Board of Trustees has not adopted a policy of placing a limit on the amount that may be invested in any one issuer. At April 30, 2019, the Trust had all its investments in money market and mutual fund accounts, which represent diversified portfolios of what, are considered investment grade instruments with no account having more than 12% of the portfolio assets.

## RATE OF RETURN

For the year ended April 30, 2019, the annual rate of return for the OPEB investment portfolio was 6.7 percent compared to the policy benchmark (*75 percent Russell 3000/25 percent MSCI ACWI ex US/50 percent Barclays Aggregate Index*) of 7.39 percent. The three-year return on the portfolio was 8.3 percent compared to the benchmark 7.7 percent and the return on the Inception to date (November 1, 2012) of 7.9 percent compared to the benchmark 7.3 percent.

## FOREIGN CURRENCY RISK

At April 30, 2019, investments with exposure to foreign currency risk totaled \$1,126,530 or 9.1 percent, of the total Other Post-Employment Benefit (OPEB) portfolio. These investments are through U.S. mutual fund invested in equities of foreign companies.

## NOTE 4: ACCOUNTS RECEIVABLE

The Accounts Receivable balance represents amounts due from customers for water, sewer and stormwater services that have been provided by the Authority. It includes amounts for services that have been billed, prior to April 30, but not yet received and the estimated amount for water and sewer services that was provided between the last billing date and April 30. With water meters being read on a cyclical basis throughout the month, there is a normal lag time between when the water and sewer services are provided and when the customer is billed. With the monthly stormwater charges being included on the water and sewer bills to reduce administrative expenses, they are for stormwater services provided during the month of the billing regardless of the cycle within which they fall.

The components of the accounts receivable balances for April 30, 2019 are shown in the table that follows.

	Water and Sewer	Stormwater	Total
Outstanding Customer Billings	\$ 5,492,934	\$ 610,090	\$6,103,024
Estimated Unbilled Services Provided	9,420,319	-	9,420,319
Less: Allowance for Doubtful Accounts	(232,995)	(4,958)	(237,953)
<b>Net Accounts Receivable</b>	<b>\$ 14,680,258</b>	<b>\$ 605,132</b>	<b>\$ 15,285,390</b>

## NOTE 5: INTERFUND TRANSFERS

During the fiscal year ended April 30, 2019, the Stormwater Fund transferred \$1,413,558 to the Water and Sewer Fund for its pro rata portion of certain administrative expenses paid directly by the Water and Sewer Fund. These reimbursed administrative costs, which are also considered necessary to the operations of the Stormwater Fund, include revenue billing and collections, financial reporting, information technology, human resources and management services.



## NOTE 6: CAPITAL ASSETS

### COMPOSITION AND VALUATION

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest expense incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. No interest was capitalized in the fiscal year ended April 30, 2019.

### WATER AND SEWER FUND

For the Water and Sewer Fund, the activity for each of the major classes of utility capital assets and accumulated depreciation for the fiscal year ended April 30, 2019, is shown in the table that follows. As indicated by the total found at the bottom of the table, net capital assets increased by \$ 21,603,963, or 4.3 percent, during the 2019 fiscal year.

Capital Assets by Major Class:	April 30, 2018	Increases	Transfers	Decreases	April 30, 2019
Capital Assets, Not Being Depreciated:					
Land and Easements	\$ 30,410,082	\$ 1,682	\$ -	\$ -	\$ 30,411,764
Construction in Progress	32,485,037	35,173,101		(11,447,814)	56,210,324
Total Capital Assets, Not Being Depreciated:	\$ 62,895,119	\$ 35,174,783	\$ -	\$ (11,447,814)	\$ 86,622,088
Capital Assets, Being Depreciated:					
Building and Structures	\$ 174,665,269	\$ 274,346	\$ -	\$ (36,552)	\$ 174,903,063
Operating and Maintenance Equipment	79,673,904	489,145	-	(474,552)	79,688,497
Field Equipment	49,346,676	2,157,897	(6,350)	(213,151)	51,285,072
Road Equipment	6,942,763	379,066	6,350	(292,969)	7,035,210
Piping	352,011,100	7,780,100	-	(6,755,170)	353,036,030
Technology and Office Equipment	14,499,934	607,207	4,667	(2,083,781)	13,028,027
Furniture and Fixtures	2,349,950	64,199	-	(85,261)	2,328,888
System Franchises and Engineering Studies	70,613,535	4,149,916	-	-	74,763,451
Total Capital Assets, Being Depreciated	\$ 750,103,131	\$ 15,901,876	\$ 4,667	\$ (9,941,436)	\$ 756,068,238
Less: Accumulated Depreciation For:					
Building and Structures	\$ 78,328,859	\$ 4,489,903	\$ -	\$ (20,288)	\$ 82,798,474
Operating and Maintenance Equipment	34,707,607	2,043,996	-	(313,587)	36,438,016
Field Equipment	37,475,446	1,916,110	(1,688)	(211,914)	39,177,954
Road Equipment	5,462,049	583,473	1,688	(292,968)	5,754,242
Piping	113,809,706	5,178,993	-	(6,231,878)	112,756,821
Technology and Office Equipment	10,851,295	754,021	4,667	(2,071,675)	9,538,308
Furniture and Fixtures	2,061,646	46,526	-	(85,206)	2,022,966
System Franchises and Engineering Studies	31,822,813	2,297,940	-	-	34,120,753
Total Accumulated Depreciation	\$ 314,519,421	\$ 17,310,962	\$ 4,667	\$ (9,227,516)	\$ 322,607,534
<b>Capital Assets, Net</b>	<b>\$ 498,478,829</b>	<b>\$ 33,765,697</b>	<b>\$ -</b>	<b>\$ (12,161,734)</b>	<b>\$ 520,082,792</b>



## STORMWATER FUND

For the Stormwater Fund, the major classes of utility capital assets and accumulated depreciation at April 30, 2019 are shown in the table below. As indicated by the total found at the bottom of the table, net capital assets increased by \$ \$1,857,807, or 4.0 percent, during the 2019 fiscal year.

Capital Assets by Major Class:	April 30, 2018	Increases	Transfers	Decreases	April 30, 2019
<b>Capital Assets, Not Being Depreciated:</b>					
Land and Easements	\$ 1,564,842	\$ 407,974	\$ -	\$ (200,000)	\$ 1,772,816
Construction in Progress	1,440,666	4,016,223	-	(4,157,808)	1,299,081
<b>Total Capital Assets, Not Being Depreciated:</b>	<b>\$ 3,005,508</b>	<b>\$ 4,424,197</b>	<b>\$ -</b>	<b>\$ (4,357,808)</b>	<b>\$ 3,071,897</b>
<b>Capital Assets, Being Depreciated:</b>					
Building and Structures	\$ 738,424	\$ -	\$ -	\$ -	\$ 738,424
Operating and Maintenance Equipment	136,335	-	-	-	136,335
Field Equipment	765,359	365,997	-	-	1,131,356
Road Equipment	1,359,610	54,969	-	(20,867)	1,393,712
Piping	133,283,823	4,227,257	-	-	137,511,080
Technology and Office Equipment	88,308	12,329	(4,667)	(7,911)	88,059
Furniture and Fixtures	61,897	39,994	-	-	101,891
System Franchises and Engineering Studies	207,674	473,275	-	-	680,949
<b>Total Capital Assets, Being Depreciated</b>	<b>\$ 136,641,430</b>	<b>\$ 5,173,821</b>	<b>\$ (4,667)</b>	<b>\$ (28,778)</b>	<b>\$ 141,781,806</b>
<b>Less: Accumulated Depreciation For:</b>					
Building and Structures	\$ 185,436	\$ 20,206	\$ -	\$ -	\$ 205,642
Operating and Maintenance Equipment	103,732	6,979	-	-	110,711
Field Equipment	657,889	53,739	-	-	711,628
Road Equipment	877,692	122,494	-	(20,867)	979,319
Piping	90,739,009	3,161,204	-	-	93,900,213
Technology and Office Equipment	72,857	5,576	(4,667)	(7,910)	65,856
Furniture and Fixtures	43,066	5,282	-	-	48,348
System Franchises and Engineering Studies	27,592	6,922	-	-	34,514
<b>Total Accumulated Depreciation</b>	<b>\$ 92,707,273</b>	<b>\$ 3,382,402</b>	<b>\$ (4,667)</b>	<b>\$ (28,777)</b>	<b>\$ 96,056,231</b>
<b>Capital Assets, Net</b>	<b>\$ 46,939,665</b>	<b>\$ 6,215,616</b>	<b>\$ -</b>	<b>\$ (4,357,809)</b>	<b>\$ 48,797,472</b>

## CONSTRUCTION COMMITMENTS

Total construction commitments outstanding for construction in process as of April 30, 2019 were \$ \$17,441,369. There will be sufficient funds available for completion of the construction in process and other planned projects because contracts are not approved by the Board of Directors and signed until the cash is in hand for the stated amount of each contract or project commitment.

## NOTE 7: LONG-TERM OBLIGATIONS

### LOANS PAYABLE

#### PURPOSE

The Georgia Environmental Finance Authority (GEFA) is a State of Georgia agency that offers low interest financing to other political subdivisions for their water and sewer capital needs. On October 3, 2002, the Authority entered into an agreement with GEFA to provide funding for the installation of backflow prevention devices on approximately 45,000 water meters.



Based on the actual reimbursable costs that were incurred on the backflow project, the final amount of the loan was \$4,244,307. The obligation has a simple interest rate of 3.0 percent and was closed at the end of the 2006 fiscal year. Beginning on June 1, 2006, the Authority began making the first of 238 monthly payments of \$23,611. The final payment, which will occur on April 1, 2026, will be \$24,219. At April 30, 2019, the outstanding principal balance was \$1,787,302.

On May 21, 2003, the Authority entered into a second agreement with GEFA to provide funding for the construction of wetlands at the Huie land application site. This constructed wetland project includes a flow distribution structure, approximately 13,500 feet of pipeline and the construction of a 55-acre wetlands wastewater treatment system, with inlet and outlet structures.

Based on the actual reimbursable costs that were incurred on the constructed wetlands project, the final amount of the loan was \$7,682,558. The debt obligation has a simple interest rate of 3.0 percent and was closed in January of 2006. Beginning on February 1, 2006, the Authority began making the first of 237 monthly payments of \$42,737. Due to a calculation error in the original amortization schedule, the payment amount was revised on February 1, 2007 to \$42,860. The final payment, which will occur on November 1, 2025, will be \$42,112. At April 30, 2019, the outstanding principal balance was \$3,068,309.

In January 2017, GEFA approved a \$25,000,000 Clean Water loan to fund a portion of the Authority’s Large Sewer Outfall Replacement initiative. The interest rate on this loan is 0.65 percent. The loan was executed on June 29, 2017. Disbursements made during fiscal year 2019 totaled \$5,875,972, adding to the total outstanding principal balance of the loan of \$6,983,645 on April 30, 2019. Interest only payments are made monthly on the outstanding principal balance during the construction phase.

**LOANS OUTSTANDING**

As of April 30, 2019, the Authority was obligated to make monthly payments of principal and interest on the two GEFA loans in repayment as follows:

For Fiscal Years Ending April 30,	Principal	Interest	Total Payments
2020	\$ 660,722	\$ 136,925	\$ 797,647
2021	681,333	116,314	797,647
2022	701,808	95,839	797,647
2023	723,154	74,493	797,647
2024	745,059	52,588	797,647
2025-2026	1,343,535	37,319	1,380,854
<b>Total</b>	<b>\$ 4,855,611</b>	<b>\$ 513,478</b>	<b>\$ 5,369,089</b>

A third GEFA loan is in the construction phase with an outstanding principal balance of \$6,983,645. Interest only payments are made monthly on the outstanding principal balance during the construction. Interest payments made on this loan for this fiscal year were \$22,109.



---

## REVENUE BONDS

---

### PURPOSE

As construction needs arise that cannot be paid for out of existing cash reserves, the Clayton County Water Authority issues revenue bonds to raise the necessary capital to fund those capital projects. With revenue bonds, the Authority pledges net revenues derived from the acquired asset to pay debt service. Net revenues include operating revenues, impact fees, and other income less operating expense, excluding depreciation. For the fiscal year ended April 30, 2019, net revenues totaled \$45,889,916 and debt service related to the revenue bonds totaled \$19,999,092. The various bond indentures contain significant limitations and restrictions on annual debt service requirements, maintenance of and flow of moneys through various restricted accounts, minimum amounts to be maintained in various sinking funds and minimum revenue bond coverage. Management believes the Authority is in compliance with all such significant financial limitations and restrictions.

---

### BONDS OUTSTANDING

---

#### SERIES 2009 WATER AND SEWERAGE REFUNDING REVENUE BONDS

On December 30, 2009, the Authority issued \$17,785,000 in Series 2009 Water and Sewerage Revenue Refunding Bonds. Depending upon the specific year, the amount maturing ranges from \$0 to \$2,895,000 with the longest maturity for the issue being slightly more than nine years from the date of issuance. Interest rates for the various maturities in this series ranges from 3.00% to 4.00%. The final payment of \$2,895,000 on May 1, 2018, retired the series.

The Series 2009 Bonds were issued to refund the outstanding Series 2001 bonds. This transaction resulted in an economic gain of \$1,175,638 and a reduction of \$1,271,179 in future debt service payments for the Authority.

---

#### SERIES 2011 WATER AND SEWERAGE REFUNDING REVENUE BONDS

On October 11, 2011, the Authority issued \$13,190,000 in Series 2011 Water and Sewerage Revenue Refunding Bonds. Depending upon the specific year, the amount maturing ranges from \$0 to \$2,325,000 with the longest maturity for the issue being ten years from the date of issuance. Interest rates for the various maturities, in this series, ranges from 2.00% to 5.00%. After redeeming the \$2,240,000 in bonds that mature on May 1, 2019, there will remain a balance of \$2,325,000 outstanding on this series. The remaining outstanding balance will be paid on May 1, 2020, retiring the series.

The Series 2011 Bonds were issued to refund all but a portion of the outstanding Series 2003 bonds and the issuance costs of the Series 2011 bonds. This transaction resulted in an economic gain of \$874,464 and a reduction of \$951,509 in future debt service payments for the Authority.

---

#### SERIES 2012 WATER AND SEWERAGE REFUNDING REVENUE BONDS

On March 1, 2012, the Authority issued \$56,235,000 in Series 2012 Water and Sewerage Revenue Refunding Bonds. Depending upon the specific year, the amount maturing ranges from \$0 to \$19,565,000 with the longest maturity for the issue being eleven years from the date of issuance. Interest rates for the various maturities in this series ranges from 3.00% to 5.00%. The first maturity is not due until May 1, 2021.



The Series 2012 Bonds were issued to refund all but a portion of the outstanding Series 2005 bonds. This transaction resulted in an economic gain of \$5,984,084 and a reduction of \$7,064,532 in future debt service payments for the Authority.

**SERIES 2013 WATER AND SEWERAGE REFUNDING REVENUE BONDS**

On June 4, 2013, the Authority issued \$64,910,000 in Series 2013A and 2013B Water and Sewerage Revenue Refunding Bonds. Depending upon the specific year, the amount maturing ranges from \$0 to \$15,020,000 with the longest maturity for the issue being seven years from the date of issuance. Interest rates for the various maturities in this series ranges from .40% to 5.00%. After redeeming the \$15,020,000 in bonds that mature on May 1, 2019, the 2013B series will be retired leaving an outstanding balance on 2013A of \$13,580,000. On May 1, 2020, the final payment on the outstanding balance will be made retiring the series.

The Series 2013A and 2013B Bonds were issued for the advance refunding all but the current portion of the outstanding Series 2003 and 2004 bonds. This transaction resulted in an economic gain of \$7,608,149 and a reduction of \$8,050,635 in the future debt service payments for the Authority.

**BOND PRINCIPAL AND INTEREST PAYMENT SCHEDULE**

As of April 30, 2019, the Authority was obligated to make payments of principal, due on May 1, and interest due on May 1 and November 1, for various revenue bond issues as follows:

For Fiscal Years Ending April 30,	Principal	Interest	Total Payments
2020	\$ 17,260,000	\$ 3,592,465	\$ 20,852,465
2021	15,905,000	2,977,075	18,882,075
2022	17,965,000	2,209,975	20,174,975
2023	18,705,000	1,409,375	20,114,375
2024	19,565,000	489,125	20,054,125
<b>Total</b>	<b>\$ 89,400,000</b>	<b>\$ 10,678,015</b>	<b>\$ 100,078,015</b>

The long-term portion of revenue bonds outstanding at April 30, 2019 is as follows:

Total Bonds Outstanding	\$ 89,400,000	
Less: Current Portion	<u>(17,260,000)</u>	\$ 72,140,000
Adjustments:		
Unamortized Bond Premium		<u>5,155,071</u>
<b>Net Long-Term Portion of Revenue Bonds Outstanding</b>		<b><u>\$ 77,295,071</u></b>

**DEBT SERVICE RESERVE**

The various bond indentures contain limitations and restrictions on annual debt service requirements, maintenance of and flow of money through various restricted accounts, minimum amounts to be maintained in various sinking funds, and minimum revenue bond coverage of 120 percent of annual debt service. Management believes the Authority follows such financial limitations and restrictions. The available reserve at April 30, 2019 is:

Restricted Debt Service Assets	\$ 40,923,407
Less: Principal and Interest Due May 1, 2019	<u>(19,165,115)</u>
Available Reserve, April 30, 2019	<b><u>\$ 21,758,292</u></b>





## ARBITRAGE LIABILITY

At April 30, 2019, the Authority has revenue bonds outstanding, which are subject to arbitrage limitations. The term “*arbitrage rebate*” refers to the required payment to the U. S. Treasury Department of excess earnings received on applicable tax-exempt bond proceeds that are invested at a higher yield than the yield of the tax-exempt bond issue. The Authority’s ultimate rebate of arbitrage earnings on these issues is contingent on various factors, including future yields on invested proceeds.

Based on the interim calculations that were performed as of April 30, 2019, the Authority has no arbitrage rebate liability. The rebate obligations are generally computed and adjusted, as applicable, on a periodic basis in accordance with regulations promulgated by the U. S. Treasury Department. Required rebates are generally due and payable in five-year intervals during the life of debt issues, with rebates due upon the retirement of the debt issues.

## CHANGES IN LONG-TERM LIABILITIES

Long-term liability activity for the fiscal year ended April 30, 2019:

	Beginning Balance	Additions	Reductions	Ending Balance	Portion of Ending Balance Due Within One Year
Revenue Bonds Payable	\$ 105,395,000	\$ -	\$ 15,995,000	\$ 89,400,000	\$ 17,260,000
Amounts for Issuance Premiums	6,954,932	-	1,799,861	5,155,071	-
<b>Total Bonds Payable</b>	<b>\$ 112,349,932</b>	<b>\$ -</b>	<b>\$ 17,794,861</b>	<b>\$ 94,555,071</b>	<b>\$ 17,260,000</b>
Loans Payable	\$ 6,604,761	\$ 5,875,972	\$ 641,477	\$ 11,839,256	\$ 660,722
Compensated Absences	1,750,909	1,090,125	1,097,769	1,743,265	1,077,253
Net OPEB Liability	-	22,140,214	10,126,298	12,013,916	-
Net Pension Liability	33,706,558	3,337,971	-	37,044,529	-
<b>Total Long-term Liabilities</b>	<b>\$ 154,412,160</b>	<b>\$ 32,444,282</b>	<b>\$ 29,660,405</b>	<b>\$ 157,196,037</b>	<b>\$ 18,997,975</b>

## NOTE 8: RISK MANAGEMENT

The Authority is exposed to a variety of risks of loss entity-wide related to torts; theft of, damage to and destruction of assets; errors and omissions; employment practices; cyber security; fiduciary; injuries to employees and natural disasters. The Authority maintains commercial insurance for most risks of loss for property and casualty areas. The various policies include property, crime, general liability, public officials, employment practices, auto (excludes collision), umbrella, excess worker compensation, cyber security, fiduciary and board member travel accident. These various policies are placed annually with several carriers, all of which were A. M. Best rated at A+ or better at the time the coverage was bound. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past ten fiscal years and there have been no significant reductions in insurance coverage from the prior year except for property deemed within a floodplain due to changes in the floodplain maps.



NOTE 9: SELF-INSURANCE

WORKERS' COMPENSATION

The Authority is self-insured for vehicle collision and worker compensation losses. For a worker compensation loss greater than \$400,000, the Authority has purchased excess coverage. As of April 30, 2019, there were no known losses for which an accrual was considered necessary and no estimated claims that have been incurred but not reported.

MEDICAL INSURANCE

On May 1, 2015, the Authority established a fund to provide resources for the payment of employee medical and dental claims. The Authority pays 100 percent of an employee's medical and dental insurance premiums and 60 percent of their dependent's premiums. Tobacco users pay a surcharge to cover their additional costs. Blue Cross and Blue Shield of Georgia serves as our third-party administrator.

The employee's portion of the medical and dental costs is withheld from the employee and transferred to the medical insurance fund each period. The Clayton County Water Authority self-funded medical plan has an unlimited lifetime maximum per participant.

Specific medical and prescription drug claims in the Authority's medical plan exceeding \$100,000 per policy year are covered through a private insurance carrier. A liability of \$763,060 for the estimated cost of claims, including adjustment costs, incurred prior to, but paid after, April 30, 2019 has been accrued and is included in the Statement of Net Position.

At April 30, 2019, claims paid were \$290,207 more than premiums collected. This amount is included in estimated claims of \$763,060 that were accrued.

	2019	2018
Incurring claims	\$ 4,859,387	\$ 5,041,677
Claim payments	(4,634,032)	(4,473,469)
Unpaid claims at April 30,	<u>\$ 225,355</u>	<u>\$ 568,208</u>

NOTE 10: COMMITMENTS, CONTINGENCIES AND OTHER INFORMATION

FEDERAL AWARDS AND GRANT PROGRAMS

The Authority receives Federal funds in the form of disbursements for a Clean Water State Revolving Fund (CWSRF) loan, CW 2016037, administered by the Georgia Environmental Finance Authority (GEFA). During fiscal year 2019, disbursements of \$5,875,972. Total outstanding principal on CWSRF 2016037 at April 30, 2019 was \$6,983,645.20. In accordance with Office of Management and Budget (OMB) OMB Circular A-128, "Audits of State and Local Governments," a single audit was performed. Independent auditor's reports and accompanying schedules can be found in the [Compliance Section](#) at the end of this document.

LITIGATION, CLAIMS OR ASSESSMENTS

The Authority is a defendant in one major lawsuit. It is probable that the defendant will be awarded in an amount in the range of \$1,106,816 and \$1,864,412. A liability was recorded in the financial statements of \$1,485,614 for the



average of the range. The Authority is a defendant in various other lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the Authority's counsel, the resolution of these matters will not have a material adverse effect on the financial condition of the Authority.

---

## CONSTRUCTION PROJECTS

Total construction commitments outstanding for construction in process as of April 30, 2019 were \$ \$17,441,369. There will be sufficient funds available for completion of the construction in process and other planned projects because contracts are not approved by the Board of Directors and signed until the cash is in hand for the stated amount of each contract or project commitment.

---

## DEFERRED COMPENSATION PLAN

The Authority offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan is available to all Authority employees and 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, all income attributable to those amounts, property, or rights are (until paid or made available to the employee or other beneficiary) solely the property and rights of the employees. Investments are managed by the Plan's trustee under one of the investment options, or a combination thereof. The participants make the choice of the investment option(s). The Authority has adopted GASB No. 32, *Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans, which rescinded GASB Statement No. 2*. The Authority has only minor administrative involvement and does not perform any investing for the plan. Due to the fact the Authority's role in management of the plan assets is basically limited to transmitting amounts withheld from payroll to an outside party responsible for administering the plan, the assets of the Deferred Compensation Plan in are not reported in the Authority's financial statements.

---

## NOTE 11: OTHER POSTEMPLOYMENT BENEFITS

---

### PLAN DESCRIPTION

As authorized by the Authority's Board of Directors, the Clayton County Water Authority administers a single employer defined benefit healthcare plan ("the Retiree Health Plan"). The Clayton County Water Authority Other Postemployment Benefits Trust is an irrevocable trust established pursuant to Section 115 of the Internal Revenue Code for pre-funding other postemployment health benefits. The assets of the Trust are used exclusively for OPEB expenses based on the Trust agreement for the purpose of pre-funding other post-employment health benefits in accordance with GASB Statement 74 and GASB Statement 75.

Employees are eligible for the health care plan when they retire if they are immediately eligible to draw a monthly benefit from the pension plan. Up through the age of 64, the plan provides healthcare insurance for eligible retirees through the Authority's group health insurance plan, which covers both active and retired members. Retirees can purchase coverage for their spouses at the group plan rate. At age 65, Medicare-eligible retirees may enroll in a fully insured Medicare Supplemental Plan C. Currently, 168 retirees, beneficiaries, and dependents are receiving group health benefits under the plan. No other separate post-employment benefit financial reports are issued by this sole employer plan.



Benefit provisions are established by the Board of Directors through the passage of a resolution. The Retiree Health Plan is shown as a fiduciary fund in this financial report.

**MEMBERSHIP**

The following schedule derived from the most recent actuarial valuation report reflects membership in the OPEB Plan as of January 1, 2019.

<b>Membership Status as of January 1, 2019</b>	
Retirees and beneficiaries currently receiving benefits	168
Active employees	364
<b>Total</b>	<b>532</b>

**PLAN ACCOUNTING POLICIES**

The Authority accounts for the OPEB Trust Fiduciary Fund on an accrual basis. Contributions from the Authority are recognized when due, pursuant to formal commitments, and on statutory or contractual requirements. Investment income is recognized by the plan when earned. All investments are valued at fair value.

Benefit payments, including refunds of employee contributions, are recognized when due and payable in accordance with the benefit terms. Contributions are recognized when paid or legally due to the Trust.

Effective May 1, 2018, the Authority adopted a new accounting standard issued by Government Accounting Standards Board (GASB): *GASB Statement No. 75 Accounting and Financial Reporting for Post-employment Benefits Other Than Pensions – an amendment of GASB Statement No. 45 and 57*, which significantly changed the Authority’s accounting for OPEB amounts. The information presented below is in accordance with this new standard.

An actuarial valuation was completed as of January 1, 2019 which measured the Authority’s net OPEB liability.

**FUNDING POLICY**

The contribution requirements of plan members and the Authority are established and may be amended by the Board of Directors. The other postemployment benefits that are due to retirees, during the fiscal year, are funded and expensed on a pay-as-you-go basis from the appropriate utility fund.

During the fiscal year ended April 30, 2009, the Board of Directors chose to contribute \$5,240,690 in cash to the Retiree Health Insurance Trust Fund. This contribution represented monies that had previously been designated in the Water and Sewer Fund for paying retiree health insurance premiums in future periods. During the fiscal year ended April 30, 2013 and 2014, the Board of Directors approved contributions of \$1,000,000 and \$1,140,000, respectively for the same purpose. During the fiscal years ended April 30, 2019, 2018, 2017, 2016 and 2015, no additional contribution was made more than expenses paid.



