



Comprehensive
Annual
Financial
Report

For Fiscal Year Ended
April 30, 2020

Clayton County Water Authority

Clayton County, Georgia

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For The Fiscal Year Ended April 30, 2020

Prepared By:

Finance Department

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	21
Certificate of Achievement for Excellence in Financial Reporting.....	24
Organizational Chart	25
Vicinity Map of Metro Atlanta Area.....	26
Map of Clayton County	27
Listing of Principal Officials and Consultants	28
Board of Directors.....	29
Leadership Team.....	30
Finance Department Staff.....	31
II. Financial Section	32
Independent Auditor's Report.....	33
Management Discussion and Analysis.....	36
Overview of the Financial Statements.....	36
Financial Highlights	38
Financial Analysis of the Authority's Business-Type Activities	38
Condensed Statements of Net Position.....	39
Condensed Statements of Revenues, Expenses and Changes in Net Position.....	51
Capital Assets and Debt	61
Economic Factors, Rates and Next Year's Financial Activity.....	63
Next Year's Budget.....	64

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	81
Note 4: Accounts Receivable	85
Note 5: Interfund Transfers	85
Note 6: Capital Assets	86
Note 7: Long-Term Obligations	87
Note 8: Risk Management	91
Note 9: Self-Insurance	91
Note 10: Commitments, Contingencies and Other Information	92
Note 11: Other Postemployment Benefits	93
Note 12: Public Employee Retirement System (PERS).....	98
III. Required Supplementary Information	103
Schedule of Proportionate Share of Net Pension Liability.....	104
Schedule of Contributions - Pension.....	104
Schedule of Changes in Net OPEB Liability and Related Ratios	105
Schedule of Contributions – Other Post-Employment Benefits	105
Schedule of Other Post-Employment Benefits Investment Returns	106
IV. Supplementary Information	107
Schedule of Operating Revenues	108
Schedule of Operating Expenses – Direct Water Operating Expenses	109
Schedule of Operating Expenses – Direct Wastewater Operating Expenses	110
Schedule of Operating Expenses – Indirect Operating Expenses	111
Schedule of Operating Expenses – Administrative Operating Expenses	112