## NET OPEB LIABILITY

The net OPEB liability reported by the Authority at April 30, 2019 is based on the measurement date of April 30, 2019 and determined by an actuarial valuation as of January 1, 2019. The components of the net OPEB liability at April 30, 2019 were:

	4/30/2019
Total OPEB Liability	\$ 24,823,637
Plan Fiduciary Net Position	<u>12,809,721</u>
Net OPEB Liability	\$ 12,013,916
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	51.60%

The required [Schedule of Changes In Net OPEB Liability and Related Ratios](#) follows the notes to the financial statements in the section: [Required Supplemental Information](#). This information presents multiyear trend information about whether the value of plan assets is increasing or decreasing over time relative to the total OPEB liability.

The changes in net OPEB liability for the year ended April 30, 2019 were as follows:

	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
<b>Balances at April 30, 2018</b>	<b>\$ 34,201,173</b>	<b>\$ 12,060,960</b>	<b>\$ 22,140,213</b>
<b>Changes for the year:</b>			
Service cost	1,018,532	-	1,018,532
Interest	1,774,662	-	1,774,662
Differences between expected and actual experience	550,581	-	550,581
Changes in assumptions	(11,740,276)	-	(11,740,276)
Contributions - employer	-	981,035	(981,035)
Net Investment Income - <i>(Projected earnings on Fiduciary Net Position)</i>	-	962,726	(962,726)
Benefit Payments	(981,035)	(981,035)	-
Differences between projected and actual earnings	-	(160,202)	160,202
Administrative expense	-	(53,763)	53,763
<b>Net changes</b>	<b>\$ (9,377,536)</b>	<b>\$ 748,761</b>	<b>\$ (10,126,297)</b>
<b>Balances at April 30, 2019</b>	<b>\$ 24,823,637</b>	<b>\$ 12,809,721</b>	<b>\$ 12,013,916</b>

## ACTUARIAL METHODS AND ASSUMPTIONS

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. The methods and assumptions used are found in the table that follows.



Actuarial Methods and	
Valuation Date	January 1, 2019
Actuarial Cost Method	Individual entry age Normal as a level percentage of payroll
Actuarial Value of Assets	Market Value as of April 30, 2019
Accounting Discount Rate	8.00% at April 30, 2019 measurement date; 5.11% at April 30, 2018 measurement date
Funding Discount Rate	8.00% at the valuation date
Annual Wage Increases	3.00% through 2023; 4.00% thereafter
Price Inflation	2.50%
Investment Rate of Return	8.00%
Health Cost Trend Rates:	
Pre-medicare	8.50%-4.50%
Post-medicare	7.00%-4.50%
Ultimate trend rate	4.50%
Participation Rate	Future retirees: 100% of elect medical and pharmacy coverage; 90% elect life insurance coverage Current retirees: Based on current coverage; assume no change after initial retirement election Future Spousal: 25% of participating retirees assumed to be married and cover spouse Current spousal: Based on current coverage election

**Mortality rates:** Mortality rates for healthy and disabled annuitants were based on SOA RPH-2014 Headcount-Weighted Mortality base 2006 rates with blue-collar adjustments and projected on a fully generational basis using Scale MP-2018 projection scale.

**Investment Rate of Return:** The Plan’s investment policy including the rate of return is established by the Authority’s OPEB committee. The expected long-term rate of return on assets is to estimate the single rate of return that reflects the historical returns, future expectations for each asset class, and asset mix of the plan assets. The rate in the table below has been selected by the OPEB committee, with any future changes subject to the committee’s approval.

Asset Classes	Target Allocation (a)	Inflation (b)	Expected Real Rate of Return (c)	Arithmetic Mean (a)×[(b)+(c)]
Equity	50%	2.50%	8.00%	5.25%
Fixed Income	50%	2.50%	3.00%	2.75%
Cash/Reserves	0%	2.50%	0.00%	0.00%
Non-traditional	0%	2.50%	0.00%	0.00%
	<b>100%</b>	<b>2.50%</b>	<b>5.50%</b>	<b>8.00%</b>

**Discount Rate:** The discount rate used to measure the total OPEB liability was 8.00%. This rate was determined using a Single Equivalent Interest Rate (SEIR) and reflect the long-term expected rate of return on OPEB plan investments. Rates as of January 1, 2019 are in the table below. The discount rate utilized to determine the total OPEB liability as of the beginning of the measurement period was increased from 5.11% to 8.00% due to an increase in the underlying municipal bond rate index utilized.

Single Equivalent Interest Rate (SEIR)	
Long-Term Expected Rate of Return	8.00%
S&P Municipal Bond 20-year High Grade Rate Index*	3.21%
Administrative Fees paid from the Trust as a % of Assets	0.45%
Fiscal Year in which Fiduciary Net Position is Projected to be Depleted	N/A
<b>Single Equivalent Interest Rate</b>	<b>8.00%</b>

\*A yield or index rate for a 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another scale), to the extent that the conditions for use of the long-term expected rate of return are not met.



**Sensitivity of the net OPEB liability to changes in the discount rate:** The following table presents the Authority’s net OPEB liability calculated using the discount rate of 8.0%, as well as what the Authority’s net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower, 7.0%, or one percentage point higher, 9.0%, than the current rate:

	1% Decrease (7.0%)	Current Discount Rate (8.0%)	1% Increase (9.0%)
Net OPEB Liability	\$ 15,367,087	\$ 12,013,916	\$ 9,242,717

**Sensitivity of the net OPEB liability to changes in the healthcare cost trend rate:** The following table presents the Authority’s net OPEB liability calculated using the current trend rate as well as what the Authority’s net OPEB liability would be if it were calculated using a healthcare trend rate that is one percentage point lower (7.5% decreasing to 3.5%/Medicare eligible: 6.0% decreasing to 3.5%) and one percentage point higher (9.5% decreasing to 5.5%/Medicare eligible: 8.0% decreasing to 5.5%) than the current rate (8.5% decreasing to 4.5%/Medicare eligible: 7.0% decreasing to 4.5%):

	1% Decrease (7.5% decreasing to 3.5%)	Current Trend Rate (8.5% decreasing to 4.5%)	1% Increase (9.5% decreasing to 5.5%)
Net OPEB Liability	\$ 9,276,801	\$ 12,013,916	\$ 15,362,520

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. Calculations are based on the substantive plan in effect as of April 30, 2019, current sharing pattern of costs between employer and inactive employees. The plan does not issue separate financial statements.

**OPEB EPENSE AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO OPEB**

For the year ended April 30, 2019, the Authority recognized OPEB expense of \$476,157. At April 30, 2019, the Authority 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
Differences between expected and actual experience	\$ 479,721	\$ -
Changes of assumptions	-	10,229,301
Net difference between projected and actual earnings	128,161	-
<b>Total</b>	<b>\$ 607,882</b>	<b>\$ 10,229,301</b>



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

<b>Year ended April 30,</b>	
2020	\$ (1,408,074)
2021	(1,408,074)
2022	(1,408,074)
2023	(1,408,077)
2024	(1,440,115)
2025+	(2,549,005)

**NOTE 12: PUBLIC EMPLOYEE RETIREMENT SYSTEM (PERS)**

**PLAN DESCRIPTION**

As authorized by the Authority’s Board of Directors, the Clayton County Water Authority participates in the Clayton County, Georgia Public Employee Retirement System (“the plan”, “PERS”). The Clayton County Public Employee Retirement System (the Plan) is a cost-sharing multiple-employer defined benefit pension plan. The Plan is administered by a five-person Board of Trustees that consists of four members who are in the following roles: 1) the Chief Financial Officer for Clayton County; 2) the Human Resources Director of the County; 3) the Chairperson of the Clayton County Commissioners, or designee; and 4) the Chairperson of the Board of Directors for the Authority, or designee. The fifth person on the board is a member-at-large and is selected by the four other members of the board of trustees. The Plan is funded by participants and the plan sponsors (Clayton County and the Clayton County Water Authority). Clayton County has a June 30 fiscal year-end and the Clayton County Water Authority has an April 30 fiscal year-end. This Board has the authority to establish and amend benefit provisions.

The Plan is funded in conformity with the minimum funding standards in Section 47-20-10 of the Public Retirement Systems standard law. Participants in the Plan consist of the Clayton County Board of Commissioners and the Clayton County Water Authority. In addition, the Plan is part of the County's financial reporting entity and is therefore included in the County’s financial statements as a Pension Trust Fund. The Clayton County PERS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to Clayton County Staff Attorney, 112 Smith Street, Jonesboro, Georgia 30236.

<b>Plan Membership as of June 30, 2018</b>	<b>Number of Participants</b>
Inactive plan members or beneficiaries currently receiving	1,350
Inactive plan members entitled to but not yet receiving	289
Active plan members	2,464
<b>Total</b>	<b>4,103</b>

**BENEFITS PROVIDED**

Under the Plan, a member may retire and receive normal retirement benefits at the earlier of age 60 and 7 years of participation or age 55 and 25 years of credited service for any employee hired prior to January 1, 2016. For employees hired on, or after January 1, 2016, a member may retire and received normal retirement benefits at age 62 with 10 years of credited service or age 60 with 35 years of credited service. For employees hired before January 1, 2016 early





retirement is available at the earlier of age 50 and 25 years of credited service or age 55 and 15 years of credited service. For employees hired on or after January 1, 2016 early retirement is available at age 60 with 15 years of service or age 55 with 25 years of service. Additionally, the Plan has provisions for disability retirement, late retirement, and deferred vested benefits.

Normal retirement benefits paid to members equal 2.5 percent of the member's average monthly salary multiplied by years of credited service up to 32 years. For members hired after January 1, 2016, the multiplier is 2 percent. Average monthly compensation is based on the 36 highest consecutive completed whole or partial months of service during the last 60 months of service. For members hired on or after January 1, 2016 average monthly compensation is based on the final 60 months of service. For early retirement, if a member has 25 years of credited service, the benefit is reduced 0.5 percent for each month the member's age is less than 55. If the participant has less than 25 years of credited service, the benefit is reduced 0.5 percent for each month the member's age is less than 60.

---

## CONTRIBUTIONS

Each participant will contribute 7.5 percent of compensation beginning July 1, 2015. The contribution rate from July 1, 2006 through June 30, 2015 was 5.5 percent of compensation. The contribution rate from August 8, 1998 through June 30, 2006 was 3.5 percent of compensation and for July 1, 1995 through August 7, 1998 was 2.0 percent of compensation. If a participant terminates employment before meeting the requirements for any of the above benefits, they are entitled to receive a return of their contributions with 5 percent interest.

Employers are required to contribute at an actuarially determined rate. Based on the present valuation, a normal contribution rate of 11.59 percent of active participants' compensation is payable leaving a balance of 4.09 percent to be paid by the employers. In the previous valuation, the normal contribution rate was 11.63 percent of active participants' compensation, leaving a balance of 4.13 percent to be paid by employers.

The employers also contribute toward the liquidation of the unfunded accrued liability. The 10.18 percent additional contribution made by the employers will liquidate the unfunded accrued liability within 30 years. This compares to a 9.87 percent additional contribution in the prior year valuation to liquidate the unfunded accrued liability within 30 years. This assumes the funds to liquidate the unfunded liability increase 3.00 percent each year.

For the year ended June 30, 2018, total contributions to the Plan by the Authority were \$2,943,069 and by members were \$1,532,143.

---

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Basis of Accounting:** The financial statements of the Plan are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the members provide services. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan. Administrative costs of the Plan are financed through investment earnings.

**Method Used to Value Investments:** Investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Investments that do not have an established market are reported at estimated fair value.



**GASB 68 IMPLEMENTATION**

Effective May 1, 2015, Clayton County along with the Clayton County Water Authority, implemented the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* and Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*, which significantly changed the Authority’s accounting treatment of pensions. The information that follows is presented in accordance with these new standards.

**PENSION LIABILITIES, PENSION EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS**

At April 30, 2019, the Authority reported a liability for its proportionate share of the net pension liability in the amount of \$37,044,529. The net pension liability was measured as of June 30, 2018. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2018. The Authority’s proportionate share of the net pension liability was based on a five-year average of actual contributions made by the Authority as of June 30, 2018. At June 30, 2018, the Authority’s proportionate share was 16.43 percent; an increase of 0.46 percent from its allocation measured as of June 30, 2017.

For the year ended April 30, 2019, the Authority recognized pension expense of \$4,301,582. At April 30, 2019, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,621,960	\$ -
Changes of assumptions	1,007,793	8,419,385
Net difference between projected and actual earnings on pension plan investments	1,018,109	-
Changes in proportion	809,069	-
<b>Total</b>	<b>\$ 5,456,931</b>	<b>\$ 8,419,385</b>

Contributions made subsequent to the measurement date of June 30, 2018 to the end of the fiscal year of April 30, 2019 will be reported as deferred outflows and recognized as a reduction in the net pension liability in the fiscal year ended April 30, 2020.

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

<b>Year ended April 30,</b>	
2019	\$ (216,138)
2020	(816,752)
2021	(2,565,959)
2022	254,189
2023	382,206
<b>Total</b>	<b>\$ (2,962,454)</b>

**ACTUARIAL ASSUMPTIONS**

The total pension liability as of June 30, 2018 was determined by an actuarial valuation as of June 30, 2018 using the following actuarial assumptions, applied to all periods included in the measurement:



Assumptions	
Inflation	3.00%
Salary Increases	3.00% per annum through June 20, 2023; 4.00% per annum thereafter
Investment Rate of Return	8.00%

**Mortality rates:** For healthy annuitants, mortality rates are based on the RP-2014 blue-collar base rates with a load of 7.75% with fully generational mortality improvements based on the Modified Buck MP-2014 projection scale. For healthy non-annuitants, mortality rates are based on the RP-2014 blue-collar base rates with fully generational mortality improvements based on the Modified Buck MP-2014 projection scale. For disabled participants, mortality is based on the RP-2014 projection scale.

The actuarial assumptions used in the July 1, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2008 – June 30, 2013.

The long-term expected rate of return on pension plan investments was determined using a building block method, which best—estimate ranges of expected future real rates of return 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 rates of return by the target asset allocation percentages. Estimates for the expected rates of return for each asset class have been derived through a combination of measuring historical average rates of return and applying capital market assumptions for future expected rates of return for each asset class as provided by our investment consultants. These rates of return estimates for each major asset class included in the pension plan’s target asset allocation as of June 30, 2018 are; Domestic Equities 12.90%, International Equities 5.36%, Fixed Income 0.33%, and Money Market 1.43%.

**Discount Rate:** The discount rate used to measure the total pension liability was 8.00%. The projection of cash flows used to determine the discount rate is based on a projection of the plan’s current membership based on actuarial assumptions. Contributions are assumed to be made in accordance with County ordinance with additional contributions being made, if necessary, to meet the minimum funding statutes under Georgia state law. Contributions expected to be made by future new members are included to the extent contributions under Clayton County’s ordinance are expected to exceed the normal cost for new members. Based on these assumptions, the pension plan’s fiduciary net position was projected to be sufficient to cover future benefit payments for current members. Therefore, the long term expected rate of return of 8.00% on pension plan investments was applied to all projected benefit payments.

**Sensitivity of the Authority’s proportionate share of the net pension liability to changes in the discount rate:** The following table presents the Authority’s proportionate share of the net pension liability calculated using the discount rate of 8.00%, as well as what the Authority’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower, 7.00%, or one percentage point higher, 9.00%, than the current rate:

	1% Decrease 7.00%	Current Discount Rate 8.00%	1% Increase 9.00%
Net Pension Liability	\$ 64,741,945	\$ 37,044,529	\$ 35,973,025

**Pension plan fiduciary net position:** Detailed information about the Plan’s fiduciary net position is available in the separately issued Clayton county Public Employees Retirement System financial report, which can be obtained at the offices of the Clayton County Board of Commissioners.



NOTE 13: CHANGE IN ACCOUNTING PRINCIPLE

The Authority has determined that a restatement of the May 1, 2018 beginning net position was required to recognize the change in accounting principle for the implementation of Governmental Accounting Standards Board (GASB): *GASB Statement No. 75 Accounting and Financial Reporting for Post-employment Benefits Other Than Pensions – an amendment of GASB Statement No. 45 and 57*, as of May 1, 2018, through which accounting for post-employment benefits other than pensions and the related disclosure requirements were modified. This adjustment resulted in a change to the beginning net position of the Authority as follows:

	Water and Sewer Fund	Stormwater Fund
<b>Net Position, as previously reported</b>	<b>\$ 500,066,217</b>	<b>\$ 53,763,795</b>
Adjustment to remove the net OPEB obligation, in accordance with GASB Statement No. 75	3,702,571	12,004
Adjustment needed to record the net OPEB liability, in accordance with GASB Statement No. 75	(21,033,204)	(1,107,010)
<b>Net Position, as restated</b>	<b>\$ 482,735,584</b>	<b>\$ 52,668,789</b>

**GASB75**.com





III. REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY

SCHEDULE OF CONTRIBUTIONS – PENSION

SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS

SCHEDULE OF CONTRIBUTIONS – OTHER POST-EMPLOYMENT BENEFITS

SCHEDULE OF OPEB INVESTMENT RETURNS





**SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY**

	2018	2017	2016	2015
Authority’s proportion of the net pension liability	16.43%	15.97%	15.51%	15.25%
Authority’s proportionate share of the net pension liability	\$37,044,529	\$33,706,558	\$35,781,953	\$40,945,632
Authority’s covered payroll during the measurement period	\$20,480,833	\$20,072,613	\$19,663,781	\$19,026,582
Authority’s proportionate share of the net pension liability as a % of its covered payroll	180.87%	167.92%	181.97%	215.20%
Plan fiduciary net position as a percentage of the total pension liability	65.63%	66.19%	61.87%	59.09%

**Note to the Schedule:** The schedule will present 10 years of information once it is accumulated.

**SCHEDULE OF CONTRIBUTIONS - PENSION**

	2018	2017	2016	2015
Contractually required contribution	\$ 2,943,069	\$ 2,842,162	\$ 2,756,799	\$ 2,286,727
Contributions in relation to the contractually required contribution	2,943,069	2,940,655	2,756,799	2,700,229
Contribution deficiency (excess)	\$ -	\$ (98,493)	\$ -	\$ (413,502)
Authority’s covered payroll	\$ 20,480,833	\$ 20,072,613	\$ 19,663,781	\$ 19,026,582
Contributions as a percentage of covered payroll	14.37%	14.65%	14.02%	14.19%

**Note to the Schedule:** The schedule will present 10 years of information once it is accumulated.

**Notes to the Schedule of Contributions:**

**For new member hired after January 1, 2016:** Assumed rates of retirement and termination were implemented to correspond with the new vesting and retirement eligibility.

**Valuation Date:** Actuarially determined contributions are calculated, as of the beginning of the fiscal year, in which contributions are made. The actuarially determined contribution for the fiscal year ending June 30, 2018 is based on the July 1, 2017 Actuarial Valuation.

**Methods and Assumptions used to determine the actuarially determined contribution:**

Actuarial Methods and	
Actuarial Cost Method	Projected Unit Credit Cost Method
Amortization Method	Level Percent of Payroll; Open
Amortization Period	30 Years
Asset Valuation Method	Actuarial value as specified in the Actuarial Valuation Report for Clayton County, Georgia Public Employee Retirement System for the plan year July 1, 2017 – June 30, 2018
Administrative Expenses	0.325% of Payroll
Inflation	3.00% per annum
Salary Increases	3.00% per annum through June 20, 2023; 4.00% per annum thereafter
Investment Rate of Return	8.00%, net of pension plan investment expenses
Retirement and Termination rate	As specified in the Actuarial Valuation Report for Clayton County, Georgia Public Employee Retirement System for the plan year July 1, 2017 – June 30, 2018
Mortality	<i>Healthy participants:</i> The RP-2014 blue collar mortality table rolled back to 2010, with a load of 7.75% and projected with fully generational mortality improvements based on the Buck Modified MP-2017 projection scale. <i>Disabled participants:</i> The RP-2014 blue collar mortality table rolled back to 2010 and projected with fully generational mortality improvements based on the Buck Modified MP-2017 projection scale.



## SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS

	2019	2018
<b>Total OPEB Liability</b>		
Service cost	\$ 1,018,532	\$ 998,561
Interest	1,774,662	1,683,533
Differences between expected and actual experience	550,581	-
Changes in assumptions	(11,740,276)	(108,791)
Benefit payments	(981,035)	(886,728)
Net change in total OPEB liability	\$ (9,377,536)	\$ 1,686,575
Total OPEB liability - beginning	34,201,173	32,514,598
Total OPEB liability - ending <b>(a)</b>	\$ 24,823,637	\$ 34,201,173
<b>Plan Fiduciary Net Position</b>		
Employer contributions	\$ 981,035	\$ 886,728
Contributions - active members	-	-
Difference between projected and actual earnings	(160,202)	-
Net investment income	962,726	935,980
Benefit payments <i>(expected payments used)</i>	(981,035)	(886,728)
Administrative expenses	(53,763)	(51,775)
Other	-	-
Net change in plan fiduciary net position	\$ 748,761	\$ 884,205
Plan fiduciary net position - beginning	12,060,960	11,176,755
Plan fiduciary net position - ending <b>(b)</b>	12,809,721	12,060,960
Client's net OPEB liability - ending <b>(a) - (b)</b>	\$ 12,013,916	\$ 22,140,213
Plan fiduciary net position as a percentage of the total OPEB liability	51.60%	35.26%
Covered payroll	\$ 20,808,734	\$ 19,191,102
Net OPEB liability as a percentage of covered payroll	57.73%	115.37%

**Note to the Schedule:** Schedule is intended to show information for the last 10 fiscal years. Additional years will be displayed as they become available. Actuarial valuation as of January 1, 2019.

## SCHEDULE OF CONTRIBUTIONS – OTHER POST-EMPLOYMENT BENEFITS

	2019	2018	2017	2016	2015
Actuarially determined contribution	\$ 1,405,215	\$ 2,019,000	\$ 2,019,000	\$ 1,940,000	\$ 1,940,000
Contributions in relation to the actuarially determined contributions	981,035	886,728	867,000	890,000	890,000
Contribution deficiency (excess)	\$ 424,180	\$ 1,132,272	\$ 1,152,000	\$ 1,050,000	\$ 1,050,000
Covered payroll	\$ 20,342,679	\$ 19,191,102	\$ 19,191,102	\$ 17,065,000	\$ 17,065,000
Actual contributions as a percentage of covered payroll	4.82%	4.62%	4.52%	5.22%	5.22%

	2014	2013	2012	2011
Actuarially determined contribution	\$ 1,917,000	\$ 1,917,000	\$ 1,968,000	\$ 1,968,000
Contributions in relation to the actuarially determined contributions	1,979,000	1,839,000	1,216,000	1,037,000
Contribution deficiency (excess)	\$ (62,000)	\$ 78,000	\$ 752,000	\$ 931,000
Covered payroll	\$ 16,834,000	\$ 16,834,000	\$ 16,678,000	\$ 16,678,000
Actual contributions as a percentage of covered payroll	11.76%	10.92%	7.29%	6.22%

**Notes to the Schedule:** CCWA has an actuarial analysis performed every two years. The schedule will reflect 10 fiscal years once accumulated.



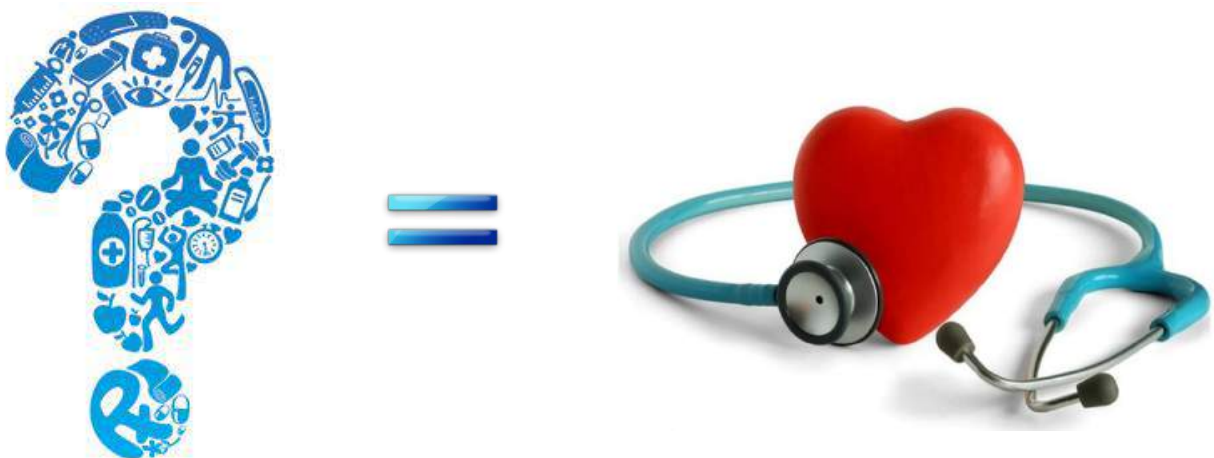
**Notes to the Schedule (continued):**

Actuarial Methods and Assumptions	
Valuation Date	January 1, 2019
Actuarial Cost Method	Individual entry age Normal as a level percentage of payroll
Actuarial Value of Assets	Market Value as of April 30, 2019
Accounting Discount Rate	8.00% at April 30, 2019 measurement date; 5.11% at April 30, 2018 measurement date
Funding Discount Rate	8.00% at the valuation date
Annual Wage Increases	3.00% through 2023; 4.00% thereafter
Price Inflation	2.50%
Investment Rate of Return	8.00%
Health Cost Trend Rates:	
Pre-medicare	8.50%-4.50%
Post-medicare	7.00%-4.50%
Ultimate trend rate	4.50%
Participation Rate	Future retirees: 100% of elect medical and pharmacy coverage; 90% elect life insurance coverage Current retirees: Based on current coverage; assume no change after initial retirement election Future Spousal: 25% of participating retirees assumed to be married and cover spouse Current spousal: Based on current coverage election

**SCHEDULE OF OTHER POST-EMPLOYMENT BENEFITS INVESTMENT RETURNS**

	4/30/2019
Annual Money-Weighted Rate of Return	3.49%

**Note to the Schedule:** Schedule is intended to show information for the last 10 fiscal years. Additional years will be displayed as they become available.







IV. SUPPLEMENTARY INFORMATION

SCHEDULE OF OPERATING REVENUES

SCHEDULE OF OPERATING EXPENSES - DIRECT WATER OPERATING EXPENSES

SCHEDULE OF OPERATING EXPENSES - DIRECT WASTEWATER OPERATING EXPENSES

SCHEDULE OF OPERATING EXPENSES - INDIRECT OPERATING EXPENSES

SCHEDULE OF OPERATING EXPENSES - ADMINISTRATIVE OPERATING EXPENSES

SCHEDULE OF OPERATING EXPENSES - STORMWATER OPERATING EXPENSES

SCHEDULE OF CAPITAL ASSETS AND DEPRECIATION BY ASSET CLASS - WATER AND SEWER FUND

SCHEDULE OF CAPITAL ASSETS AND DEPRECIATION BY DEPARTMENT - WATER AND SEWER FUND

SCHEDULE OF CAPITAL ASSETS AND DEPRECIATION BY ASSET CLASS - STORMWATER FUND

DEBT SERVICE ACCOUNTS

SCHEDULE OF RESTRICTED ASSETS AND RELATED PAYABLES - DEBT SERVICE ACCOUNTS

SCHEDULE OF CHANGES IN RESTRICTED ASSETS - DEBT SERVICE ACCOUNTS

SCHEDULE OF REVENUE BONDS PAYABLE

RENEWAL AND EXTENSION ACCOUNT

SCHEDULE OF RESTRICTED ASSETS AND RELATED PAYABLES - RENEWAL AND EXTENSION ACCOUNT

SCHEDULE OF CHANGES IN RESTRICTED ASSETS - RENEWAL AND EXTENSION ACCOUNT





## SCHEDULE OF OPERATING REVENUES

**Clayton County Water Authority**  
**Schedule of Operating Revenues**  
**Proprietary Funds**  
**For the Fiscal Year Ended April 30, 2019**

	<u>Water and Sewer</u>	<u>Stormwater</u>	<u>Total</u>
<b>Sale Of Water:</b>			
Residential	\$ 16,439,000	\$ -	\$ 16,439,000
Commercial	5,145,061	-	5,145,061
Multi-Family	8,575,076	-	8,575,076
Industrial	2,788,810	-	2,788,810
Institutional	1,802,717	-	1,802,717
City and County	1,592,293	-	1,592,293
Other Customer Classes	4,216,502	-	4,216,502
Backflow	727,105	-	727,105
Base Charges	10,723,982	-	10,723,982
<b>Total Sale of Water</b>	<b>\$ 52,010,546</b>	<b>\$ -</b>	<b>\$ 52,010,546</b>
<b>Sewer Service:</b>			
Residential	\$ 13,188,160	\$ -	\$ 13,188,160
Commercial	4,576,739	-	4,576,739
Multi-Family	9,101,240	-	9,101,240
Industrial	2,112,400	-	2,112,400
Institutional	1,367,304	-	1,367,304
City and County	503,230	-	503,230
Other Customer Classes	3,898,452	-	3,898,452
Base Charges	9,701,646	-	9,701,646
<b>Total Sewer Service</b>	<b>\$ 44,449,171</b>	<b>\$ -</b>	<b>\$ 44,449,171</b>
<b>Stormwater Fees:</b>			
Residential	\$ -	\$ 3,406,174	\$ 3,406,174
Governmental	-	1,137,148	1,137,148
Institutional	-	724,620	724,620
Non-Residential	-	4,687,814	4,687,814
<b>Total Stormwater Fees</b>	<b>\$ -</b>	<b>\$ 9,955,756</b>	<b>\$ 9,955,756</b>
<b>Tapping Fees:</b>			
Water	\$ 1,308,290	\$ -	\$ 1,308,290
Sewer	26,155	-	26,155
<b>Total Tapping Fees</b>	<b>\$ 1,334,445</b>	<b>\$ -</b>	<b>\$ 1,334,445</b>
<b>Penalties and Reconnect Charges:</b>			
Penalties and Late Fees	\$ 2,419,649	\$ 166,757	\$ 2,586,406
First Time Service Fee	379,125	-	379,125
Bad Check and Other Charges	67,020	291	67,311
Reconnect Charges	1,125,340	-	1,125,340
<b>Total Penalties and Reconnect Charges</b>	<b>\$ 3,991,134</b>	<b>\$ 167,048</b>	<b>\$ 4,158,182</b>
<b>Sales of Pellets, Timber and Materials:</b>			
Pellets	\$ 24,557	\$ -	\$ 24,557
Timber	-	-	-
Other Materials	15,327	4,176	19,503
<b>Total Sales of Pellets, Timber and Materials</b>	<b>\$ 39,884</b>	<b>\$ 4,176</b>	<b>\$ 44,060</b>
<b>Other Operating Revenues:</b>			
Reimbursement for Damages to System	\$ 75,978	\$ -	\$ 75,978
Rental Income	225,398	-	225,398
Sewer Monitoring Fees	7,968	-	7,968
Miscellaneous Revenues	149,049	-	149,049
<b>Total Other Operating Revenues</b>	<b>\$ 458,393</b>	<b>\$ -</b>	<b>\$ 458,393</b>
<b>Total Operating Revenues</b>	<b>\$ 102,283,573</b>	<b>\$ 10,126,980</b>	<b>\$ 112,410,553</b>



## SCHEDULE OF OPERATING EXPENSES – DIRECT WATER OPERATING EXPENSES

**Business-Type Activities**  
**Water and Sewer Fund**  
**Schedule Of Operating Expenses By Business Unit**  
**Direct Water Operating Expenses**  
**For Fiscal Year Ended April 30, 2019**

Operating Expense	Water Production Manager	Water Production Oper/Maint	William J. Hooper Water Plant	Morrow Pumping Station	Noah's Ark Pumping Station	Elevated Tanks	J.W. Smith Water Plant
Salaries, Wages and Benefits	\$ 214,262	\$ 143,677	\$ 770,433	\$ -	\$ -	\$ -	\$ 449,130
Operating Materials and Supplies	2,762	1,632	862,372	143	335	190	268,087
Vehicle Supplies	902	2,062	875	1,613	413	-	756
Administrative Supplies	909	122	3,643	55	55	-	4,419
Utilities	1,357	1,617	1,171,668	276,509	461,105	14,924	1,008,896
Maintenance and Repairs	171	347	66,862	114	18,351	1,509	29,223
Outside Services	531	-	262,669	1,870	60,741	26,618	48,660
Rentals	-	-	-	-	-	-	-
Accounting Charges	-	-	-	-	-	-	-
General Expenses	68,890	2,426	25,248	1,046	3,332	3,598	20,388
Expenses Capitalized	-	-	-	-	-	-	-
<b>Grand Total</b>	<b>\$ 289,784</b>	<b>\$ 151,883</b>	<b>\$ 3,163,770</b>	<b>\$ 281,350</b>	<b>\$ 544,332</b>	<b>\$ 46,839</b>	<b>\$ 1,829,559</b>

Operating Expense	Blalock Jr. Reservoir and Dam	Jonesboro Pumping Station	Forest Park Pumping Station	Shoal Creek Reservoir	Hicks Water Production Complex	Well Program	Water Quality Laboratory
Salaries, Wages and Benefits	\$ -	\$ -	\$ -	\$ -	\$ 691,565	\$ -	\$ 237,012
Operating Materials and Supplies	9,920	661	-	88	232,982	115	60,331
Vehicle Supplies	-	-	-	-	1,205	-	2,046
Administrative Supplies	-	-	-	-	9,123	-	3,143
Utilities	-	217,535	5,462	-	531,467	3,722	1,991
Maintenance and Repairs	-	371	-	3,383	30,176	-	722
Outside Services	7,857	1,868	3,875	-	219,224	75	49,626
Rentals	13,716	-	-	178	1,141	-	4,621
Accounting Charges	-	-	-	-	-	-	-
General Expenses	16	1,413	508	1,936	21,999	335	13,436
Expenses Capitalized	-	-	-	-	-	-	-
<b>Grand Total</b>	<b>\$ 31,509</b>	<b>\$ 221,848</b>	<b>\$ 9,845</b>	<b>\$ 5,585</b>	<b>\$ 1,738,882</b>	<b>\$ 4,247</b>	<b>\$ 372,928</b>

Operating Expense	Meter Installation	Water Distribution Maintenance	Meter Testing and Repair	Leak Detection and Repair	Backflow Testing and Repair	Total Direct Water
Salaries, Wages and Benefits	\$ 192,027	\$ 1,859,210	\$ 372,181	\$ 131,758	\$ 318,555	\$ 5,379,810
Operating Materials and Supplies	558,280	453,958	42,542	1,310	46,013	2,541,721
Vehicle Supplies	7,250	77,599	6,076	1,695	13,341	115,833
Administrative Supplies	1,773	12,563	711	79	2,051	38,646
Utilities	1,686	28,516	4,760	2,617	5,726	3,739,558
Maintenance and Repairs	3,718	51,969	540	236	2,468	210,160
Outside Services	284,725	547,342	899	234	3,907	1,520,721
Rentals	413	-	1,217	-	-	21,286
Accounting Charges	-	-	-	-	-	-
General Expenses	3,826	26,547	4,741	784	5,191	205,660
Expenses Capitalized	(1,053,698)	(48,351)	(1,783)	-	(110)	(1,103,942)
<b>Grand Total</b>	<b>\$ -</b>	<b>\$ 3,009,353</b>	<b>\$ 431,884</b>	<b>\$ 138,713</b>	<b>\$ 397,142</b>	<b>\$ 12,669,453</b>



## SCHEDULE OF OPERATING EXPENSES – DIRECT WASTEWATER OPERATING EXPENSES

**Business-Type Activities**  
**Water and Sewer Fund**  
**Schedule Of Operating Expenses By Business Unit**  
**Direct Wastewater Operating Expenses**  
**For Fiscal Year Ended April 30, 2019**

Operating Expense	Water		Northeast Water		Shoal Creek	
	Reclamation Manager	W.B. Casey WRRF	Reclamation Facility	Northeast Solids Handling	Water Reclamation Facility	Shoal Creek Solids Handling
Salaries, Wages and Benefits	\$ 210,777	\$ 833,050	\$ 703,421	\$ 74,531	\$ 617,892	\$ 102,296
Operating Materials and Supplies	646	265,638	178,542	104,706	34,145	41,467
Vehicle Supplies	270	11,632	1,433	-	6,328	-
Administrative Supplies	452	9,322	7,298	1,065	4,791	-
Utilities	1,452	1,016,225	523,176	38,630	277,373	18,107
Maintenance and Repairs	374	127,440	63,295	6,180	110,502	1,699
Outside Services	622,431	246,132	155,018	228,128	112,368	157,185
Rentals	-	-	457	-	-	-
Accounting Charges	-	-	-	-	-	-
General Expenses	67,918	53,558	36,763	4,185	23,890	5,044
Expenses Capitalized	-	(2,935)	(3,584)	-	(2,553)	-
<b>Grand Total</b>	<b>\$ 904,320</b>	<b>\$ 2,560,062</b>	<b>\$ 1,665,819</b>	<b>\$ 457,425</b>	<b>\$ 1,184,736</b>	<b>\$ 325,798</b>

Operating Expense	R.L. Jackson	Natural	Wastewater	Conveyance	Laboratory/	Sludge
	Transfer Pump Station	Treatment Operations	Conveyance Maintenance	System Inspection	Environmental Compliance	Pelletizing
Salaries, Wages and Benefits	\$ -	\$ 852,777	\$ 1,077,244	\$ 1,441,750	\$ 427,993	\$ 654,602
Operating Materials and Supplies	-	20,326	282,935	61,226	21,075	241,525
Vehicle Supplies	3,581	27,444	35,778	56,879	3,720	12,520
Administrative Supplies	-	3,451	8,456	6,090	1,161	3,879
Utilities	595,074	115,358	14,262	18,619	3,544	534,578
Maintenance and Repairs	8,229	44,090	245,070	39,047	2,365	116,805
Outside Services	144,875	23,203	614,408	254,707	54,004	153,599
Rentals	-	-	1,263	799	1,018	6,615
Accounting Charges	-	-	-	-	-	-
General Expenses	4,875	17,147	15,227	25,341	8,364	15,788
Expenses Capitalized	-	(2,934)	(3,555)	(4,106)	-	(3,124)
<b>Grand Total</b>	<b>\$ 756,634</b>	<b>\$ 1,100,862</b>	<b>\$ 2,291,088</b>	<b>\$ 1,900,352</b>	<b>\$ 523,244</b>	<b>\$ 1,736,787</b>

Operating Expense	Influent Pump	Sewage Lift	Total Direct
	Station	Station	Wastewater
Salaries, Wages and Benefits		\$ 297,739	\$ 7,294,072
Operating Materials and Supplies	431	176,911	1,429,573
Vehicle Supplies	1,164	16,566	177,315
Administrative Supplies		1,831	47,796
Utilities	134,711	256,035	3,547,144
Maintenance and Repairs	97	60,034	825,227
Outside Services	3,990	108,232	2,878,280
Rentals	-	-	10,152
Accounting Charges	-	-	-
General Expenses	1,764	54,582	334,446
Expenses Capitalized	-	-	(22,791)
<b>Grand Total</b>	<b>\$ 142,157</b>	<b>\$ 971,932</b>	<b>\$ 16,521,214</b>



## SCHEDULE OF OPERATING EXPENSES – INDIRECT OPERATING EXPENSES

**Business-Type Activities**  
**Water and Sewer Fund**  
**Schedule Of Operating Expenses By Business Unit**  
**Indirect Operating Expenses**  
**For Fiscal Year Ended April 30, 2019**

Operating Expense	J.W. Smith Recreation Park and Community		Shamrock Recreation	Shamrock Community Use		Wetlands Center	Program Management/ Engineering Manager	Construction Services
	Meter Services	Building		Building	Building			
Salaries, Wages and Benefits	\$ 1,479,392	\$ 82,259	\$ 143,351	\$ -	\$ 87,611	\$ 415,184	\$ 789,066	
Operating Materials and Supplies	144,130	1,838	5,002	6,875	7,671	6,205	10,434	
Vehicle Supplies	65,592	6,462	3,202	-	243	304	9,685	
Administrative Supplies	12,776	345	2,495	463	1,268	723	2,041	
Utilities	25,284	7,747	11,451	15,209	12,458	4,966	15,452	
Maintenance and Repairs	19,013	6,172	13,566	3,259	7,414	117	1,449	
Outside Services	25,903	14,116	8,761	20,321	10,393	471,853	1,996	
Rentals	-	-	677	77	470	-	-	
Accounting Charges	-	786	-	1,878	-	-	-	
General Expenses	18,570	1,421	1,692	858	1,400	71,560	16,211	
Expenses Capitalized	(477)	-	-	-	-	(5,203)	(52,313)	
<b>Grand Total</b>	<b>\$ 1,790,183</b>	<b>\$ 121,146</b>	<b>\$ 190,197</b>	<b>\$ 48,940</b>	<b>\$ 128,928</b>	<b>\$ 965,709</b>	<b>\$ 794,021</b>	

Operating Expense	Engineering	Geographic Information System	Distribution and Conyenance Manager	Utility and Landscaping Services	Utility Locators	General Services Manager	Garage
Operating Materials and Supplies	920	3,123	25,489	95,599	32,874	2,477	11,959
Vehicle Supplies	-	2,757	3,765	26,801	16,087	193	4,580
Administrative Supplies	2,386	598	1,922	2,200	530	427	1,693
Utilities	3,503	5,442	22,247	4,141	7,476	2,510	9,985
Maintenance and Repairs	-	303	3,657	11,690	3,303	936	2,368
Outside Services	903,691	21,626	42,881	3,257	65,037	22,840	9,559
Rentals	-	-	-	-	-	-	1,169
Accounting Charges	-	-	-	-	-	-	-
General Expenses	12,210	136,806	76,225	7,035	3,930	64,500	5,055
Expenses Capitalized	-	-	(267)	-	-	-	-
<b>Grand Total</b>	<b>\$ 1,250,340</b>	<b>\$ 689,150</b>	<b>\$ 622,024</b>	<b>\$ 575,924</b>	<b>\$ 475,883</b>	<b>\$ 357,020</b>	<b>\$ 387,559</b>

Operating Expense	Warehouse	Equipment Maintenance	Grounds Right of Way Maintenance	Building Maintenance/ Projects	Miscellaneous	Total Indirect
Operating Materials and Supplies	9,341	17,927	15,762	44,709	279,025	721,360
Vehicle Supplies	1,159	19,195	12,163	16,284	1,279	189,751
Administrative Supplies	2,109	3,354	1,342	5,299	399	42,370
Utilities	25,200	60,624	8,206	6,138	-	248,039
Maintenance and Repairs	4,213	10,488	8,656	1,789	64	98,457
Outside Services	30,351	21,572	9,541	3,433	-	1,687,131
Rentals	-	816	2,282	-	-	5,491
Accounting Charges	-	-	-	-	-	2,664
General Expenses	7,811	16,314	3,545	7,606	3,562	456,311
Expenses Capitalized	(5,960)	-	-	(51)	-	(64,267)
<b>Grand Total</b>	<b>\$ 356,202</b>	<b>\$ 1,149,109</b>	<b>\$ 388,335</b>	<b>\$ 667,732</b>	<b>\$ 284,329</b>	<b>\$ 11,242,735</b>



## SCHEDULE OF OPERATING EXPENSES – ADMINISTRATIVE OPERATING EXPENSES

**Business-Type Activities**  
**Water and Sewer Fund**  
**Schedule Of Operating Expenses By Business Unit**  
**Administrative Operating Expenses**  
**For Fiscal Year Ended April 30, 2019**

Operating Expense	General Manager	Human Resources	Public Relations	Board Members	Information Technology	Contracts, Compliance, Risk Mgmt
Salaries, Wages and Benefits	\$ 736,111	\$ 5,329,423	\$ 146,155	\$ 47,498	\$ 1,481,755	\$ 561,718
Operating Materials and Supplies	181,458	20,654	34,543	125	189,787	1,111
Vehicle Supplies	631	-	-	-	46	-
Administrative Supplies	13,608	5,951	28,354	175	6,885	15,750
Utilities	61,931	11,451	1,633	3,859	240,416	4,626
Maintenance and Repairs	4,974	-	-	-	77	479
Outside Services	280,931	141,395	35,320	20,860	539,224	114,646
Rentals	880	450	6,403	-	-	1,608
Accounting Charges	-	-	-	-	-	258
General Expenses	280,741	52,200	30,874	44,600	1,075,422	1,499,979
Expenses Capitalized	(90)	(371)	-	-	(187,979)	-
<b>Grand Total</b>	<b>\$ 1,561,175</b>	<b>\$ 5,561,153</b>	<b>\$ 283,282</b>	<b>\$ 117,117</b>	<b>\$ 3,345,633</b>	<b>\$ 2,200,175</b>

Operating Expense	Finance	Customer Accounts Director	Customer Accounting	Customer Service	Water Conservation	Total Administrative
Salaries, Wages and Benefits	\$ 1,131,800	\$ 261,880	\$ 469,689	\$ 1,823,569	\$ -	\$ 11,989,598
Operating Materials and Supplies	29,104	1,045	305	100,608	34,344	593,084
Vehicle Supplies	120	-	-	-	-	797
Administrative Supplies	11,073	2,035	22,848	27,348	-	134,027
Utilities	13,393	12,554	4,278	21,283	-	375,424
Maintenance and Repairs	127	662	-	604	-	6,923
Outside Services	86,743	118,760	459,576	108,066	-	1,905,521
Rentals	-	-	3,192	-	-	12,533
Accounting Charges	-	834	2,701,030	-	-	2,702,122
General Expenses	33,336	40,082	7,157	7,470	3,362	3,075,223
Expenses Capitalized	(27,624)	(224)	-	(5,077)	-	(221,365)
<b>Grand Total</b>	<b>\$ 1,278,072</b>	<b>\$ 437,628</b>	<b>\$ 3,668,075</b>	<b>\$ 2,083,871</b>	<b>\$ 37,706</b>	<b>\$ 20,573,887</b>



SCHEDULE OF OPERATING EXPENSES – STORMWATER OPERATING EXPENSES

**Business-Type Activities**  
**Stormwater**  
**Schedule Of Operating Expenses By Business Unit**  
**Indirect and Direct Operating Expenses**  
**For Fiscal Year Ended April 30, 2019**

<b>Operating Expense</b>	<b>Stormwater Management</b>	<b>Engineering</b>	<b>Total Indirect Stormwater</b>	<b>Maintenance</b>	<b>Total Direct Stormwater</b>
Salaries, Wages and Benefits	\$ 419,112	\$ 163,180	\$ 582,292	\$ 1,147,643	\$ 1,147,643
Operating Materials and Supplies	3,316	8,216	11,532	123,147	123,147
Vehicle Supplies	204	2,446	2,650	52,368	52,368
Administrative Supplies	9,093	2,172	11,265	8,669	8,669
Utilities	8,158	5,074	13,232	14,861	14,861
Maintenance and Repairs	2,830	132	2,962	36,357	36,357
Outside Services	130,200	207,143	337,343	1,603,214	1,603,214
Rentals	-	2,180	2,180	3,668	3,668
Accounting Charges	316,235	-	316,235	-	-
General Expenses	85,984	9,283	95,267	30,870	30,870
Expenses Capitalized	(2,478)	(1,026)	(3,504)	(30,828)	(30,828)
<b>Grand Total</b>	<b>\$ 972,654</b>	<b>\$ 398,800</b>	<b>\$ 1,371,454</b>	<b>\$ 2,989,969</b>	<b>\$ 2,989,969</b>





**SCHEDULE OF CAPITAL ASSETS AND DEPRECIATION BY ASSET CLASS – WATER AND SEWER FUND**

	Capital Assets				Allowance for Depreciation				Net Book Value	
	Beginning Balance	Additions	Transfers/Splits	Deductions	Ending Balance	Beginning Balance	Additions	Transfers/Splits		Deductions
<b>Land and Easements</b>										
Land	\$ 28,613,479	\$ -	\$ -	\$ -	\$ 28,613,479	-	\$ -	\$ -	\$ -	\$ -
Easements	1,796,603	1,682	-	-	1,798,285	-	-	-	-	-
<b>Total Land and Easements</b>	<b>\$ 30,410,082</b>	<b>\$ 1,682</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 30,411,764</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 30,411,764</b>
<b>Building and Structures</b>										
Utilities Service	\$ 1,402,851	\$ -	\$ -	\$ -	\$ 1,402,851	(1,344,331)	\$ (9,103)	\$ -	\$ -	\$ (1,353,434)
Paving & Surfacing	6,209,294	170,350	-	-	6,379,644	(5,321,435)	(155,941)	-	-	(5,477,376)
Landscaping	792,093	24,083	-	-	816,176	(767,658)	(5,179)	-	-	(772,837)
Fencing	927,580	-	-	-	927,580	(876,523)	(8,456)	-	-	(884,979)
Retaining Walls	1,630,937	-	-	(3,000)	1,627,937	(504,040)	(62,790)	-	3,000	(563,830)
Outdoor Lighting	1,187,500	-	-	-	1,187,500	(1,179,469)	(2,070)	-	-	(1,181,539)
Exterior Signage	127,335	-	-	(387)	126,948	(103,165)	(3,368)	-	387	(106,146)
Site Preparation	17,749,313	-	-	-	17,749,313	(11,232,389)	(785,740)	-	-	(12,018,129)
Building & Structures	127,456,121	79,913	-	(33,165)	127,502,869	(49,255,040)	(3,049,850)	-	16,901	(52,287,989)
Building Services	8,110,112	-	-	-	8,110,112	(3,670,834)	(303,331)	-	-	(3,974,165)
Residences, Barns, Etc.	128,958	-	-	-	128,958	(87,829)	(2,489)	-	-	(90,318)
Water Tanks	6,364,150	-	-	-	6,364,150	(2,412,166)	(84,855)	-	-	(2,497,021)
Lift Stations	1,221,757	-	-	-	1,221,757	(218,840)	(16,597)	-	-	(235,437)
Metering Stations	5,350	-	-	-	5,350	(3,222)	(134)	-	-	(3,356)
Repainting of Water Tanks	170,190	-	-	-	170,190	(170,190)	-	-	-	(170,190)
Forest Park Sewer System	1,181,728	-	-	-	1,181,728	(1,181,728)	-	-	-	(1,181,728)
<b>Total Building and Structures</b>	<b>\$ 174,665,269</b>	<b>\$ 274,346</b>	<b>\$ -</b>	<b>\$ (36,552)</b>	<b>\$ 174,903,063</b>	<b>\$ (78,328,859)</b>	<b>\$ (4,489,903)</b>	<b>\$ -</b>	<b>\$ 20,288</b>	<b>\$ (82,798,474)</b>
<b>Operating/Maintenance Equipment</b>										
Pumping Equipment	\$ 11,967,828	\$ 33,799	\$ -	\$ (38,375)	\$ 11,963,252	\$ (5,482,799)	\$ (337,733)	\$ -	\$ 15,958	\$ (5,804,574)
Treatment Equipment	35,071,660	37,731	-	(227,457)	34,881,934	(14,880,029)	(938,221)	-	136,728	(15,681,522)
Monitoring/Control Equipment	28,888,162	181,128	-	(102,389)	28,966,901	(11,123,824)	(652,361)	-	58,794	(11,717,391)
Lifting/Handling Equipment	1,245,292	61,999	-	(1,950)	1,305,341	(1,150,016)	(21,023)	-	1,950	(1,169,089)
Garage Equipment	35,996	13,000	-	(6,748)	42,248	(19,646)	(5,919)	-	6,748	(18,817)
Laboratory Equipment	725,903	52,236	-	(9,216)	768,923	(536,931)	(32,101)	-	9,216	(559,816)
Landscaping Equipment	272,169	23,289	-	(774)	294,684	(205,818)	(24,877)	-	774	(229,921)
Safety Equipment	748,572	40,252	-	(6,715)	782,109	(725,774)	(9,386)	-	6,715	(728,445)
Shop/Cleaning Equipment & Tools	220,488	-	-	(8,768)	211,720	(207,779)	(3,849)	-	8,768	(202,860)
Fuel Dispensing Equipment	142,036	30,885	-	(45,160)	127,761	(134,630)	(1,728)	-	40,937	(95,421)
Containers	271,181	-	-	-	271,181	(158,334)	(14,586)	-	-	(172,920)
Marine Equipment	49,063	14,826	-	(27,000)	36,889	(49,063)	(496)	-	27,000	(22,559)
Miscellaneous Other Equipment	35,554	-	-	-	35,554	(32,964)	(1,723)	-	-	(34,687)
<b>Total Operating/Maintenance</b>	<b>\$ 79,673,904</b>	<b>\$ 489,145</b>	<b>\$ -</b>	<b>\$ (474,552)</b>	<b>\$ 79,688,497</b>	<b>\$ (34,707,607)</b>	<b>\$ (2,044,003)</b>	<b>\$ -</b>	<b>\$ 313,588</b>	<b>\$ (36,438,022)</b>
<b>Field Equipment</b>										
Construction Equipment	\$ 3,295,502	\$ 192,160	\$ (24,268)	\$ (121,011)	\$ 3,342,383	(2,913,428)	(91,785)	\$ -	\$ 121,011	(2,884,202)
Hauling Equipment	6,350	-	(6,350)	-	-	(630)	(1,058)	1,688	-	-
Drilling/Cutting Equipment	282,469	-	24,268	(9,705)	297,032	(268,754)	(23,513)	-	9,705	(282,562)
Specialized Maint Equipment	261,388	-	-	-	261,388	(183,589)	(20,539)	-	-	(204,128)
Forestry Equipment	117,680	33,800	-	-	151,480	(80,611)	(9,404)	-	-	(90,015)
Measuring/Drafting Equipment	722,371	9,730	-	(64,546)	667,555	(661,610)	(26,840)	-	64,546	(623,904)
Energy Utility Sources	12,659,722	-	-	(2,769)	12,656,953	(12,407,824)	(64,680)	-	2,769	(12,469,735)
Meters	32,001,194	1,922,207	-	(15,120)	33,908,281	(20,959,000)	(1,678,291)	-	13,883	(22,623,408)
<b>Total Field Equipment</b>	<b>\$ 49,346,676</b>	<b>\$ 2,157,897</b>	<b>\$ (6,350)</b>	<b>\$ (213,151)</b>	<b>\$ 51,285,072</b>	<b>\$ (37,475,446)</b>	<b>\$ (1,916,110)</b>	<b>\$ 1,688</b>	<b>\$ 211,914</b>	<b>\$ (39,177,954)</b>

Continued on next page





	Capital Assets				Allowance for Depreciation				Net Book Value	
	Beginning Balance	Additions	Transfers/Splits	Deductions	Ending Balance	Beginning Balance	Additions	Transfers/Splits		Deductions
<b>Road Equipment</b>										
Trucks	\$ 3,343,601	\$ -	\$ -	\$ (5,828)	\$ 3,337,773	(2,955,673)	\$ (155,589)	\$ -	\$ 5,828	\$ (3,105,434)
Trailers (Non-Forestry)	320,569	14,045	-	(20,995)	313,619	(253,049)	(20,789)	-	20,995	(252,843)
Automobiles/Pick-Ups	3,278,593	365,021	6,350	(266,146)	3,383,818	(2,253,327)	(407,095)	(1,688)	266,146	(2,395,964)
<b>Total Road Equipment</b>	<b>\$ 6,942,763</b>	<b>\$ 379,066</b>	<b>\$ 6,350</b>	<b>\$ (292,969)</b>	<b>\$ 7,035,210</b>	<b>\$ (5,462,049)</b>	<b>\$ (583,473)</b>	<b>\$ (1,688)</b>	<b>\$ 292,969</b>	<b>\$ (5,754,241)</b>
<b>Piping</b>										
Water Distribution System	\$130,738,810	\$ 1,980,549	\$ -	\$ -	\$ 132,719,359	(37,594,092)	\$ (1,752,402)	\$ -	\$ -	\$ (39,346,494)
Sewer Outfall/Col Sys/FCD MNS	161,240,328	5,787,215	-	-	167,027,543	(48,731,074)	(2,161,499)	-	-	(50,892,573)
Piping (In-Plant/Building)	45,738,199	-	-	(6,556,228)	39,181,971	(20,810,488)	(1,036,389)	-	6,050,178	(15,796,699)
Valves (In-Plant/Building)	6,394,888	12,336	-	(198,942)	6,208,282	(2,414,900)	(33,763)	-	181,700	(2,266,963)
Gates (In-Plant/Building)	1,385,748	-	-	-	1,385,748	(556,768)	(33,092)	-	-	(589,860)
Forest Park Water & Sewer Lines	4,585,997	-	-	-	4,585,997	(3,281,518)	(134,882)	-	-	(3,416,400)
In-Plant/Building/Other	1,927,130	-	-	-	1,927,130	(420,866)	(26,959)	-	-	(447,825)
<b>Total Piping</b>	<b>\$352,011,100</b>	<b>\$ 7,780,100</b>	<b>\$ -</b>	<b>\$ (6,755,170)</b>	<b>\$353,036,030</b>	<b>\$ (113,809,706)</b>	<b>\$ (5,178,986)</b>	<b>\$ -</b>	<b>\$ 6,231,878</b>	<b>\$ (112,756,814)</b>
<b>Technology and Office Equipment</b>										
Computers and Printers	\$ 42,248	\$ -	\$ (29,660)	\$ (12,588)	\$ -	\$ (41,212)	\$ (1,036)	\$ 29,660	\$ 12,588	\$ -
Data Processing Equipment	12,618,369	571,630	69,173	(1,716,148)	11,543,024	(9,239,806)	(663,573)	(88,051)	1,706,008	(8,285,422)
Audio-Visual Equipment	145,509	-	(133,657)	(11,852)	-	(132,702)	(3,174)	124,024	11,852	-
Photo Copying Equipment	154,507	-	(62,163)	(92,344)	-	(136,627)	(9,442)	53,725	92,344	-
Communication Equipment	928,619	27,317	-	(213,585)	742,351	(758,390)	(41,653)	-	211,951	(588,092)
Miscellaneous Equipment	8,565	-	-	(2,500)	6,065	(7,853)	(203)	-	2,500	(5,556)
Video Equipment	602,117	35,577	133,657	(34,764)	736,587	(534,705)	(34,940)	(124,025)	34,434	(659,236)
<b>Total Technology and Office Equipment</b>	<b>\$ 14,499,934</b>	<b>\$ 607,207</b>	<b>\$ 4,667</b>	<b>\$ (2,083,781)</b>	<b>\$ 13,028,027</b>	<b>\$ (10,851,295)</b>	<b>\$ (754,021)</b>	<b>\$ (4,667)</b>	<b>\$ 2,071,677</b>	<b>\$ (9,538,306)</b>
<b>Furniture and Fixtures</b>										
Desks, Tables, & Racks	\$ 802,552	\$ 62,490	\$ -	\$ (45,289)	\$ 819,753	(711,432)	(21,638)	\$ -	\$ 45,289	\$ (687,781)
Seating	134,824	-	-	(9,388)	125,436	(117,875)	(3,036)	-	9,388	(111,523)
Storage Units	350,228	-	-	(10,225)	340,003	(323,359)	(7,390)	-	10,189	(320,560)
Shelving	32,391	-	-	-	32,391	(32,001)	(335)	-	-	(32,336)
Aerial Photos, Misc	357,656	1,709	-	(1,707)	357,658	(242,697)	(5,088)	-	1,707	(246,078)
Appliances	672,299	-	-	(18,652)	653,647	(634,282)	(9,039)	-	18,629	(624,692)
<b>Total Furniture and Fixtures</b>	<b>\$ 2,349,950</b>	<b>\$ 64,199</b>	<b>\$ -</b>	<b>\$ (85,261)</b>	<b>\$ 2,328,888</b>	<b>\$ (2,061,646)</b>	<b>\$ (46,526)</b>	<b>\$ -</b>	<b>\$ 85,202</b>	<b>\$ (2,022,970)</b>
<b>System Franchises, Engineering Studies</b>										
Non-Tangibles	\$ 70,613,535	\$ 4,149,916	\$ -	\$ -	\$ 74,763,451	(31,822,813)	(2,297,940)	\$ -	\$ -	\$ (34,120,753)
<b>Total System and Engineering Studies</b>	<b>\$ 70,613,535</b>	<b>\$ 4,149,916</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 74,763,451</b>	<b>\$ (31,822,813)</b>	<b>\$ (2,297,940)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (34,120,753)</b>
<b>Total All Classes</b>	<b>\$780,513,213</b>	<b>\$15,903,558</b>	<b>\$ 4,667</b>	<b>\$ (9,941,436)</b>	<b>\$786,480,002</b>	<b>\$ (314,519,421)</b>	<b>\$ (17,310,962)</b>	<b>\$ (4,667)</b>	<b>\$ 9,227,516</b>	<b>\$ (322,607,534)</b>
Construction In Progress	32,485,037	35,173,101	-	(11,447,814)	56,210,324	-	-	-	-	-
<b>TOTAL CAPITAL ASSETS</b>	<b>\$812,998,250</b>	<b>\$51,076,659</b>	<b>\$ 4,667</b>	<b>\$ (21,389,250)</b>	<b>\$842,690,326</b>	<b>\$ (314,519,421)</b>	<b>\$ (17,310,962)</b>	<b>\$ (4,667)</b>	<b>\$ 9,227,516</b>	<b>\$ (322,607,534)</b>



SCHEDULE OF CAPITAL ASSETS AND DEPRECIATION BY DEPARTMENT – WATER AND SEWER FUND

	Capital Assets					Allowance for Depreciation					Net Book Value
	Beginning Balance	Additions	Transfers/Splits	Deductions	Ending Balance	Beginning Balance	Additions	Transfers/Splits	Deductions	Ending Balance	
<b>Administrative</b>											
General Manager	\$ 12,756,751	\$ 429,710	\$ (75,046)	\$ (5,051)	\$ 13,106,364	\$ (4,880,148)	\$ (345,213)	\$ 73,545	\$ 4,721	\$ (5,147,095)	\$ 7,959,269
Human Resources	130,464	371	7,269	(659)	137,445	(100,606)	(3,717)	(6,207)	659	(109,871)	27,574
Public Relations	63,370	8,935	(31,442)	-	40,863	(47,927)	(1,120)	16,301	-	(32,746)	8,117
Board Member	36,901	-	(6,620)	-	30,281	(29,231)	(1,274)	5,372	-	(25,133)	5,148
Information Services	8,199,145	404,887	52,997	(33,372)	8,623,657	(5,695,521)	(505,158)	(57,243)	33,041	(6,224,881)	2,398,776
Risk Management	158,818	-	(3,735)	(896)	154,187	(34,260)	(8,225)	2,524	896	(39,065)	115,122
Finance	262,974	27,624	4,044	-	294,642	(236,043)	(5,056)	(4,242)	-	(245,341)	49,301
Customer Accounts Director	398,716	9,577	55,865	-	464,158	(85,355)	(33,216)	743	-	(159,434)	304,724
Meter Reading & Repair	1,109,742	103,612	(801)	(215,012)	997,541	(694,141)	(114,581)	684	213,512	(594,526)	403,015
Customer Accounting	1,583,919	-	(801)	(743)	1,582,375	(1,539,714)	(8,426)	676	792	(1,546,721)	35,654
Customer Service	560,597	40,577	(31,241)	(11,723)	558,210	(188,892)	(36,869)	19,251	7,292	(199,218)	358,992
Warehouse	426,616	220,064	(8,267)	(58,754)	579,659	(335,554)	(29,716)	7,187	52,234	(305,849)	273,810
<b>Total Administrative</b>	<b>\$ 25,688,013</b>	<b>\$ 1,245,357</b>	<b>\$ (37,778)</b>	<b>\$ (326,210)</b>	<b>\$ 26,569,382</b>	<b>\$ (13,867,392)</b>	<b>\$ (1,092,571)</b>	<b>\$ 16,985</b>	<b>\$ 313,098</b>	<b>\$ (14,629,880)</b>	<b>\$ 11,939,502</b>
<b>Water Reclamation</b>											
Water Reclamation DM	\$ 643,706	-	-	\$ (7,680)	\$ 636,026	\$ (294,044)	\$ (16,440)	\$ -	\$ 7,680	\$ (302,804)	\$ 333,222
WB Casey Sr WPCP	72,362,828	3,481,176	10,030	(62,793)	75,791,241	(30,940,768)	(1,946,993)	(10,280)	40,189	(32,857,852)	42,933,389
NE Clayton WPCP	67,346,504	159,034	(12,302)	(48,634)	67,444,602	(26,654,100)	(2,122,023)	12,302	26,752	(28,737,069)	38,707,533
NE Solids Handling	3,530,776	-	-	(2,813)	3,527,963	(1,704,151)	(100,228)	-	2,813	(1,801,566)	1,726,397
Shoal Creek WRP	33,795,287	84,617	(10,120)	(19,085)	33,850,699	(13,172,022)	(519,171)	10,120	12,005	(13,669,068)	20,181,631
Shoal Creek Solids Handling	4,446,640	-	-	-	4,446,640	(1,480,478)	(123,595)	-	-	(1,604,073)	2,842,567
Transfer Pump Station	7,976,817	-	-	-	7,976,817	(4,963,882)	(172,195)	-	-	(5,136,077)	2,840,740
Laboratory/Environmental Comp.	603,630	6,517	(801)	-	609,346	(515,406)	(9,050)	676	-	(523,780)	85,566
Sludge Pelletizing	10,030,699	3,124	(12,368)	(3,920)	10,017,535	(4,789,631)	(284,256)	(3,989)	1,617	(5,076,259)	4,941,276
Influent Pump Station	2,140,161	-	-	-	2,140,161	(1,100,203)	(49,378)	-	-	(1,149,581)	990,580
Natural Treatment Operations	64,568,755	238,384	(18,418)	(6,878,001)	57,910,720	(26,038,030)	(1,236,332)	18,418	6,356,468	(20,899,476)	37,011,244
<b>Total Water Reclamation</b>	<b>\$ 267,445,803</b>	<b>\$ 3,972,852</b>	<b>\$ (43,979)</b>	<b>\$ (7,022,926)</b>	<b>\$ 264,351,750</b>	<b>\$ (111,652,715)</b>	<b>\$ (6,579,661)</b>	<b>\$ 27,247</b>	<b>\$ 6,447,524</b>	<b>\$ (111,757,605)</b>	<b>\$ 152,594,145</b>
<b>Distribution and Conveyance</b>											
Distribution and Conveyance Manager	\$ 2,058,298	\$ 267	\$ 33,823	\$ (4,503)	\$ 2,087,885	\$ (1,485,784)	\$ (35,967)	\$ (29,281)	\$ 4,430	\$ (1,546,602)	\$ 541,283
Meter Installation	3,449,582	1,027,004	-	(674)	4,475,912	(550,558)	(258,247)	-	736	(808,069)	3,667,843
Water Line Maintenance	156,406,538	2,935,897	129,388	(28,850)	159,442,973	(57,667,673)	(2,795,453)	5,987	28,844	(60,428,295)	99,014,678
Meter & Backflow Testing	4,453,312	1,783	(1,225)	(74,329)	4,379,541	(1,162,918)	(301,787)	1,034	74,329	(1,389,342)	2,990,199
Leak Detection & Repair	231,494	9,730	2,105	(854)	242,475	(83,585)	(21,277)	854	854	(106,063)	136,412
Backflow Testing and Repair	4,498,252	35,468	-	(25,004)	4,508,716	(3,569,763)	(306,666)	-	24,998	(3,851,431)	657,285
Utility & Landscaping Services	507,886	28,382	(21,389)	(24,948)	489,931	(289,333)	(59,290)	21,389	24,948	(302,286)	187,645
Sewer Tap Maintenance	167,349,243	5,997,956	(186,236)	(20,555)	173,140,408	(52,439,033)	(2,406,002)	45,507	20,482	(54,779,046)	118,361,362
Sewer Rehabilitation	2,085,715	56,089	22,718	(6,937)	2,157,585	(1,732,344)	(110,561)	(21,472)	6,849	(1,857,528)	300,057
Water & Sewer Locators	238,528	28,382	(31,069)	(24,801)	211,040	(201,221)	(16,226)	31,069	24,801	(161,577)	49,463
<b>Total Distribution and Conveyance</b>	<b>\$ 341,278,848</b>	<b>\$ 10,120,958</b>	<b>\$ (51,885)</b>	<b>\$ (211,455)</b>	<b>\$ 351,136,466</b>	<b>\$ (119,182,212)</b>	<b>\$ (6,311,426)</b>	<b>\$ 52,128</b>	<b>\$ 211,271</b>	<b>\$ (125,230,239)</b>	<b>\$ 225,906,227</b>

Continued on next page

IV. Supplementary Information



	Capital Assets					Allowance for Depreciation					Net Book Value	
	Beginning Balance	Additions	Transfers/Splits	Deductions	Ending Balance	Beginning Balance	Additions	Transfers/Splits	Deductions	Ending Balance		
<b>Water Production</b>												
Water Production Manager	\$ 521,972	\$ -	\$ -	\$ (7,706)	\$ 514,266	\$ (301,035)	\$ (14,677)	\$ -	\$ 7,706	\$ (308,006)	\$ 206,260	
Water Production O&M Support	50,146	32,500	-	-	82,646	(48,954)	(275)	-	-	(49,229)	33,417	
WJ Hooper Water Plant	41,502,147	51,706	(12,318)	(652)	41,540,883	(15,668,237)	(1,169,833)	12,318	652	(16,825,100)	24,715,783	
Morrow Pumping Station	2,444,017	-	240	-	2,444,257	(705,160)	(78,658)	(44)	-	(783,862)	1,660,395	
Noah's Ark Pumping Station	4,569,697	-	15,686	-	4,585,383	(2,247,607)	(91,560)	(10,195)	-	(2,349,362)	2,236,021	
Elevated Tanks	3,884,528	5,631	-	-	3,890,159	(1,752,879)	(68,508)	-	-	(1,821,387)	2,068,772	
JW Smith Water Plant	22,598,799	-	-	-	22,598,799	(11,727,014)	(418,929)	-	-	(12,145,943)	10,452,856	
Bialock Jr Reservoir	3,852,866	-	-	-	3,852,866	(1,695,622)	(27,788)	-	-	(1,723,410)	2,129,456	
Jonesboro Pumping Station	2,101,516	-	-	-	2,101,516	(1,015,609)	(43,582)	-	-	(1,059,191)	1,042,325	
Forest Park Pumping Station	458,065	-	38,128	-	496,193	(395,485)	(3,292)	(38,128)	-	(436,905)	59,288	
Shoal Creek Reservoir	8,921,808	-	-	-	8,921,808	(3,345,415)	(143,611)	-	-	(3,489,026)	5,432,782	
Terry Hicks Water Plant	24,289,946	-	(14,987)	(13,000)	24,261,959	(13,228,032)	(333,683)	9,496	13,000	(13,539,219)	10,722,740	
Well Program	568,541	-	-	-	568,541	(181,638)	(14,896)	-	-	(196,534)	372,007	
Water Quality Lab	328,548	53,070	-	(50,122)	331,496	(225,419)	(18,796)	-	50,122	(194,093)	137,403	
J.W. Smith Recreation Park	382,448	-	-	(1,944)	380,504	(269,652)	(12,097)	-	1,944	(279,805)	100,699	
Lake Shamrock Recreation	953,003	10,787	(33,631)	(774)	929,385	(769,105)	(25,010)	33,631	774	(759,710)	169,675	
Shamrock Community Use Bldg	598,136	-	-	(9,508)	588,628	(391,976)	(15,890)	-	9,508	(398,358)	190,270	
Wetland Center	804,432	-	(869)	-	803,563	(593,285)	(12,917)	588	-	(605,614)	197,949	
<b>Total Water Production</b>	<b>\$ 118,830,615</b>	<b>\$ 153,694</b>	<b>\$ (7,751)</b>	<b>\$ (83,706)</b>	<b>\$ 118,892,852</b>	<b>\$ (54,562,124)</b>	<b>\$ (2,494,002)</b>	<b>\$ 7,666</b>	<b>\$ 83,706</b>	<b>\$ (56,964,754)</b>	<b>\$ 61,928,098</b>	
<b>Engineering</b>												
Program Mgt & Eng/DM	\$ 1,090,374	\$ 304,604	\$ (806)	\$ -	\$ 1,394,172	\$ (337,152)	\$ (45,798)	\$ 770	\$ -	\$ (382,180)	\$ 1,011,992	
Watershed Protection	1,037,938	-	-	-	1,037,938	(524,522)	(34,598)	-	-	(559,120)	478,818	
Program Management	5,202,653	449	922	(814)	5,203,210	(2,126,808)	(203,642)	(1,139)	814	(2,330,775)	2,872,435	
Drafting & Mapping	216,895	-	(24,809)	(1,435)	190,651	(192,624)	(2,894)	24,809	1,435	(169,274)	21,377	
Geographic Info System	1,116,200	1,709	(9,011)	(134)	1,108,764	(651,434)	(55,071)	9,011	134	(697,360)	411,404	
<b>Total Engineering</b>	<b>\$ 8,664,060</b>	<b>\$ 306,762</b>	<b>\$ (33,704)</b>	<b>\$ (2,383)</b>	<b>\$ 8,934,735</b>	<b>\$ (3,832,540)</b>	<b>\$ (342,003)</b>	<b>\$ 33,451</b>	<b>\$ 2,383</b>	<b>\$ (4,138,709)</b>	<b>\$ 4,796,026</b>	
<b>General Services</b>												
General Services/DM	\$ 1,294,535	\$ 793	\$ (1,017)	\$ (7,534)	\$ 1,286,777	\$ (521,232)	\$ (39,528)	\$ 1,017	\$ 7,534	\$ (552,209)	\$ 734,568	
Sewage Lift Station	11,738,969	-	18,306	(10,000)	11,747,275	(6,004,845)	(297,042)	(9,387)	10,000	(6,301,274)	5,446,001	
Garage	453,807	13,000	27,822	(47,063)	447,566	(409,218)	(9,762)	(27,822)	46,113	(400,689)	46,877	
Equipment Maintenance	1,320,437	53,555	70,919	(11,332)	1,433,579	(1,127,214)	(59,230)	(46,072)	11,332	(1,221,184)	212,395	
Grounds/Right-of-Way Maint	544,975	36,587	-	-	581,562	(437,045)	(23,082)	-	-	(460,127)	121,435	
Building Maint/Projects	978,771	-	(59,152)	(248)	919,371	(792,178)	(42,134)	53,309	248	(780,755)	138,616	
Miscellaneous	2,274,380	-	122,886	(2,218,579)	1,78,687	(2,130,706)	(20,521)	(113,189)	2,094,307	(170,109)	8,578	
<b>Total General Services</b>	<b>\$ 18,605,874</b>	<b>\$ 103,935</b>	<b>\$ 179,764</b>	<b>\$ (2,294,756)</b>	<b>\$ 16,594,817</b>	<b>\$ (11,422,438)</b>	<b>\$ (491,299)</b>	<b>\$ (142,144)</b>	<b>\$ 2,169,534</b>	<b>\$ (9,886,347)</b>	<b>\$ 6,708,470</b>	
<b>Total All Departments</b>	<b>\$ 780,513,213</b>	<b>\$ 15,903,558</b>	<b>\$ 4,667</b>	<b>\$ (9,941,436)</b>	<b>\$ 786,480,002</b>	<b>\$ (314,519,421)</b>	<b>\$ (17,310,962)</b>	<b>\$ (4,667)</b>	<b>\$ 9,227,516</b>	<b>\$ (322,607,534)</b>	<b>\$ 463,872,468</b>	
<b>Construction In Progress</b>	<b>32,485,037</b>	<b>35,173,101</b>	<b>-</b>	<b>(11,447,814)</b>	<b>56,210,324</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>56,210,324</b>	
<b>TOTAL CAPITAL ASSETS</b>	<b>\$ 812,998,250</b>	<b>\$ 51,076,659</b>	<b>\$ 4,667</b>	<b>\$ (21,389,250)</b>	<b>\$ 842,690,326</b>	<b>\$ (314,519,421)</b>	<b>\$ (17,310,962)</b>	<b>\$ (4,667)</b>	<b>\$ 9,227,516</b>	<b>\$ (322,607,534)</b>	<b>\$ 520,082,792</b>	



**SCHEDULE OF CAPITAL ASSETS AND DEPRECIATION BY ASSET CLASS – STORMWATER FUND**

	Capital Assets				Allowance for Depreciation				Net Book Value	
	Beginning Balance	Additions	Transfers/Splits	Deductions	Ending Balance	Beginning Balance	Additions	Transfers/Splits		Deductions
<b>Land and Easements</b>										
Land	\$ 797,804	\$ -	\$ -	\$ -	\$ 797,804	\$ -	\$ -	\$ -	\$ -	\$ -
Easements	20,038	407,974	-	(200,000)	228,012	-	-	-	-	-
Dams/Earthen Embankment	747,000	-	-	-	747,000	-	-	-	-	-
<b>Total Land and Easements</b>	<b>\$ 1,564,842</b>	<b>\$ 407,974</b>	<b>\$ -</b>	<b>\$ (200,000)</b>	<b>\$ 1,772,816</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Building and Structures</b>										
Fencing	\$ 20,310	\$ -	\$ -	\$ -	\$ 20,310	\$ (12,795)	\$ (1,745)	\$ -	\$ -	\$ (14,540)
Outdoor Lighting	4,807	-	-	-	4,807	(2,203)	(481)	-	-	(2,684)
Exterior Signing	595	-	-	-	595	(594)	-	-	-	(1)
Building & Structures	701,881	-	-	-	701,881	(165,892)	(17,547)	-	-	(183,439)
Building Services	10,831	-	-	-	10,831	(3,952)	(433)	-	-	(4,385)
<b>Total Building and Structures</b>	<b>\$ 738,424</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 738,424</b>	<b>\$ (185,436)</b>	<b>\$ (20,206)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (205,642)</b>
<b>Operating/Maintenance Equipment</b>										
Pumping Equipment	\$ 48,242	\$ -	\$ -	\$ -	\$ 48,242	\$ (36,418)	\$ (5,335)	\$ -	\$ -	\$ (41,753)
Treatment Equipment	-	-	-	-	-	-	-	-	-	-
Monitoring/Control Equipment	28,904	-	-	-	28,904	(8,806)	(963)	-	-	(9,769)
Lifting/Handling Equipment	-	-	-	-	-	-	-	-	-	-
Garage Equipment	-	-	-	-	-	-	-	-	-	-
Laboratory Equipment	33,513	-	-	-	33,513	(32,998)	(515)	-	-	(33,513)
Safety Equipment	19,014	-	-	-	19,014	(18,848)	(166)	-	-	(19,014)
Shop/Cleaning Equipment & Tools	3,825	-	-	-	3,825	(3,825)	-	-	-	-
Miscellaneous Other Equipment	2,837	-	-	-	2,837	(2,837)	-	-	-	-
<b>Total Operating/Maintenance Equipment</b>	<b>\$ 136,335</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 136,335</b>	<b>\$ (103,732)</b>	<b>\$ (6,979)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (110,711)</b>
<b>Field Equipment</b>										
Construction Equipment	\$ 722,480	\$ 365,997	\$ (5,780)	\$ -	\$ 1,082,697	\$ (615,897)	\$ (53,694)	\$ 5,780	\$ -	\$ (663,811)
Drilling/Cutting Equipment	8,687	-	5,780	-	14,467	(8,672)	(15)	(5,780)	-	(14,467)
Specialized Maint Equipment	18,222	-	-	-	18,222	(18,222)	-	-	-	-
Measuring/Drafting Equipment	14,056	-	-	-	14,056	(14,056)	-	-	-	-
Energy Utility Sources	1,914	-	-	-	1,914	(1,042)	(30)	-	-	(1,072)
<b>Total Field Equipment</b>	<b>\$ 765,359</b>	<b>\$ 365,997</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,131,356</b>	<b>\$ (657,889)</b>	<b>\$ (53,739)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (711,628)</b>
<b>Road Equipment</b>										
Trucks	\$ 1,167,589	\$ -	\$ -	\$ -	\$ 1,167,589	\$ (738,210)	\$ (97,364)	\$ -	\$ -	\$ (835,574)
Trailers (Non-Forestry)	44,127	27,939	-	(20,867)	51,199	(31,145)	(6,607)	-	20,867	(16,885)
Automobiles/Pick-Ups	147,894	27,030	-	-	174,924	(108,337)	(18,523)	-	-	(126,860)
<b>Total Road Equipment</b>	<b>\$ 1,359,610</b>	<b>\$ 54,969</b>	<b>\$ -</b>	<b>\$ (20,867)</b>	<b>\$ 1,393,712</b>	<b>\$ (877,692)</b>	<b>\$ (122,494)</b>	<b>\$ -</b>	<b>\$ 20,867</b>	<b>\$ (979,319)</b>
<b>Piping</b>										
Stormwater Infrastructure	\$ 133,283,823	\$ 4,227,257	\$ -	\$ -	\$ 137,511,080	\$ (90,739,009)	\$ (3,161,204)	\$ -	\$ -	\$ (93,900,213)
<b>Total Piping</b>	<b>\$ 133,283,823</b>	<b>\$ 4,227,257</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 137,511,080</b>	<b>\$ (90,739,009)</b>	<b>\$ (3,161,204)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (93,900,213)</b>
<b>Total</b>	<b>\$ 4,133,283,823</b>	<b>\$ 4,227,257</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 4,133,283,823</b>	<b>\$ (1,333,283,823)</b>	<b>\$ (1,333,283,823)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

Continued on next page



	Capital Assets				Allowance for Depreciation				Net Book Value		
	Beginning Balance	Additions	Transfers/ Splits	Deductions	Ending Balance	Beginning Balance	Additions	Transfers/ Splits		Deductions	Ending Balance
<b>Technology and Office Equipment</b>											
Computers and Printers	\$ 19,852	\$ 12,329	\$ (4,667)	\$ (230)	\$ 27,284	\$ (17,726)	\$ (873)	\$ 4,667	\$ 230	\$ (13,702)	\$ 13,582
Audio-Visual Equipment	472	-	(472)	-	-	(472)	-	472	-	-	-
Photo Copying Equipment	7,679	-	-	(7,681)	(2)	(7,445)	-	-	7,680	235	233
Communication Equipment	24,032	-	-	-	24,032	(17,404)	(1,602)	-	-	(19,006)	5,026
Video Equipment	36,273	-	472	-	36,745	(29,810)	(3,101)	(472)	-	(33,383)	3,362
<b>Total Technology and Office Equipment</b>	<b>\$ 88,308</b>	<b>\$ 12,329</b>	<b>\$ (4,667)</b>	<b>\$ (7,911)</b>	<b>\$ 88,059</b>	<b>\$ (72,857)</b>	<b>\$ (5,576)</b>	<b>\$ 4,667</b>	<b>\$ 7,910</b>	<b>\$ (65,856)</b>	<b>\$ 22,203</b>
<b>Furniture and Fixtures</b>											
Desks, Tables, Racks, Seating	\$ 15,062	\$ -	\$ -	\$ -	\$ 15,062	\$ (13,814)	\$ (387)	\$ -	\$ -	\$ (14,201)	\$ 861
Storage Units	13,600	-	-	-	13,600	(10,884)	(1,073)	-	-	(11,957)	1,643
Aerial Maps, Décor, Plants	20,425	39,994	-	-	60,419	(10,932)	(2,843)	-	-	(13,775)	46,644
Appliances	12,810	-	-	-	12,810	(7,436)	(979)	-	-	(8,415)	4,395
<b>Total Furniture and Fixtures</b>	<b>\$ 61,897</b>	<b>\$ 39,994</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 101,891</b>	<b>\$ (43,066)</b>	<b>\$ (5,282)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (48,348)</b>	<b>\$ 53,543</b>
<b>System Franchises, Engineering Studies</b>											
Non-Tangibles	\$ 207,674	\$ 473,275	\$ -	\$ -	\$ 680,949	\$ (27,592)	\$ (6,922)	\$ -	\$ -	\$ (34,514)	\$ 646,435
<b>Total System and Engineering Studies</b>	<b>\$ 207,674</b>	<b>\$ 473,275</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 680,949</b>	<b>\$ (27,592)</b>	<b>\$ (6,922)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (34,514)</b>	<b>\$ 646,435</b>
<b>Total Before Construction in Progress</b>	<b>\$ 138,206,272</b>	<b>\$ 5,581,795</b>	<b>\$ (4,667)</b>	<b>\$ (228,778)</b>	<b>\$ 143,554,622</b>	<b>\$ (92,707,273)</b>	<b>\$ (3,382,402)</b>	<b>\$ 4,667</b>	<b>\$ 28,777</b>	<b>\$ (96,056,231)</b>	<b>\$ 47,498,391</b>
<b>Construction in Progress</b>	<b>\$ 1,440,666</b>	<b>\$ 4,016,223</b>	<b>\$ -</b>	<b>\$ (4,157,808)</b>	<b>\$ 1,299,081</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,299,081</b>
<b>TOTAL CAPITAL ASSETS</b>	<b>\$ 139,646,938</b>	<b>\$ 9,598,018</b>	<b>\$ (4,667)</b>	<b>\$ (4,386,586)</b>	<b>\$ 144,853,703</b>	<b>\$ (92,707,273)</b>	<b>\$ (3,382,402)</b>	<b>\$ 4,667</b>	<b>\$ 28,777</b>	<b>\$ (96,056,231)</b>	<b>\$ 48,797,472</b>

SCHEDULE OF CAPITAL ASSETS AND DEPRECIATION BY DEPARTMENT – STORMWATER FUND

	Capital Assets				Allowance for Depreciation				Net Book Value		
	Beginning Balance	Additions	Transfers/ Splits	Deductions	Ending Balance	Beginning Balance	Additions	Transfers/ Splits		Deductions	Ending Balance
<b>Stormwater</b>											
Management	\$ 2,410,972	\$ 515,746	\$ (1,716)	\$ (7,680)	\$ 2,917,322	\$ (262,014)	\$ (27,137)	\$ 1,716	\$ 7,680	\$ (279,755)	\$ 2,637,567
Engineering	144,375	1,026	-	(230)	145,171	(97,602)	(8,376)	-	230	(105,748)	39,423
Maintenance	135,650,925	5,065,023	(2,951)	(220,868)	140,492,129	(92,347,657)	(3,346,889)	2,951	20,867	(95,670,728)	44,821,401
<b>Total Stormwater</b>	<b>\$ 138,206,272</b>	<b>\$ 5,581,795</b>	<b>\$ (4,667)</b>	<b>\$ (228,778)</b>	<b>\$ 143,554,622</b>	<b>\$ (92,707,273)</b>	<b>\$ (3,382,402)</b>	<b>\$ 4,667</b>	<b>\$ 28,777</b>	<b>\$ (96,056,231)</b>	<b>\$ 47,498,391</b>
<b>Construction in Progress</b>	<b>1,440,666</b>	<b>4,016,223</b>	<b>-</b>	<b>(4,157,808)</b>	<b>1,299,081</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,299,081</b>
<b>TOTAL CAPITAL ASSETS</b>	<b>\$ 139,646,938</b>	<b>\$ 9,598,018</b>	<b>\$ (4,667)</b>	<b>\$ (4,386,586)</b>	<b>\$ 144,853,703</b>	<b>\$ (92,707,273)</b>	<b>\$ (3,382,402)</b>	<b>\$ 4,667</b>	<b>\$ 28,777</b>	<b>\$ (96,056,231)</b>	<b>\$ 48,797,472</b>



## DEBT SERVICE ACCOUNTS

The various bond resolutions require the creation of accounts designated as Water and Sewerage System Sinking Funds to receive and disburse funds for principal and interest on the bonds and for maintain designated reserves.

The resolutions require monthly transfers into these accounts, which are sufficient to pay the principal of and interest on the bonds, as each mature in each current year. In addition, a debt service reserve must be maintained with a minimum balance governed by the 2013 Bond Series resolutions.

Disbursements made from the Sinking Fund account are restricted to payment for interest, principal at maturity, redemption prior to maturity and paying agent fees.

Funds may be invested in securities which are direct and general obligations of the United States or are guaranteed by the United States as to both principal and interest and which mature within 24 months after the date of purchase or in other securities which are 100% insured or collateralized by United States direct and general obligations.

## SCHEDULE OF RESTRICTED ASSETS AND RELATED PAYABLES – DEBT SERVICE ACCOUNTS

**Clayton County Water Authority**  
**Business-Type Activities**  
**Water and Sewer Fund**  
**Debt Service Accounts**  
**Schedule of Restricted Assets and Related Payables**  
**April 30, 2019**

Current Assets:		
Restricted Assets:		
Cash and Cash Equivalents		\$ 19,165,115
Noncurrent Assets:		
Restricted Assets:		
Cash and Cash Equivalents		21,758,292
Interest Receivable		76,020
Total Restricted Assets - Debt Service		<u>\$ 40,999,427</u>
Current Liabilities Payable From		
Restricted Assets:		
Accounts Payable		\$ -
Accrued Interest, due May 1		1,905,115
Current Portion of Principal		<u>17,260,000</u>
Total Current Liabilities Payable From Restricted Assets		<u>\$ 19,165,115</u>

*NOTE: All outstanding bonds issued 2011 through 2014 rank on a parity with each other and have as security for their payment a first lien on the net revenues of the Authority's Water and Sewer Fund.*



**SCHEDULE OF CHANGES IN RESTRICTED ASSETS – DEBT SERVICE ACCOUNTS**

**Clayton County Water Authority  
Business-Type Activities  
Water and Sewer Fund  
Debt Service Accounts  
Schedule of Changes in Restricted Assets  
For The Fiscal Year Ended April 30, 2019**

Beginning Balance, May 1	\$ 39,483,050
Increases:	
Interest Earned	\$ 638,182
Transfers from Operating Account	20,880,828
Total Increases	<u>\$ 21,519,010</u>
Decreases:	
Revenue Bond Interest Paid	\$ 4,004,093
Revenue Bond Principal Paid	15,995,000
Paying Agent and Trustee Fees	3,540
Total Decreases	<u>\$ 20,002,633</u>
Ending Balance, April 30	<u><u>\$ 40,999,427</u></u>





## SCHEDULE OF REVENUE BONDS PAYABLE

Revenue Bonds	Interest Rates	Payment Dates	Issue Date	Maturity Date	Annual Payments		Amount of Bonds		
					Maximum	Minimum	Issued	Retired	Outstanding
2011 Series	2.00 - 5.00%	5-1:11-1	2011	2020	2,325,000	1,485,000	13,190,000	8,625,000	4,565,000
2012 Series	3.00 - 5.00%	5-1:11-1	2012	2023	19,565,000	-	56,235,000	-	56,235,000
2013a Series	4.00 - 5.00%	5-1:11-1	2013	2020	13,580,000	3,435,000	17,015,000	-	17,015,000
2013b Series	0.40 - 1.80%	5-1:11-1	2013	2019	11,585,000	2,735,000	47,895,000	36,310,000	11,585,000
<b>Total</b>							<b>\$ 134,335,000</b>	<b>\$ 44,935,000</b>	<b>\$ 89,400,000</b>

### NOTES TO SCHEDULE OF BONDS PAYABLE:

The maturity date for all bonds is May 1.

The 2011 Water and Sewerage Refunding Revenue Bonds partially refunded the 2003 Series Bonds.

The 2012 Water and Sewerage Refunding Revenue Bonds partially refunded the 2005 Series Bonds.

The 2013a Water and Sewerage Refunding Revenue Bonds fully refunded the 2003 Series Bonds.

The 2013b Water and Sewerage Refunding Revenue Bonds partially refunded the 2004 Series Bonds.

### RENEWAL AND EXTENSION ACCOUNT

A Renewal and Extension account is maintained to ensure that funds are available for plant renewal and replacement. The bond resolutions state that \$1,500,000 is the minimum amount required in the account.

The \$1,500,000 is restricted by the bond resolutions to the following uses:

- An emergency having a major effect upon the water and sewerage system, caused by an extraordinary occurrence, and provided the Revenue Fund has insufficient money to meet the emergency;
- Making replacement, additions, extension and improvements deemed reasonable and necessary and in the best interest of the Authority and bondholders, provided the consulting engineer's recommendations and written approval has first been obtained; and
- Paying bond principal and interest falling due at any time when money is not available in the Debt Service Account.




**SCHEDULE OF RESTRICTED ASSETS AND RELATED PAYABLES – RENEWAL AND EXTENSION ACCOUNT**

**Business-Type Activities**  
**Water and Sewer Fund**  
**Renewal and Extension Account**  
**Schedule of Restricted Assets and Related Payables**  
**April 30, 2019**

Current Assets:	
Restricted Assets:	
Cash and Cash Equivalents	\$ 1,445,978
Noncurrent Assets:	
Restricted Assets:	
Cash and Cash Equivalents	70,482,063
Total Restricted Assets - Renewal And Extension Account	<u>\$ 71,928,041</u>
Current Liabilities Payable From Restricted Assets:	
Accounts Payable	\$ 1,445,978
Total Current Liabilities Payable From Restricted Assets	<u>\$ 1,445,978</u>

**SCHEDULE OF CHANGES IN RESTRICTED ASSETS – RENEWAL AND EXTENSION ACCOUNT**

**Business-Type Activities**  
**Water and Sewer Fund**  
**Renewal and Extension Account**  
**Schedule of Changes in Restricted Assets**  
**For The Fiscal Year Ended April 30, 2019**

Beginning Balance, May 1, 2018	\$ 77,237,375
Increases:	
Interest Earned	\$ 74,515
Contributions From Subdividers	1,891,142
Contributions From General Operations	21,739,321
Total Increases	<u>\$ 23,704,978</u>
Decreases:	
Capital Expenditures	\$ 29,014,312
Ending Balance, April 30, 2019	<u>\$ 71,928,041</u>



# STATISTICAL SECTION INDEX

## SCHEDULES 1-28





## STATISTICAL SECTION INDEX

This part of the Clayton County Water Authority's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements and note disclosures says about the Authority's financial health.

### Financial Trends Page 125

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

### Revenue Capacity Page 131

These schedules contain information to help the reader assess the factors affecting the Authority's ability to generate its user service charges.

### Debt Capacity Page 145

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

### Demographic and Economic Information Page 147

These schedules offer demographic and economic indicators to help the reader understand the socioeconomic environment within which the Authority's financial activities take place and to help make comparisons over time and with other entities.

### Operating Information Page 149

These schedules contain information about the Authority's operations and resources to help the user understand how the Authority's financial information relates to the services it provides.

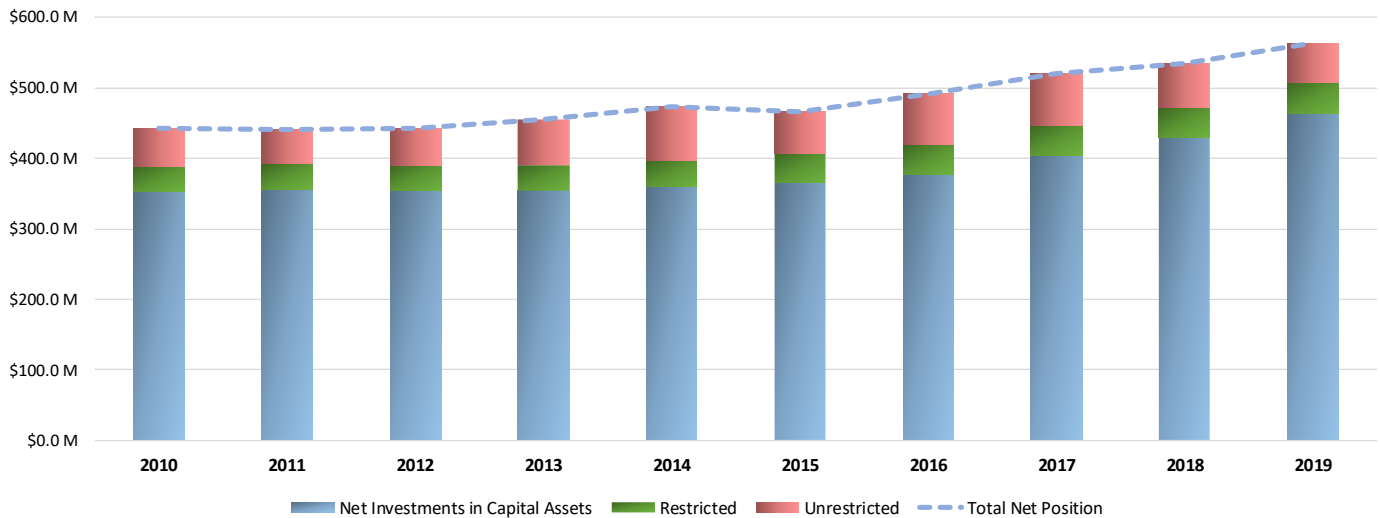
Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.



**SCHEDULE 1: NET POSITION BY COMPONENT**

Clayton County Water Authority  
**NET POSITION BY COMPONENT**  
 Last Ten Fiscal Years

Primary Government	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Net Investments in										
Capital Assets	\$ 353,148,603	\$ 356,338,134	\$ 354,049,151	\$ 354,398,904	\$ 359,847,929	\$ 365,481,468	\$ 378,009,241	\$ 404,598,481	\$ 430,137,653	\$ 464,827,766
Restricted	36,203,402	34,975,543	35,851,835	36,376,890	37,591,626	40,616,194	40,933,389	41,237,229	41,556,984	43,047,709
Unrestricted	52,808,126	48,992,377	53,448,458	64,900,780	76,247,397	59,581,468	72,013,809	73,619,344	63,709,736	55,042,013
<b>Total Net Position</b>	<b>\$ 442,160,131</b>	<b>\$ 440,306,054</b>	<b>\$ 443,349,444</b>	<b>\$ 455,676,574</b>	<b>\$ 473,686,952</b>	<b>\$ 465,679,130</b>	<b>\$ 490,956,439</b>	<b>\$ 519,455,054</b>	<b>\$ 535,404,373</b>	<b>\$ 562,917,488</b>



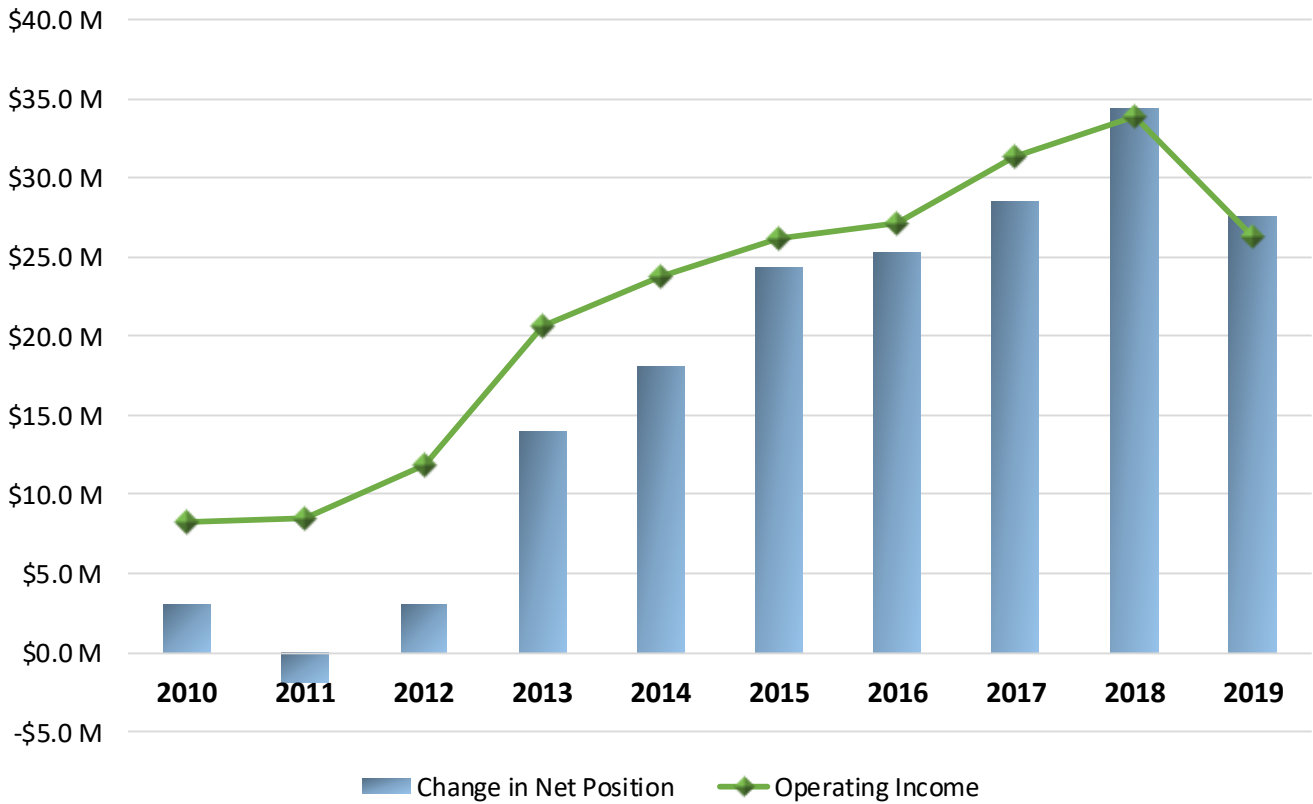
Notes:  
 The Authority began providing Stormwater Utility Services in Fiscal Year 2008.  
 Net Position was restated in fiscal year 2015 due to the implementation of GASB No. 68, Accounting and Reporting for Pensions. Unrestricted net pension was reduced by \$33,607,906 for net pension liability.  
 Net Position was restated in fiscal year 2018 due to the implementation of GASB Statement No. 75 Accounting and Financial Reporting for Post-employment Benefits Other Than Pensions – an amendment of GASB Statement No. 45 and 57. Unrestricted net position was reduced by \$18,425,639 for net OPEB liability.



SCHEDULE 2: CHANGES IN NET POSITION

Clayton County Water Authority  
**CHANGES IN NET POSITION**  
 Last Ten Fiscal Years

Fiscal Year	Operating Revenues	Operating Expenses	Operating Income	Total Nonoperating Revenues/ (Expenses)	Income (Loss) before Capital Contributions	Capital Contributions	Change in Net Position
2010	89,473,257	81,278,939	8,194,318	(9,464,996)	(1,270,678)	4,302,302	3,031,624
2011	89,686,456	81,168,475	8,517,981	(10,879,203)	(2,361,222)	507,145	(1,854,077)
2012	90,097,691	78,193,867	11,903,824	(9,669,871)	2,233,953	809,437	3,043,390
2013	92,612,568	71,970,701	20,641,867	(7,925,751)	12,716,116	1,277,029	13,993,145
2014	98,347,042	74,621,825	23,725,217	(6,063,769)	17,661,448	348,930	18,010,378
2015	103,088,847	76,894,781	26,194,066	(5,634,367)	20,559,699	3,713,878	24,273,577
2016	105,466,115	78,265,751	27,200,364	(4,601,897)	22,598,467	2,678,842	25,277,309
2017	112,975,923	81,599,292	31,376,631	(5,147,471)	26,229,160	2,269,455	28,498,615
2018	113,484,810	79,641,734	33,843,076	(4,716,378)	29,126,698	5,248,260	34,374,958
2019	112,410,553	86,062,076	26,348,477	(3,643,440)	22,705,037	4,808,078	27,513,115

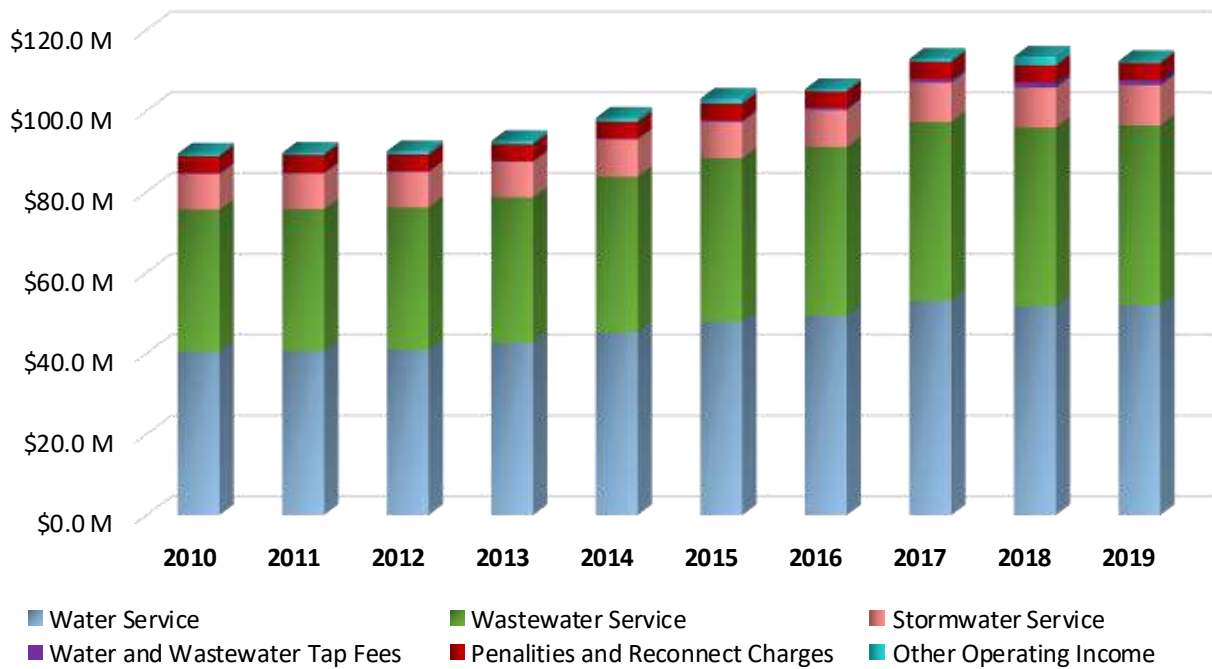




SCHEDULE 3: OPERATING REVENUES BY SOURCE

Clayton County Water Authority  
**OPERATING REVENUES BY SOURCE**  
 Last Ten Fiscal Years

Fiscal Year	Water Service	Wastewater Service	Stormwater Service	Water and Wastewater Tap Fees	Penalties and Reconnect Charges	Other Operating Income	Total
2010	\$ 40,483,822	\$ 35,147,385	\$ 8,795,285	\$ 243,803	\$ 4,190,306	\$ 612,656	\$ 89,473,257
2011	40,582,754	35,148,237	8,859,096	134,353	4,428,917	533,099	89,686,456
2012	40,921,924	35,238,977	8,817,272	120,080	4,176,454	822,984	90,097,691
2013	42,668,980	36,021,876	8,806,125	141,110	4,140,089	834,388	92,612,568
2014	45,257,155	38,518,066	9,256,014	147,245	4,151,497	1,017,065	98,347,042
2015	47,878,265	40,511,433	8,904,863	434,708	4,083,185	1,276,393	103,088,847
2016	49,402,423	41,702,605	9,153,440	543,879	4,084,382	579,386	105,466,115
2017	53,110,970	44,182,570	9,758,230	927,741	4,230,691	765,721	112,975,923
2018	51,638,780	44,316,956	9,869,285	1,308,596	4,168,748	2,182,445	113,484,810
2019	52,010,546	44,449,171	9,955,756	1,334,445	4,158,182	502,453	112,410,553



Notes:

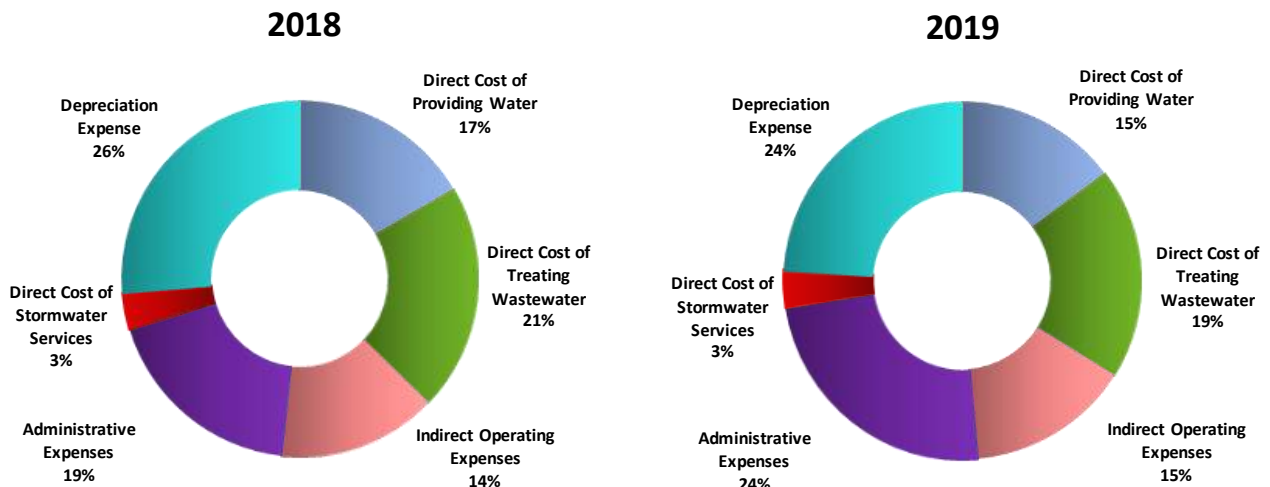
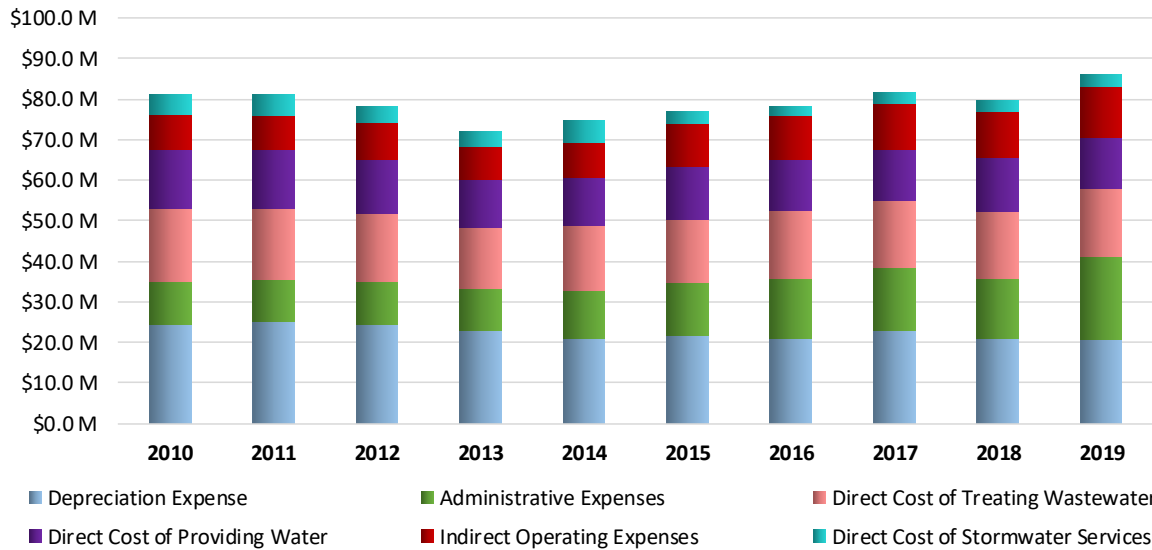
1. Miscellaneous Income includes Sales of Pellets, Timber and Materials and Other Operating Revenues.



**SCHEDULE 4: OPERATING EXPENSE BY FUNCTION**

Clayton County Water Authority  
**OPERATING EXPENSE BY FUNCTION**  
 Last Ten Fiscal Years

Fiscal Year	Direct Cost of Providing Water	Direct Cost of Treating Wastewater	Indirect Operating Expenses	Administrative Expenses	Direct Cost of Stormwater Services	Total Expenses before Depreciation	Depreciation Expense	Total Operating Expenses
2010	14,472,265	17,700,390	8,997,632	10,808,461	4,962,752	56,941,500	24,337,439	81,278,939
2011	14,445,285	17,245,305	8,473,871	10,501,177	5,333,818	55,999,456	25,169,019	81,168,475
2012	13,402,560	16,515,463	9,255,517	10,928,317	3,812,880	53,914,737	24,279,130	78,193,867
2013	11,540,882	15,248,122	8,195,943	10,448,241	3,635,044	49,068,232	22,902,469	71,970,701
2014	11,786,815	16,068,233	8,705,040	11,642,974	5,393,363	53,596,425	21,025,400	74,621,825
2015	13,172,973	15,478,178	10,645,097	13,129,577	2,877,188	55,303,013	21,591,768	76,894,781
2016	12,754,527	16,469,567	10,511,474	14,831,159	2,520,871	57,087,598	21,178,153	78,265,751
2017	12,656,515	16,246,840	11,196,737	15,870,455	2,854,446	58,824,993	22,774,299	81,599,292
2018	13,206,938	16,450,059	11,528,995	14,833,778	2,654,832	58,674,602	20,967,132	79,641,734
2019	12,669,453	16,521,214	12,614,189	20,573,887	2,989,969	65,368,712	20,693,364	86,062,076




**SCHEDULE 5: NONOPERATING REVENUES AND EXPENSES**

Clayton County Water Authority  
**NONOPERATING REVENUES AND EXPENSES**  
 Last Ten Fiscal Years

Fiscal Year	Interest Expense	Interest Income	Gain (Loss) on Disposal of Capital Assets	Net Other Revenues (Expenses)	Total Nonoperating Revenues (Expenses)
<b>2010</b>	\$ (10,464,834)	\$ 176,064	\$ (413,828)	\$ (341,054)	\$ (11,043,652)
<b>2011</b>	(9,951,262)	90,008	(723,065)	(294,884)	(10,879,203)
<b>2012</b>	(9,172,172)	39,334	(306,035)	(238,633)	(9,677,506)
<b>2013</b>	(8,008,878)	47,178	(46,539)	(16,729)	(8,024,968)
<b>2014</b>	(5,376,941)	35,181	(402,773)	(481,982)	(6,226,515)
<b>2015</b>	(5,188,543)	40,554	(713,394)	(13,185)	(5,874,568)
<b>2016</b>	(4,701,058)	119,358	(9,601)	(10,596)	(4,601,897)
<b>2017</b>	(4,250,920)	206,141	(1,093,078)	(9,614)	(5,147,471)
<b>2018</b>	(3,938,428)	465,865	(1,237,170)	(6,645)	(4,716,378)
<b>2019</b>	(3,519,088)	757,399	(875,711)	(6,040)	(3,643,440)

**Notes:**

1. Interest Expense - Net of Capitalized Amounts on Construction Projects.

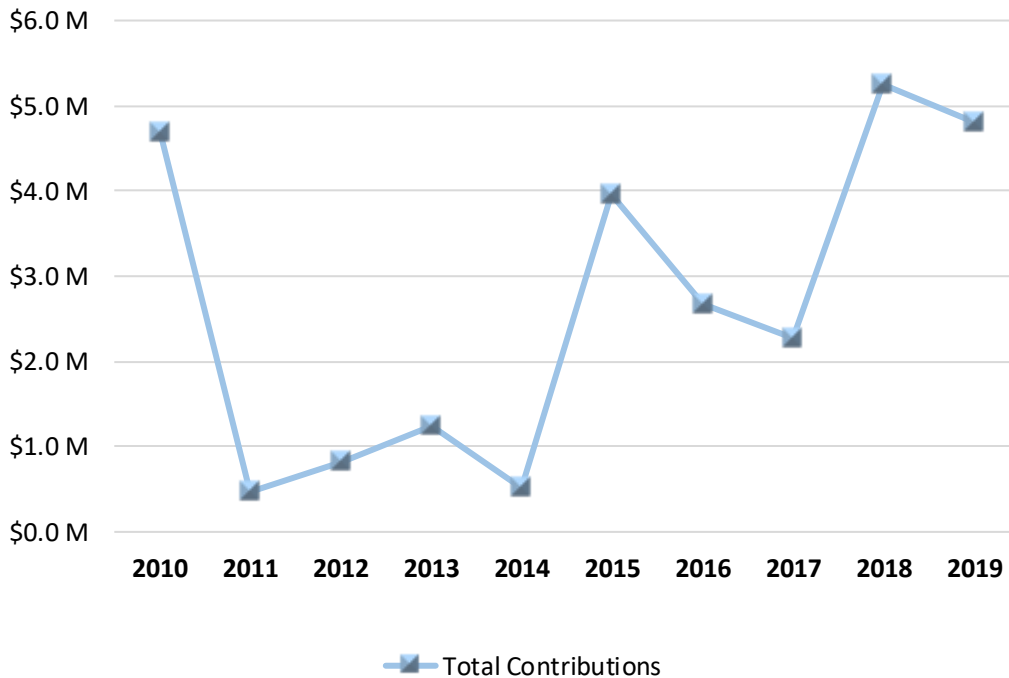




SCHEDULE 6: ANNUAL CAPITAL CONTRIBUTIONS BY SOURCE

Clayton County Water Authority  
**ANNUAL CAPITAL CONTRIBUTIONS BY SOURCE**  
 Last Ten Fiscal Years

Fiscal Year	Impact Fees	Other Governments	Subdividers		Total Contributions
			Donated Infrastructure	Donated Other Assets	
2010	\$ 291,604	\$ 497,781	\$ 2,347,498	\$ 1,556,263	\$ 4,693,146
2011	223,692	-	186,084	67,520	477,296
2012	173,408	7,633	596,455	39,574	817,070
2013	258,206	99,217	873,186	21,798	1,252,408
2014	292,035	162,746	56,000	895	511,675
2015	927,778	615,201	2,213,954	197,146	3,954,079
2016	1,220,074	76,845	1,133,323	248,600	2,678,842
2017	1,334,529	249,500	685,426	-	2,269,455
2018	2,580,852	416,710	2,250,698	-	5,248,260
2019	1,891,142	562,209	2,354,727	-	4,808,078



Note: Grant Subsidy column includes grants and reimbursements from Other Governments.

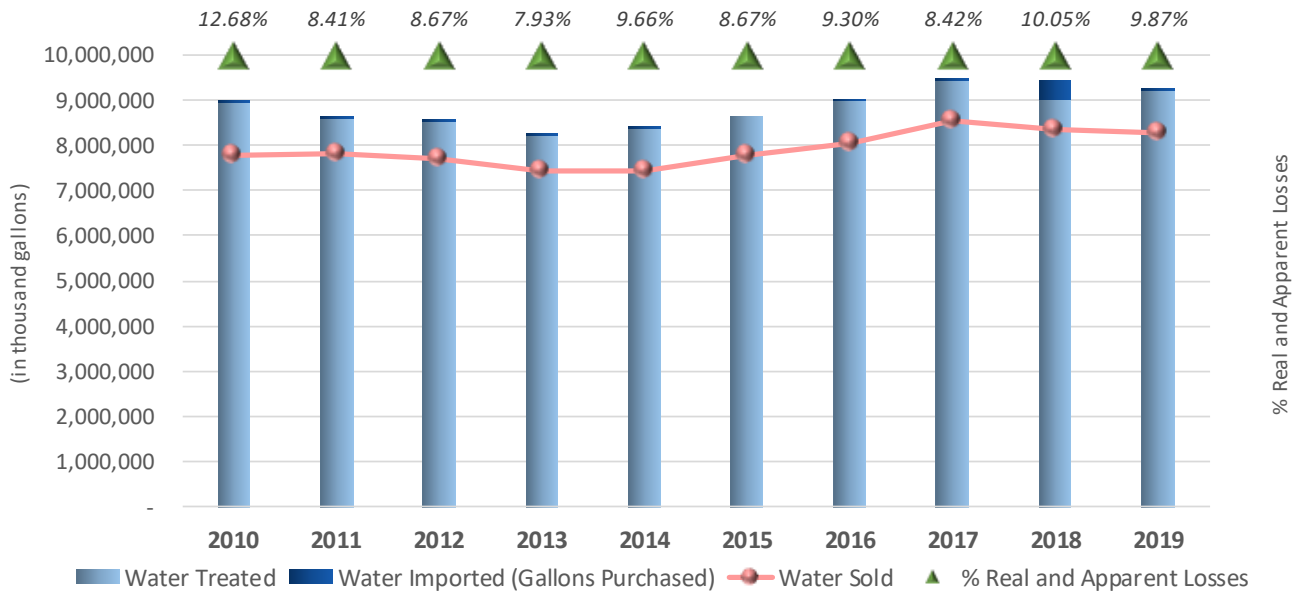


**SCHEDULE 7: GALLONS OF WATER TREATED AND CONSUMED**

Clayton County Water Authority  
**GALLONS OF WATER TREATED AND CONSUMED**  
 Last Ten Fiscal Years

(in thousand gallons)

Fiscal Year	Water Treated	Water Imported (Gallons Purchased)	Water Available	Water Sold	Non-Revenue Water	% Non-revenue Water	Unaccounted for Water	% Real and Apparent Losses
2010	8,962,724	34,000	8,996,724	7,759,403	1,237,321	13.75%	96,561	12.68%
2011	8,617,470	37,080	8,654,550	7,823,417	831,133	9.60%	103,613	8.41%
2012	8,541,170	9,767	8,550,937	7,700,805	850,132	9.94%	109,144	8.67%
2013	8,205,933	11	8,205,944	7,442,676	763,268	9.30%	112,826	7.93%
2014	8,361,131	4,270	8,365,401	7,444,278	921,123	11.01%	113,052	9.66%
2015	8,641,919	-	8,641,919	7,767,732	874,187	10.12%	124,956	8.67%
2016	9,002,922	14,560	9,017,482	8,051,729	965,753	10.71%	127,327	9.30%
2017	9,435,769	1,330	9,437,099	8,539,097	898,002	9.52%	102,999	8.42%
2018	9,031,224	406,510	9,437,734	8,358,331	1,079,403	11.44%	130,616	10.05%
2019	9,216,960	23,936	9,240,896	8,271,269	969,627	10.49%	57,297	9.87%



Note: Information is from customer billing records, meter reading records and water production records.

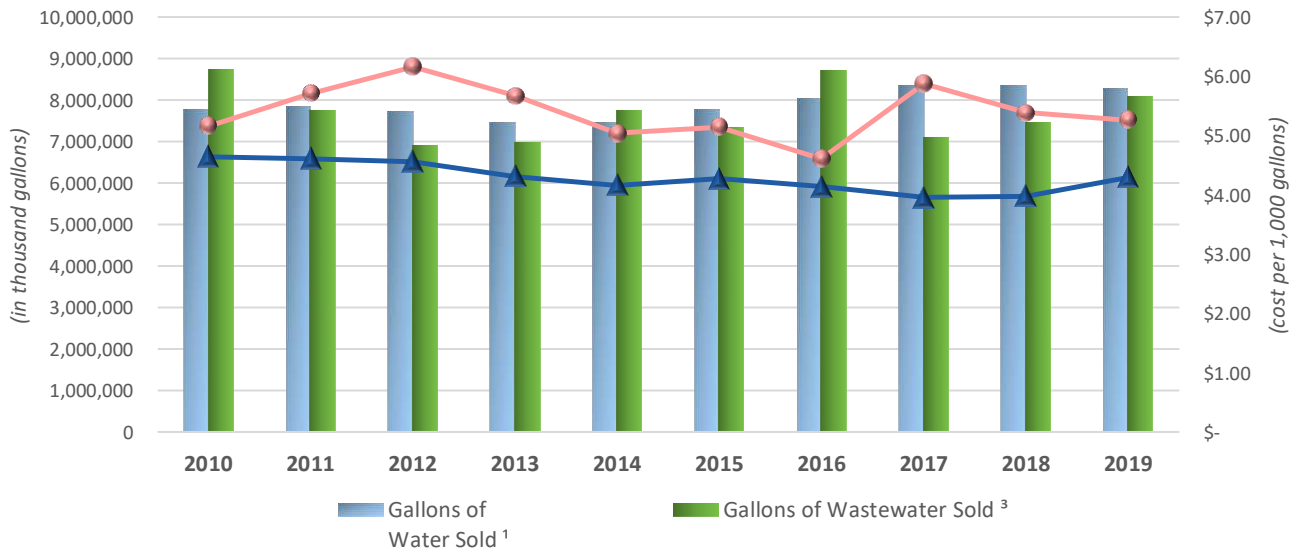


**SCHEDULE 8: GALLONS OF WATER SOLD AND WASTEWATER TREATED**

Clayton County Water Authority  
**GALLONS OF WATER SOLD AND WASTEWATER TREATED**  
 Last Ten Fiscal Years

*(in thousand gallons)*

Fiscal Year	Gallons of Water Sold <sup>1</sup>	Cost Per Gallon Sold <sup>2</sup>	Gallons of Wastewater Sold <sup>3</sup>	Cost Per Gallon Sold <sup>4</sup>
2010	7,759,403	\$ 4.65	8,745,866	\$ 5.17
2011	7,823,417	4.62	7,736,072	5.72
2012	7,700,805	4.57	6,890,218	6.17
2013	7,442,676	4.32	6,970,915	5.68
2014	7,444,278	4.17	7,727,264	5.04
2015	7,767,732	4.28	7,329,418	5.15
2016	8,051,729	4.14	8,703,540	4.61
2017	8,358,331	3.96	7,100,709	5.88
2018	8,358,331	3.99	7,451,024	5.39
2019	8,271,269	4.30	8,102,896	5.27



**Notes:**

1. See Schedule 7, Gallons of Water Consumed.
2. See Schedule 27, Itemized cost per gallon.
3. See Schedule 10, Gallons of Wastewater Treated.
4. See Schedule 28, Itemized cost per gallon.

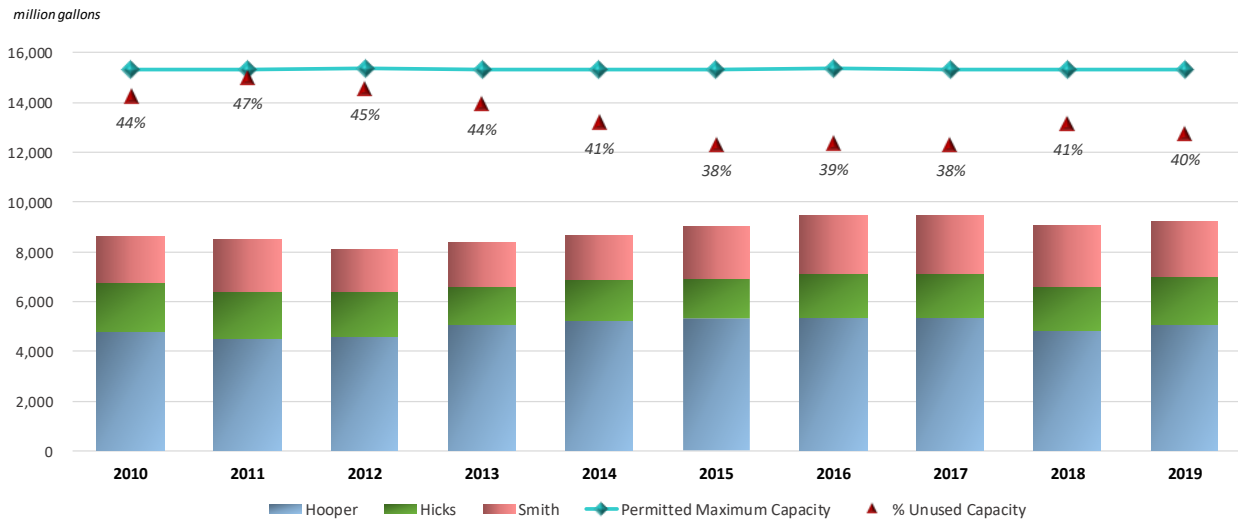


**SCHEDULE 9: ANNUAL WATER PRODUCED BY PLANT**

Clayton County Water Authority  
**ANNUAL WATER PRODUCED BY PLANT**  
 Last Ten Fiscal Years

(in million gallons)

Water Production Plant	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	Daily Plant Capacity (MGD)	Annual Permitted Capacity	Annual Unused Capacity	% Unused Capacity
Hooper	4,797	4,535	4,561	5,059	5,242	5,344	5,400	5,400	4,846	5,063	20	7,300	2,237	31%
Hicks	1,950	1,905	1,870	1,579	1,605	1,577	1,698	1,698	1,758	1,938	12	4,380	2,442	56%
Smith	1,857	2,060	1,692	1,714	1,788	2,073	2,325	2,325	2,424	2,214	10	3,650	1,436	39%
Wells	7	11	31	26	9	8	10	13	3	2	1	331	329	99%
<b>Total Water Produced</b>	<b>8,611</b>	<b>8,511</b>	<b>8,154</b>	<b>8,378</b>	<b>8,643</b>	<b>9,001</b>	<b>9,433</b>	<b>9,436</b>	<b>9,031</b>	<b>9,217</b>	<b>42.0</b>	<b>15,330</b>	<b>6,115</b>	<b>40%</b>



Additional Supply	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	Daily Plant Capacity (MGD)	Annual Permitted Capacity	Annual Unused Capacity	% Unused Capacity
Imported Water (Interconnects)	34	37	10	0	4	0	15	1	407	24	15	5,428	5,404	100%



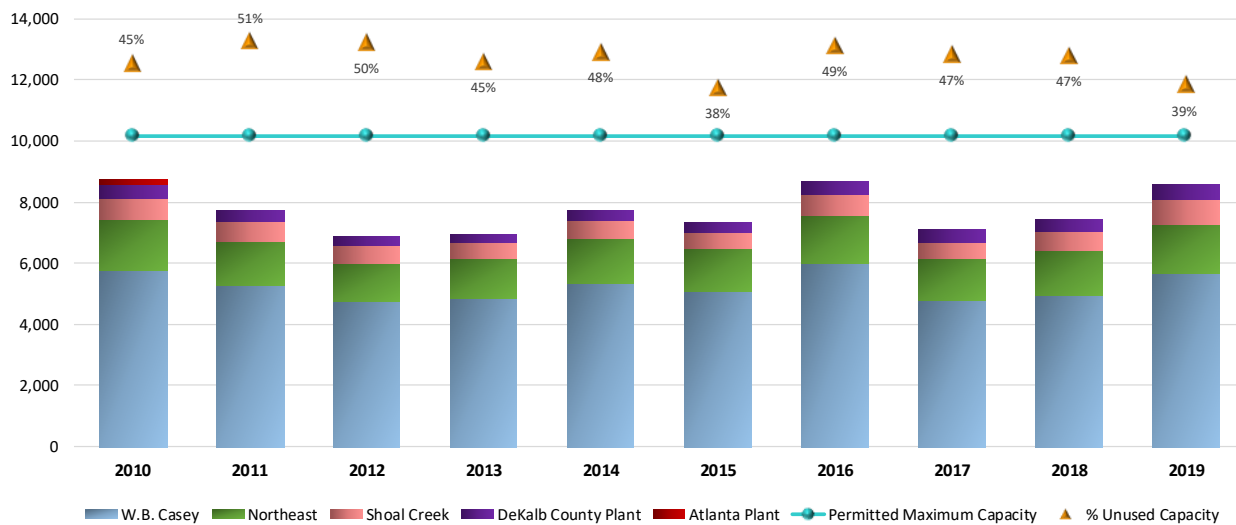
## SCHEDULE 10: ANNUAL WASTEWATER TREATED BY PLANT

Clayton County Water Authority  
**ANNUAL WASTEWATER TREATED BY PLANT**  
 Last Ten Fiscal Years

(in million gallons)

Water Reclamation Plant	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	Daily Plant Capacity (MGD)	Annual Permitted Capacity	Annual Unused Capacity	% Unused Capacity
W.B. Casey	5,763	5,256	4,724	4,841	5,333	5,060	5,976	4,798	4,955	5,661	24.0	6,351	690	11%
Northeast	1,684	1,458	1,278	1,298	1,475	1,404	1,601	1,341	1,460	1,636	10.0	2,190	554	25%
Shoal Creek	699	654	578	541	587	531	681	544	616	806	4.4	1,606	800	50%
DeKalb County Plant	435	367	310	290	333	334	447	417	420	453	1.0	N/A	N/A	N/A
Atlanta Plant	164	0	0	0	0	0	0	0	0	0	0	N/A	N/A	N/A
<b>Total Wastewater Treated</b>	<b>8,745</b>	<b>7,735</b>	<b>6,890</b>	<b>6,970</b>	<b>7,728</b>	<b>7,329</b>	<b>8,704</b>	<b>7,101</b>	<b>7,451</b>	<b>8,556</b>	<b>39.4</b>	<b>10,147</b>	<b>2,044</b>	<b>20%</b>

million gallons



**Notes:**

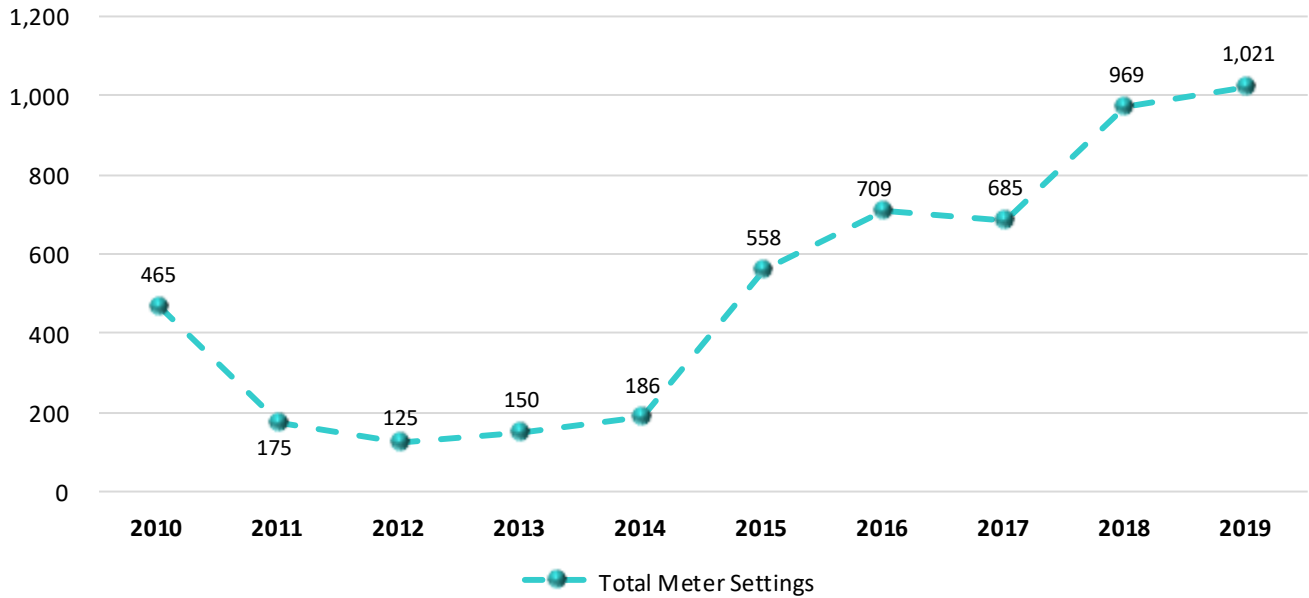
1. CCWA's new Atlanta Lift Station became operational in FY 2010 and the flows previously going to the Atlanta Plant were redirected to Casey.



SCHEDULE 11: ANNUAL NEW WATER METER SETTINGS

Clayton County Water Authority  
**ANNUAL NEW WATER METER SETTINGS**  
 Last Ten Fiscal Years

Fiscal Year	Total Meter Settings	5/8"	3/4"	1"	1 1/2"	2"	3"	4"	6"	8" +
2010	465	343	31	44	14	26	0	0	2	5
2011	175	149	11	5	4	4	0	0	2	0
2012	125	100	5	10	3	3	0	0	4	0
2013	150	100	8	26	7	7	0	0	1	1
2014	186	131	12	35	1	5	1	0	1	0
2015	558	471	23	42	4	11	1	1	4	1
2016	709	634	20	30	6	9	2	3	2	3
2017	685	632	8	25	4	10	1	1	2	2
2018	969	809	14	109	7	14	4	2	1	9
2019	1,021	726	71	197	4	10	2	1	3	7





**SCHEDULE 12: MINIMUM MONTHLY WATER CHARGES AND BASE CHARGES**

Clayton County Water Authority  
**MINIMUM MONTHLY WATER CHARGES AND BASE CHARGES**  
 Last Ten Fiscal Years

		<i>Size of Customer Meter</i>									
		5/8"	3/4"	1"	1 1/2"	2"	3"	4"	6"	8"	10"
<b>Corresponding Minimum Usage (In Thousand Gallons)</b>		3	4	8	25	56	111	167	222	333	444
<b>Minimum Monthly Water Charge:</b>											
January 1, 2004	- December 31, 2004	\$ 10.20	\$ 13.60	\$ 27.20	\$ 85.00	\$ 190.40	\$ 377.40	\$ 567.80	\$ 754.80	\$ 1,132.20	\$ 1,509.60
January 1, 2005	- December 31, 2005	\$ 11.73	\$ 15.64	\$ 31.28	\$ 97.75	\$ 218.96	\$ 434.01	\$ 652.97	\$ 868.02	\$ 1,302.03	\$ 1,736.04
January 1, 2006	- December 31, 2006	\$ 12.33	\$ 16.44	\$ 32.88	\$ 102.75	\$ 230.16	\$ 456.21	\$ 686.37	\$ 912.42	\$ 1,368.63	\$ 1,824.84
January 1, 2007	- December 31, 2007	\$ 12.96	\$ 17.28	\$ 34.56	\$ 108.00	\$ 241.92	\$ 479.52	\$ 721.44	\$ 959.04	\$ 1,438.56	\$ 1,918.08
January 1, 2008	- July 31, 2009	\$ 13.62	\$ 18.16	\$ 36.32	\$ 113.50	\$ 254.24	\$ 503.94	\$ 758.18	\$ 1,007.88	\$ 1,511.82	\$ 2,015.76
<b>Corresponding Minimum Usage (In Thousand Gallons)</b>		3	4	6	20	45	89	134	178	266	355
August 1, 2009	- August 31, 2010	\$ 14.43	\$ 19.24	\$ 28.86	\$ 96.20	\$ 216.45	\$ 428.57	\$ 644.54	\$ 856.18	\$ 1,279.46	\$ 1,707.55
		5/8"	3/4"	1"	1 1/2"	2"	3"	4"	6"	8"	10"
<b>Base Charge Dependent on Meter Size</b>											
September 1, 2010	- December 31, 2011	\$ 8.50	\$ 9.00	\$ 11.50	\$ 20.00	\$ 40.00	\$ 60.00	\$ 75.00	\$ 112.00	\$ 140.00	\$ 168.00
January 1, 2012	- December 31, 2012	\$ 8.93	\$ 9.45	\$ 12.08	\$ 21.00	\$ 42.00	\$ 63.00	\$ 78.75	\$ 117.60	\$ 147.00	\$ 176.40
January 1, 2013	- December 31, 2013	\$ 9.38	\$ 9.92	\$ 12.68	\$ 22.05	\$ 44.10	\$ 66.15	\$ 82.69	\$ 123.48	\$ 154.35	\$ 185.22
January 1, 2014	- April 30, 2016	\$ 9.85	\$ 10.42	\$ 13.31	\$ 23.15	\$ 46.31	\$ 69.46	\$ 86.82	\$ 126.65	\$ 162.07	\$ 194.48
May 1, 2016	- Present	\$ 10.05	\$ 10.62	\$ 13.58	\$ 23.62	\$ 47.23	\$ 70.85	\$ 88.56	\$ 132.25	\$ 165.31	\$ 198.37

Note:

Based on the size of their meters, customers are billed a minimum usage or base charge regardless of their actual consumption. Any usage in excess of the minimum or base charge is assessed an additional charge based on the per thousand gallon rate shown on Schedule 15.

<sup>1</sup> On January 1, 2008, the Authority instituted a tiered rate structure for Residential Customers. There was no increase in the minimum for those customers.

<sup>2</sup> On August 1, 2009 the corresponding minimum usage for some meter sizes changed. The minimum bill for residential customers remained at \$13.62.

<sup>3</sup> On September 1, 2010, a base charge dependent on the size of the customer's meter was implemented.

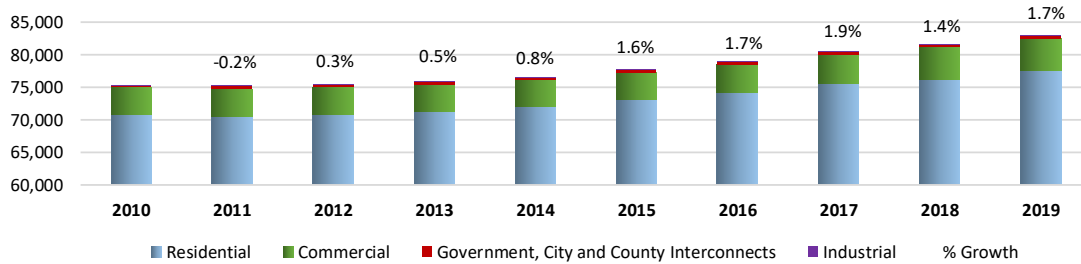


**SCHEDULE 13: NUMBER OF WATER AND WASTEWATER CUSTOMERS BY TYPE**

Clayton County Water Authority  
**NUMBER OF WATER AND WASTEWATER CUSTOMERS BY TYPE**  
 Last Ten Fiscal Years

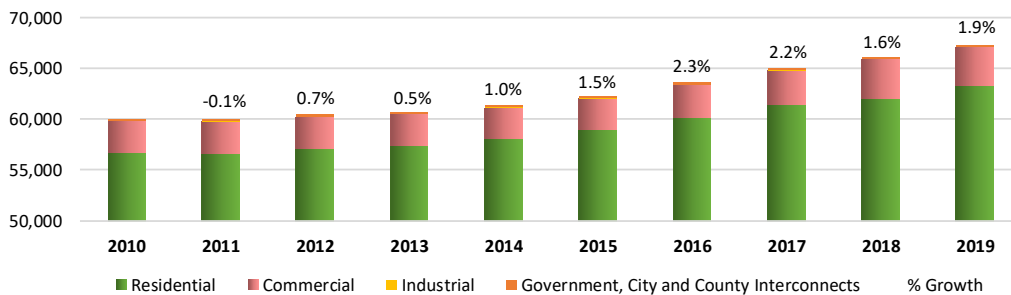
Fiscal Year	Residential	Commercial	Industrial	Government, City and County Interconnects	Total Water Customers	% Growth
2010	70,856	4,159	51	317	75,383	
2011	70,656	4,124	50	426	75,256	-0.2%
2012	70,930	4,086	54	434	75,504	0.3%
2013	71,335	4,057	50	440	75,882	0.5%
2014	72,054	4,069	50	315	76,488	0.8%
2015	73,107	4,104	54	425	77,690	1.6%
2016	74,224	4,294	52	433	79,003	1.7%
2017	75,658	4,329	53	457	80,497	1.9%
2018	76,342	4,898	53	354	81,647	1.4%
2019	77,633	4,883	56	425	82,997	1.7%

Total Water Customers



Fiscal Year	Residential	Commercial	Industrial	Government, City and County Interconnects	Total Wastewater Customers	% Growth
2010	56,679	3,140	38	193	60,050	
2011	56,669	3,114	38	197	60,018	-0.1%
2012	57,096	3,085	43	196	60,420	0.7%
2013	57,454	3,046	38	202	60,740	0.5%
2014	58,097	3,007	38	197	61,339	1.0%
2015	58,913	3,093	39	195	62,240	1.5%
2016	60,123	3,240	37	243	63,643	2.3%
2017	61,467	3,279	37	245	65,028	2.2%
2018	62,070	3,785	37	165	66,057	1.6%
2019	63,316	3,756	39	228	67,339	1.9%

Total Wastewater Customers



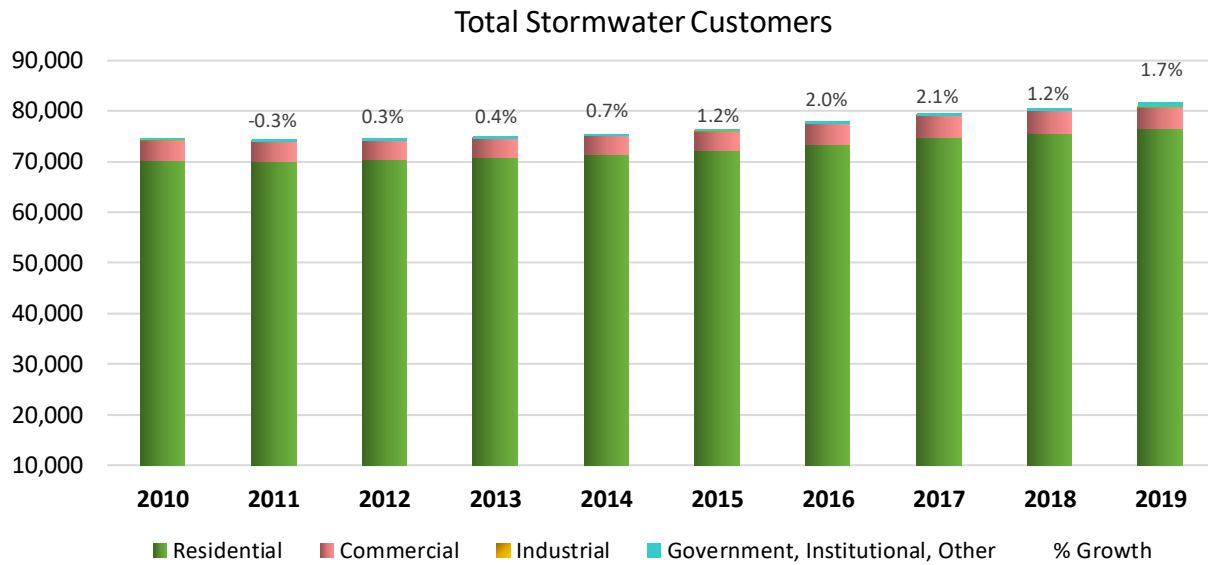




**SCHEDULE 14: NUMBER OF STORMWATER CUSTOMERS BY TYPE**

Clayton County Water Authority  
**NUMBER OF STORMWATER CUSTOMERS BY TYPE**  
 Last Five Fiscal Years

Fiscal Year	Residential	Commercial	Industrial	Government, Institutional, Other	Total Stormwater Customers	% Growth
2010	70,022	4,112	46	237	74,417	
2011	69,909	3,990	43	284	74,226	-0.3%
2012	70,228	3,885	47	288	74,448	0.3%
2013	70,603	3,831	46	291	74,771	0.4%
2014	71,232	3,765	46	288	75,331	0.7%
2015	72,113	3,806	47	286	76,252	1.2%
2016	73,293	4,135	47	299	77,774	2.0%
2017	74,572	4,445	48	308	79,373	2.1%
2018	75,521	4,527	48	228	80,324	1.2%
2019	76,457	4,202	48	943	81,650	1.7%

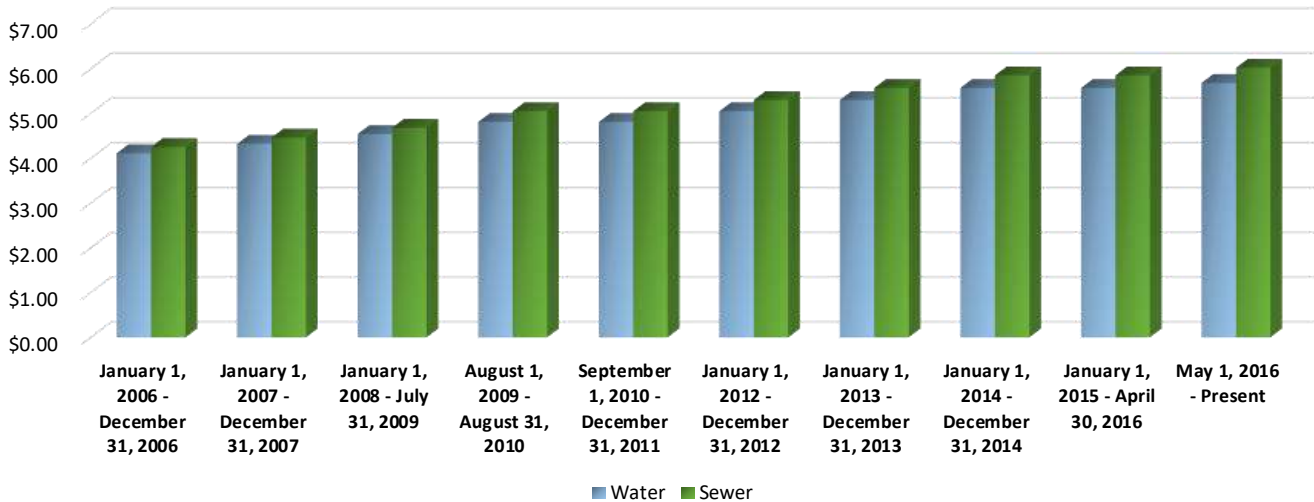




**SCHEDULE 15: WATER AND SEWER RATES**

Clayton County Water Authority  
**WATER AND SEWER RATES**  
 Last Ten Fiscal Years

Period	Per Thousand Gallons	
	Water	Sewer
January 1, 2006 - December 31, 2006	\$4.11	\$4.25
January 1, 2007 - December 31, 2007	\$4.32	\$4.46
<sup>1</sup> January 1, 2008 - July 31, 2009	\$4.54	\$4.68
August 1, 2009 - August 31, 2010	\$4.81	\$5.05
<sup>2</sup> September 1, 2010 - December 31, 2011	\$4.81	\$5.05
<sup>3</sup> January 1, 2012 - December 31, 2012	\$5.05	\$5.30
<sup>4</sup> January 1, 2013 - December 31, 2013	\$5.30	\$5.57
<sup>5</sup> January 1, 2014 - December 31, 2014	\$5.57	\$5.85
<sup>6</sup> January 1, 2015 - April 30, 2016	\$5.57	\$5.85
<sup>7</sup> May 1, 2016 - Present	\$5.68	\$6.02



**Notes:**

Rates are applicable to customer usage after the minimum has been met. The minimum and the base rate are determined by the customer's meter size. (See Schedule 12)

Adjustments to water and sewer rates must be approved by the Board of Directors.

- As a means of implementing conservation measures, the rate structure was changed to reflect a tiered approach for residential
- With the implementation of the base rate, residential customers were charged only \$2.00 and \$2.15, respectively, as the conservation water and sewer rates for the first three thousand gallons of usage.
- With the implementation of the base rate, residential customers were charged only \$2.10 and \$2.26, respectively, as the conservation water and sewer rates for the first three thousand gallons of usage.
- With the implementation of the base rate, residential customers were charged only \$2.21 and \$2.37, respectively, as the conservation water and sewer rates for the first three thousand gallons of usage.
- With the implementation of the base rate, residential customers were charged only \$2.32 and \$2.49, respectively, as the conservation water and sewer rates for the first three thousand gallons of usage.
- With the implementation of the base rate, residential customers were charged only \$2.32 and \$2.49, respectively, as the conservation water and sewer rates for the first three thousand gallons of usage.
- With the implementation of the base rate, residential customers were charged only \$2.37 and \$2.56, respectively, as the conservation water and sewer rates for the first three thousand gallons of usage.



SCHEDULE 16: STORMWATER RATES

Clayton County Water Authority  
**STORMWATER RATES**  
 Last Five Fiscal Years

Period	Residential	Commercial
May 1, 2011 - Present	\$3.75 per household	\$3.75 per 2,950 square feet

*Notes:*

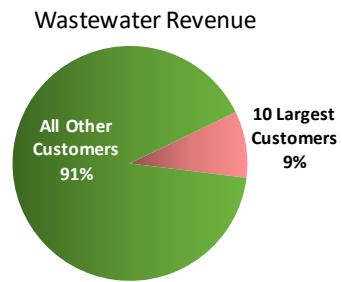
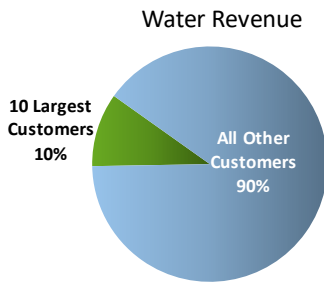
- 1. The Authority began providing Stormwater Utility Services in Fiscal Year 2008.*
- 2. Stormwater fees are based on the amount of impervious surfaces located on a parcel.*
- 3. For ease of administration, there is a standard rate for residential lots.*



**SCHEDULE 17: TEN LARGEST WATER AND WASTEWATER CUSTOMERS MEASURED BY CONSUMPTION IN GALLONS AND WATER AND WASTEWATER REVENUES**

Clayton County Water Authority  
**TEN LARGEST WATER AND SEWER CUSTOMERS**  
**MEASURED BY CONSUMPTION IN GALLONS AND WATER AND SEWER REVENUES**  
 For the Fiscal Year Ended April 30, 2019

Water			Wastewater		
Customer	Revenue	Percent	Customer	Revenue	Percent
City of College Park	\$ 1,578,783	3.04%	Fresh Express	\$ 1,663,334	3.74%
Fresh Express	1,315,979	2.53%	Marcres Sales Inc	470,647	1.06%
Clorox Company	742,011	1.43%	Club Chef Southeast LLC	391,319	0.88%
Club Chef Southeast LLC	403,997	0.78%	Clayton County Board of Commissioners	334,196	0.75%
Clayton County Board of Commissioners	315,267	0.61%	Atlanta South Properties LLC/Hunter Ridge MHP LLC	239,207	0.54%
Marcres Sales Inc	208,512	0.40%	Toto USA Inc	211,400	0.48%
Toto USA Inc	199,407	0.38%	5890 Riverdale LLC	209,350	0.47%
DMS Overlook LLC	182,320	0.35%	Stockbridge Communities LLC/Deer Creek MHP LLC	197,687	0.44%
Atlanta South Properties LLC/Hunter Ridge MHP LLC	159,356	0.31%	DMS Overlook LLC	193,701	0.44%
Atlanta South Properties LLC/Riverdale MHP LLC	150,924	0.29%	Clorox Company	177,270	0.40%
<b>10 Largest Customers</b>	<b>\$ 5,256,558</b>	<b>10.11%</b>	<b>10 Largest Customers</b>	<b>\$ 4,088,112</b>	<b>9.20%</b>
All Other Customers	46,753,988	89.89%	All Other Customers	40,361,059	90.80%
<b>Total</b>	<b>\$ 52,010,546</b>	<b>100.00%</b>	<b>Total</b>	<b>\$44,449,171</b>	<b>100.00%</b>



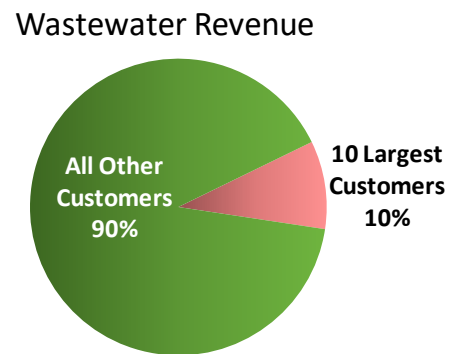
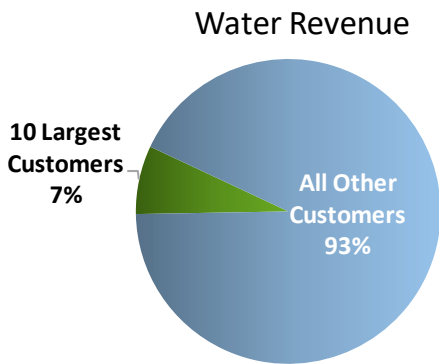
- Notes:
1. Dollar values reflected include base rate charges, as well as, multiple meters on various accounts.
  2. Information is from customer service billing records.
  3. CCWA has a wholesale agreement with City of College Park



**SCHEDULE 18: TEN LARGEST WATER AND WASTEWATER CUSTOMERS MEASURED BY CONSUMPTION IN GALLONS AND WATER AND WASTEWATER REVENUES (TEN YEARS AGO)**

Clayton County Water Authority  
**TEN LARGEST WATER AND WASTEWATER CUSTOMERS  
 MEASURED BY WATER AND WASTEWATER REVENUES**  
 For the Fiscal Year Ended April 30, 2009 (Ten Years Ago)

Name of Company or Customer	Water		Wastewater	
	Revenue	Percent	Revenue	Percent
Fresh Express	\$ 932,214	2.36%	\$ 1,592,675	4.74%
Clorox Company	330,157	0.84%	66,408	0.20%
Hunters Ridge Mobile Home Park	299,722	0.76%	308,964	0.92%
Miles Properties	214,223	0.54%	220,667	0.66%
Clayton County Commissioners	213,225	0.54%	219,497	0.65%
Southern Regional Hospital	205,501	0.52%	128,532	0.38%
Southwest Partners LP	180,547	0.46%	186,114	0.55%
ToTo USA, Inc.	171,820	0.44%	176,815	0.53%
Deer Creek Estates	166,859	0.42%	172,004	0.51%
Gold Key Venture	151,645	0.38%	156,321	0.47%
<b>10 Largest Customers</b>	<b>\$ 2,865,913</b>	<b>7.26%</b>	<b>\$ 3,227,997</b>	<b>9.61%</b>
All Other Customers	36,625,885	92.74%	30,361,401	90.39%
<b>Total</b>	<b>\$ 39,491,798</b>	<b>100.00%</b>	<b>\$ 33,589,398</b>	<b>100.00%</b>

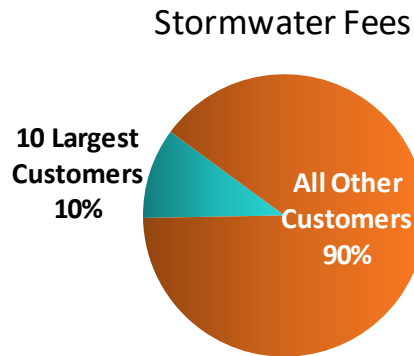




SCHEDULE 19: TEN LARGEST CUSTOMERS MEASURED BY STORMWATER USER FEES

Clayton County Water Authority  
**STORMWATER UTILITY**  
**TEN LARGEST CUSTOMERS MEASURED BY STORMWATER USER FEES**  
 For the Fiscal Year Ended April 30, 2019

Customer	Stormwater Fees	Percent
Department of Aviation ( <i>Hartsfield-Jackson Airport</i> )	\$ 613,976	6.17%
Georgia Department of Agriculture	84,551	0.85%
J C Penney Catalog Division	68,059	0.68%
Kroger	52,875	0.53%
Fort Gillem - Site Manager	46,839	0.47%
Weeks Robinson Properties	44,385	0.45%
Urban Redevelopment Agency	38,217	0.38%
Georgia Power Company	31,016	0.31%
Tindall Corporation - GA Division	26,490	0.27%
Gillem GA Industrial LLC	26,455	0.27%
<b>10 Largest Customers</b>	<b>\$ 1,032,863</b>	<b>10.37%</b>
All Other Customers	8,922,893	89.63%
<b>Total</b>	<b>\$ 9,955,756</b>	<b>100.00%</b>



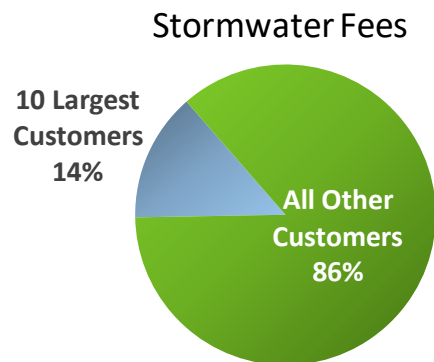
*Note: FY 2007 - 2008 was the first year of the Stormwater Utility*



SCHEDULE 20: TEN LARGEST CUSTOMERS MEASURED BY STORMWATER USER FEES (TEN YEARS AGO)

Clayton County Water Authority  
**Ten Largest Stormwater Customers Measured By Stormwater User Fees**  
 For The Fiscal Year Ended April 30, 2009 *(Ten years Ago)*

Customer	Stormwater Fees	%
Department of Aviation (Hartsfield-Jackson Airport)	\$ 668,407	7.9%
Directorate of Engineering (Ft. Gillem)	231,434	2.7%
Georgia Department of Agriculture	54,157	0.6%
AMB Industrial Income Fund	34,524	0.4%
Salvage Disposal of Georgia	32,275	0.4%
J C Penney Catalog Division	31,092	0.4%
J C Penney Company, Inc.	31,092	0.4%
Georgia Power Company Lake Mirror Road	28,547	0.3%
Georgia Power Company Mundys Mill Road	28,292	0.3%
Federal Express	25,875	0.3%
<b>10 Largest Customers</b>	<b>\$ 1,165,695</b>	<b>14%</b>
All Other Customers	7,254,771	86%
<b>Total</b>	<b>\$ 8,420,466</b>	<b>100%</b>

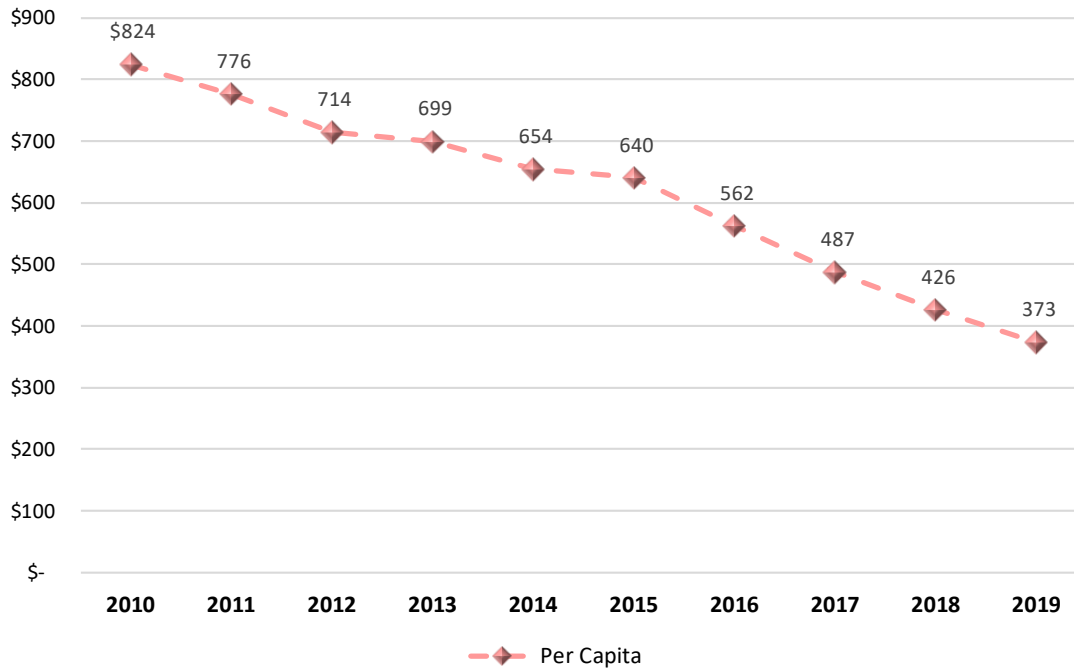




SCHEDULE 21: RATIOS OF OUTSTANDING DEBT BY TYPE

Clayton County Water Authority  
**RATIOS OF OUTSTANDING DEBT BY TYPE**  
 Last Ten Fiscal Years

Fiscal Year	Revenue Bonds	GEFA Loans	Total Amount	Per Capita	As a Share of Personal Income
2010	\$ 216,950,000	\$ 9,992,123	\$ 226,942,123	\$ 824	3.81%
2011	205,735,000	9,487,366	215,222,366	776	3.51%
2012	190,625,000	8,967,819	199,592,819	714	3.18%
2013	178,300,000	8,431,354	186,731,354	699	2.85%
2014	180,116,610	7,879,126	187,995,736	654	2.66%
2015	163,953,530	7,310,101	171,263,631	640	3.47%
2016	147,250,664	6,724,191	153,974,855	562	2.19%
2017	130,017,798	6,119,630	136,137,428	487	1.98%
2018	112,349,932	6,604,761	118,954,693	426	1.73%
2019	94,555,071	11,839,256	106,394,327	373	1.37%



**Notes:**

1. Certain economic information was not available for this period, the prior period's data for population and personal income was used in the calculation.

2. Revenue Bonds equal the Revenue Bonds Payable (net of premium)

Sources for demographic data:

U.S. Department of Commerce, Bureau of Economic Analysis

U.S. Department of Labor, Bureau of Labor Statistics

U.S. Census Bureau (<http://quickfacts.census.gov/qfd/states/13/13063.html>)

Latest data available is from 2017

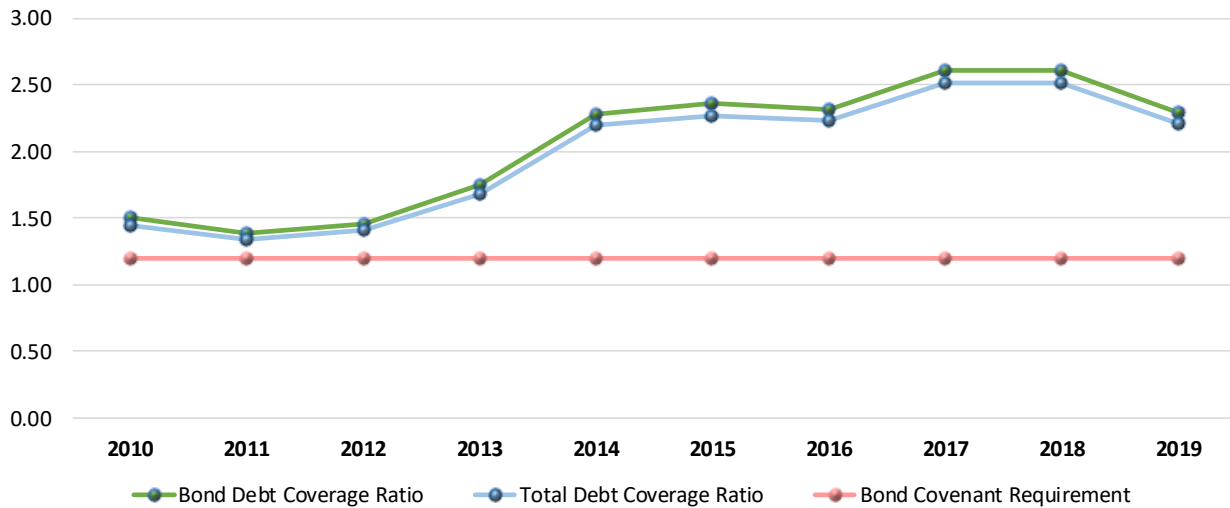




**SCHEDULE 22: DEBT SERVICE COVERAGE**

Clayton County Water Authority  
**DEBT SERVICE COVERAGE**  
 Last Ten Fiscal Years

Fiscal Year	Gross Revenues	Operating Expenses <i>(excludes Deprec)</i>	Net Cash Flow Available for Debt Service	Bond Annual Debt Service	Bond Debt Coverage Ratio	GEFA Loan Debt Service	Total Debt Coverage Ratio	Bond Covenant Requirement
2010	\$ 81,850,879	\$ 49,546,582	\$ 32,304,297	\$ 21,565,183	1.50	\$ 797,647	1.44	1.20
2011	80,835,611	51,006,748	29,828,863	21,557,268	1.38	797,647	1.33	1.20
2012	81,265,317	49,669,638	31,595,679	21,705,160	1.46	797,647	1.40	1.20
2013	83,882,779	48,955,857	34,926,922	20,017,027	1.74	797,647	1.68	1.20
2014	89,383,063	44,287,188	45,095,875	19,783,983	2.28	797,647	2.19	1.20
2015	95,320,360	48,612,496	46,707,864	19,780,828	2.36	797,647	2.27	1.20
2016	97,429,249	51,317,854	46,111,395	19,879,133	2.32	797,647	2.23	1.20
2017	104,702,175	52,617,533	52,084,642	19,968,503	2.61	797,647	2.51	1.20
2018	106,898,748	54,900,741	51,998,007	19,903,233	2.61	797,647	2.51	1.20
2019	106,897,205	61,007,289	45,889,916	20,017,864	2.29	797,647	2.20	1.20



Notes:

1. Gross Revenues - Refer to "Operating Revenues by Source" (Schedule 3), includes impact fees and beginning in FY 2008, Stormwater Fund Revenues and Expenses were deducted from amounts.
2. Operating Expenses - Refer to "Operating Expenses by Function"(Schedule 4),beginning in FY 2008, Stormwater Fund Revenues and Expenses were deducted from amounts andbeginning in FY 2008, Transfer from Stormwater Fund for Administrative costs was deducted.
3. Net Revenues Available for Debt Service: Represents operating income before depreciation and after making certain adjustments.
4. Includes Intergovernmental Non-Operating Revenue (Schedule 5)



## SCHEDULE 23: DEMOGRAPHIC AND ECONOMIC STATISTICS

### Clayton County Water Authority DEMOGRAPHIC AND ECONOMIC STATISTICS Last Ten Calendar Years

							<b>Average Unemployment Rate</b>			<b>Total Housing Units</b>
<b>Calendar Year</b>	<b>Population</b>	<b>Personal Income (in thousands)</b>	<b>Per Capita Personal Income</b>	<b>Total Full-Time and Part-Time Employment</b>	<b>Average Annual Pay</b>	<b>Labor Force</b>	<b>Clayton County</b>	<b>State of Georgia</b>	<b>United States</b>	
2008	262,099	\$ 6,322,652	\$ 24,123	126,855	\$ 41,805	137,223	7.60%	7.50%	7.20%	107,167
2009	260,067	6,285,498	24,169	118,660	40,652	133,824	11.30%	9.60%	10.00%	107,245
2010	259,857	6,441,380	24,788	103,353	40,922	131,098	12.30%	10.20%	9.40%	104,705
2011	262,360	6,824,142	26,011	101,357	42,674	129,784	11.50%	9.40%	8.50%	104,463
2012	265,777	6,521,165	24,536	116,109	47,552	130,580	10.30%	9.00%	8.10%	103,913
2013	264,511	6,530,963	24,691	117,301	46,620	129,950	9.70%	8.40%	7.50%	104,343
2014	267,405	6,810,947	25,471	125,119	48,430	125,119	9.30%	7.20%	6.20%	104,535
2015	273,675	7,186,778	26,260	115,708	48,990	125,051	7.50%	5.90%	5.30%	104,719
2016	280,006	7,461,902	26,649	121,278	53,637	129,852	6.60%	5.40%	4.90%	104,996
2017	285,153	7,781,551	27,289	126,727	53,956	134,595	5.80%	4.70%	4.40%	105,606

*Sources:*

*U.S. Department of Commerce, Bureau of Economic Analysis*

*U.S. Department of Labor, Bureau of Labor Statistics*

*U.S. Census Bureau (<http://quickfacts.census.gov/qfd/states/13/13063.html>)*

*Latest data available is from 2017*



## SCHEDULE 24: TEN LARGEST EMPLOYERS

### Clayton County Water Authority TEN LARGEST EMPLOYERS Previous Year and Five Years Ago

**2018**

Employer	Rank	Employees	% of Total Employment
Clayton County Board of Education	1	7,300	4.68%
Delta Airlines, Inc.	2	6,200	3.97%
Clayton County Government	3	2,399	1.54%
Southern Regional Health System	4	1,450	0.93%
Gate Gourmet Inc.	5	1,200	0.77%
Fresh Express	6	800	0.51%
Wal-Mart	7	450	0.29%
Fedex Ground	8	800	0.51%
Clayton State University	9	675	0.43%
Southern Company/Georgia Power	10	543	0.35%
<b>Subtotal (10 Largest Employers)</b>		<b>21,817</b>	<b>13.98%</b>

**2013**

Employer	Rank	Employees	% of Total Employment
Clayton County Board of Education	1	7,100	5.46%
Delta Airlines/Tech Ops	2	6,000	4.62%
Southern Regional Medical Center	3	2,100	1.62%
Fresh Express, Inc.	4	1,100	1.62%
Southern Company/Georgia Power	5	766	0.59%
Clayton State University	6	750	0.58%
Fedex Ground	7	750	0.58%
Saia Motor Freight Line	8	500	0.38%
R+L Carriers	9	430	0.33%
ToTo, USA, Inc	10	425	0.33%
<b>Subtotal (10 Largest Employers)</b>		<b>19,921</b>	<b>16.11%</b>

Source:

<http://www.claytoncountyga.gov/departments/finance/annual-budget.aspx>

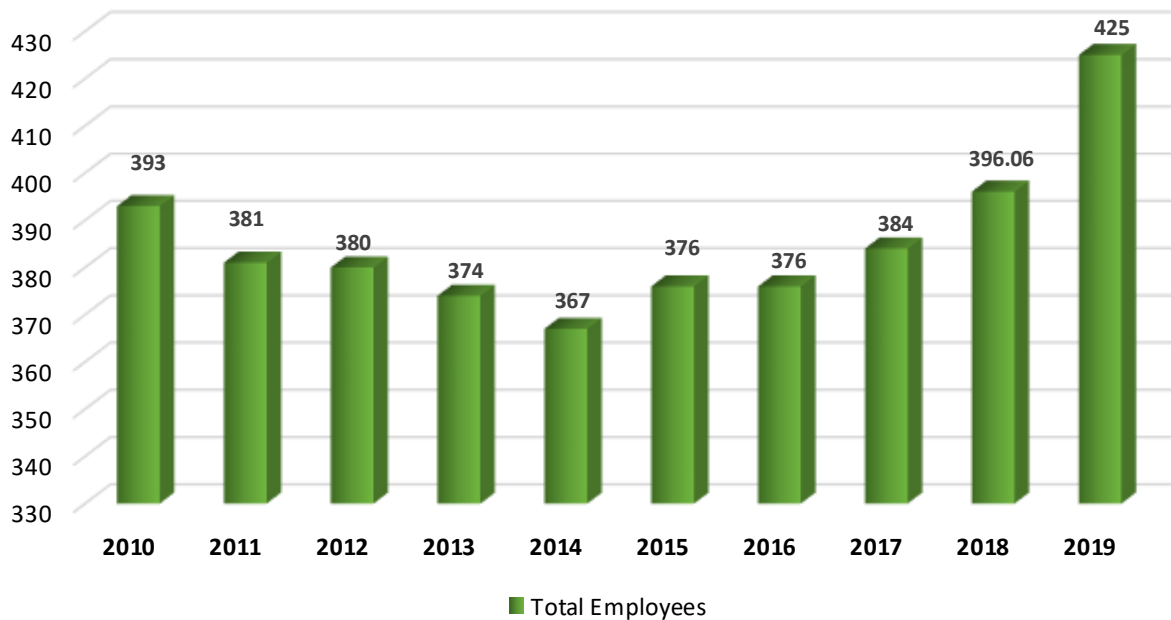
Note: Data has not been updated according to source



SCHEDULE 25: NUMBER OF EMPLOYEES BY JOB CLASS

Clayton County Water Authority  
**NUMBER OF EMPLOYEES BY JOB CLASS**  
 Last Ten Fiscal Years

General Classification	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Managers	8	8	8	7	8	9	9	9	14	14
Office	105	106	104	105	106	110	112	117	98	124
Meter Readers	20	17	15	12	12	12	13	13	14	14
Warehouse	6	6	6	6	6	6	6	6	5	6
Garage (Vehicle Maintenance)	4	4	4	4	4	3	4	4	5	4
Building and Grounds Maintenance	31	21	30	31	29	27	16	30	22	19
Water Line Maintenance and Construction	75	73	69	66	62	67	68	64	77.2	70
Wastewater Operator	40	40	40	40	39	39	40	40	43	43
Water Plant Operator	26	26	24	24	24	24	24	23	22.6	25
Forestry	0	0	0	0	0	0	0	0	0	14
Laboratory	6	5	5	6	6	6	5	5	8.5	6
Plant and Equipment Maintenance	11	12	13	13	13	13	13	13	15	14
Sewer Line Maintenance	34	34	33	31	30	32	32	29	38	34
Inspectors	7	9	9	10	9	9	14	13	11	18
Draftsman and Surveyors	9	9	9	8	8	8	9	7	10.76	8
Field Service	11	11	11	11	11	11	11	11	12	12
<b>Total Employees</b>	<b>393</b>	<b>381</b>	<b>380</b>	<b>374</b>	<b>367</b>	<b>376</b>	<b>376</b>	<b>384</b>	<b>396</b>	<b>425</b>



Source: Human Resources Department files

Note: Employee count is by position only and does not represent Full-Time Equivalent Employees (FTEs)

Due to the compensation study completed in 2019, some positions have been reclassified, e.g.: Forestry classification



## SCHEDULE 26: OPERATING AND CAPITAL INDICATORS

### Clayton County Water Authority OPERATING AND CAPITAL INDICATORS Last Ten Fiscal Years

Water Production	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Size of Watershed (Square Miles drained)	184.0	184.0	184.0	184.0	184.0	184.0	184.0	184.0	184.0	184.0
Water Storage Capacity (Million Gallons)	36.2	36.2	36.2	36.2	32.2	32.1	32.1	32.1	32.1	32
Miles of Distribution Lines	1,377	1,377	1,377	1,377	1,377	1,377	1,377	1,377	1,377	1,377
Number of Pumping Stations	4	4	4	4	4	4	4	4	4	4
Number of Production Plants	3	3	3	3	3	3	3	3	3	3
Daily Treatment Capacity (MGD-Million Gallons Per Day)	42.0	42.0	42.0	42.0	42.0	42.0	42.0	42.0	42.0	42.0
Annual Treatment Capacity (Million Gallons)	15,330	15,330	15,372	15,330	15,330	15,330	15,372	15,330	15,330	15,330
Amount Treated Annually (Million Gallons)	8,511	8,154	8,378	8,643	9,001	9,433	9,436	9,436	9,031	9,217
Unused Capacity (Million Gallons)	6,819	7,176	6,994	6,687	6,329	5,897	5,936	5,894	6,299	6,113
Percentage of Unused Capacity	44.5%	46.8%	45.5%	43.6%	41.3%	38.5%	38.6%	38.4%	41.1%	39.9%

Water Reclamation	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Miles of Sewer Lines	1,125	1,125	1,125	1,125	1,125	1,125	1,125	1,125	1,125	1,125
Number of Treatment Plants	3	3	3	3	3	3	3	3	3	3
Number of Lift Stations	38	40	39	39	39	38	38	40	40	41
Daily Treatment Capacity (MGD-Million Gallons Per Day)	38.4	38.4	38.4	38.4	38.4	38.4	38.4	38.4	38.4	38.4
Annual Treatment Capacity (Million Gallons)	14,016	14,016	14,016	14,054	14,016	14,016	14,016	14,054	14,016	14,016
Amount Treated Annually (Million Gallons)	7,735	6,890	6,970	7,728	7,329	8,704	7,101	7,451	7,451	8,556
Unused Capacity (Million Gallons)	6,281	7,126	7,046	6,326	6,687	5,312	6,915	6,603	6,565	5,460
Percentage of Unused Capacity	44.8%	50.8%	50.3%	45.0%	47.7%	37.9%	49.3%	47.0%	46.8%	39.0%

Notes:

1. MGD = Millions of Gallons per Day
2. Additional information can be found in Schedules (8), (9) and (10)
3. Unused Capacity of CCWA plants; Interconnects not included

Source: CCWA Operational Data



SCHEDULE 27: ANALYSIS OF COST OF WATER SOLD

Clayton County Water Authority  
**ANALYSIS OF COST OF WATER SOLD**  
 For The Fiscal Years Ended April 30, 2019 and 2018

Cost To Produce Water	Fiscal Year Ended April 30, 2019	Fiscal Year Ended April 30, 2018
<b>Direct Costs</b>	\$ 12,669,453	\$ 12,656,515
Direct Depreciation ( <i>Schedule 29</i> )	6,124,385	6,668,878
Less:		
Tapping Fees Charged	(1,308,290)	(919,681)
<b>Net Direct Costs</b>	<b>\$ 17,485,548</b>	<b>\$ 18,405,712</b>
Indirect and Administrative Costs ( <i>Schedule 29</i> )	16,393,162	12,961,658
Net Interest Expense ( <i>Schedule 29</i> )	1,047,092	1,323,598
Indirect Depreciation Expense ( <i>Schedule 29</i> )	677,313	638,327
<b>Total Cost of Water Produced</b>	<b>\$ 35,603,115</b>	<b>\$ 33,329,295</b>
Total Gallons Billed ( <i>Thousands</i> )	8,271,269	8,358,331
<b>Cost Per Thousand Gallons</b>	<b>\$ 4.30</b>	<b>\$ 3.99</b>


**SCHEDULE 28: ANALYSIS OF COST OF WASTEWATER TREATED**

Clayton County Water Authority  
**ANALYSIS OF COST OF WASTEWATER SOLD**  
 For The Fiscal Years Ended April 30, 2019 and 2018

Cost To Treat Wastewater	Fiscal Year Ended April 30, 2019	Fiscal Year Ended April 30, 2018
<b>Direct Costs</b>	\$ 16,521,214	\$ 16,450,059
Direct Depreciation ( <i>Schedule 29</i> )	9,393,266	9,419,215
Less:		
Tapping Fees Charged	(26,155)	(10,075)
Sale of Pellets	(24,557)	(14,211)
<b>Net Direct Costs</b>	<b>\$ 25,863,768</b>	<b>\$ 25,844,988</b>
Indirect and Administrative Costs ( <i>Schedule 29</i> )	\$ 14,009,898	\$ 11,123,835
Net Interest Expense ( <i>Schedule 29</i> )	1,725,273	2,157,973
Indirect Depreciation Expense ( <i>Schedule 29</i> )	1,115,997	1,040,719
<b>Total Cost of Sewer Treated</b>	<b>\$ 42,714,936</b>	<b>\$ 40,167,515</b>
Total Gallons Billed ( <i>Thousands</i> )	8,102,896	7,451,024
<b>Cost Per Thousand Gallons</b>	<b>\$ 5.27</b>	<b>\$ 5.39</b>



## SCHEDULE 29: ALLOCATION OF CERTAIN EXPENSES

### Clayton County Water Authority ALLOCATION OF CERTAIN EXPENSES For The Fiscal Year Ended April 30, 2019

#### ALLOCATION OF INDIRECT AND ADMINISTRATIVE COSTS

Indirect Expenses		\$11,242,731
Administration Expenses		20,573,887
Less:		
Stormwater Transfers for Overhead Costs		<u>(1,413,558)</u>
<b>Net Indirect and Administrative Costs</b>		<b><u>\$30,403,060</u></b>

<b>Allocated on Basis of Revenues</b>	<u>Amount</u>	<u>Percent</u>	
Sale of Water	\$ 52,010,546	53.92%	\$16,393,162
Sewer Service Charges	44,449,171	46.08%	14,009,898
<b>Total Allocated Indirect and Administrative Costs</b>	<b><u>\$ 96,459,717</u></b>	<b><u>100.00%</u></b>	<b><u>\$30,403,060</u></b>

#### ALLOCATION OF NET INTEREST EXPENSE

Total Interest Expense		\$ 3,519,088
Less:		
Interest Earned on Investments		<u>746,723</u>
<b>Net Interest Expense</b>		<b><u>\$ 2,772,365</u></b>

<b>Allocated on Basis of Net Capital Assets</b>			
Water Distribution System	\$167,933,871	37.77%	\$ 1,047,092
Sewer Distribution System	276,701,565	62.23%	1,725,273
<b>Total Allocated Net Interest Expense</b>	<b><u>\$444,635,436</u></b>	<b><u>100.00%</u></b>	<b><u>\$ 2,772,365</u></b>

#### ALLOCATION OF INDIRECT DEPRECIATION EXPENSE

Total Depreciation Expense		\$17,310,962
Less:		
Direct Depreciation Expense - Water		(6,124,385)
Direct Depreciation Expense - Sewer		<u>(9,393,266)</u>
<b>Total Indirect Depreciation Expense</b>		<b><u>\$ 1,793,311</u></b>

<b>Allocated on Basis of Net Capital Assets</b>			
Water Distribution System	\$167,933,871	37.77%	\$ 677,313
Sewer Distribution System	276,701,565	62.23%	1,115,997
<b>Total Allocated Indirect Depreciation</b>	<b><u>\$444,635,436</u></b>	<b><u>100.00%</u></b>	<b><u>\$ 1,793,310</u></b>





## VI. COMPLIANCE SECTION

### COMPLIANCE SECTION INDEX

INDEPENDENT AUDITOR'S 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

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS





## COMPLIANCE SECTION INDEX

Independent Auditor's 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	Page 156
Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance	Page 158
Schedule of Expenditures of Federal Awards	Page 160
Notes to Schedule of Expenditures of Federal Awards	Page 160
Schedule of Findings and Questioned Costs	Page 161
Summary Schedule of Prior Year Findings	Page 163



INDEPENDENT AUDITOR'S 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*



**INDEPENDENT AUDITOR'S 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 Board of Directors  
Clayton County Water Authority  
Clayton County, Georgia

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the business-type activities, each major fund and the remaining fund information of the Clayton County Water Authority (the "Authority") as of and for the year ended April 30, 2019, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated October 21, 2019.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

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

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



---

### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority'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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

*Mauldin & Jenkins, LLC*

Macon, Georgia  
October 21, 2019



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR  
EACH MAJOR PROGRAM AND ON INTERNAL CONTROL  
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

To the Board of Directors  
Clayton County Water Authority  
Clayton County, Georgia

**Report on Compliance For Each Major Federal Program**

We have audited the Clayton County Water Authority's (the "Authority") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Authority's major federal programs for the year ended April 30, 2019. The Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the Authority's major federal programs based on our audit of the types of compliance requirements referred to above. 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis of our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Authority's compliance.

***Opinion on Each Major Federal Program***

In our opinion, the Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended April 30, 2019.



---

#### Report on Internal Control Over Compliance

Management of the Authority is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Authority's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Authority's 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 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 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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.

*Mauldin & Jenkins, LLC*

Macon, Georgia  
October 21, 2019



## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the fiscal year ended April 30, 2019, the Clayton County Water Authority received loan disbursements of \$5,875,972 from the Georgia Environmental Finance Authority as a pass-through entity of capitalization grants for the Clean Water State Revolving Fund program. Total outstanding principal on CWSRF 2016037 at April 30, 2019 was \$6,983,645

Federal Grantor/Pass-through Grantor/Program Title	CFDA	Grantor Program Number	State/Local Pass-Through Entity	Federal Expenditures	Subrecipient Expenditures
U.S. Environmental Protection Agency	66.458	GEFA-CWSRF- 2016037	Georgia Environmental Finance Authority	\$ 5,875,972	\$ -

## NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

### Basis of Presentation and Accounting

The accompanying schedule of expenditures of federal awards presents the activity of all federal financial assistance programs of Clayton County Water Authority, Georgia (the "Authority"). The Authority reporting entity is defined in [Note I: Summary of Significant Accounting Policies](#) to the Authority's financial statements. Federal financial assistance received directly from federal agencies and federal assistance passed through other government agencies are included on the schedule.

The accompanying schedule of expenditures of federal awards is presented using the accrual basis of accounting for proprietary fund types as more fully described in [Note I: Summary of Significant Accounting Policies](#) to the Authority's financial statements.

The Authority has elected not to utilize the ten percent federal de minimus indirect cost rate for the year ended April 30, 2019.

The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. Therefore, some amounts presented in the schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

The Authority did not receive non-cash federal awards during the year ended April 30, 2019.



## SCHEDULE OF FINDINGS AND QUESTIONED COSTS

**CLAYTON COUNTY WATER AUTHORITY**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE FISCAL YEAR ENDED APRIL 30, 2019**

**SECTION I**  
**SUMMARY OF AUDIT RESULTS**

**Financial Statements**

Type of auditor's report issued Unmodified

Internal control over financial reporting:  
 Material weaknesses identified? \_\_\_ Yes X No

Significant deficiencies identified not considered  
 to be material weaknesses? \_\_\_ Yes X None Reported

Noncompliance material to financial statements noted? \_\_\_ Yes X No

**Federal Awards**

Internal control over financial reporting:  
 Material weaknesses identified? \_\_\_ Yes X No

Significant deficiencies identified not considered  
 to be material weaknesses? \_\_\_ Yes X None Reported

Type of auditor's report issued on compliance for  
 major programs Unmodified

Any audit findings disclosed that are required to  
 Be reported in accordance with the Uniform Guidance? \_\_\_ Yes X No

Identification of major program:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
66.548	Capital Grants for Clean Water State Revolving Loan Funds

Dollar threshold used to distinguish between  
 Type A and Type B programs \$750,000

Auditee qualified a low risk auditee? \_\_\_ Yes X No





**CLAYTON COUNTY WATER AUTHORITY**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE FISCAL YEAR ENDED APRIL 30, 2019**

---

**SECTION II**  
**FINANCIAL STATEMENT FINDINGS AND QUESTIONED COSTS**

None reported.

**SECTION III**  
**FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

None reported.



SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS

**CLAYTON COUNTY WATER AUTHORITY**

**SUMMARY OF PRIOR YEAR FINDINGS  
FOR THE FISCAL YEAR ENDED APRIL 30, 2019**

---

None reported.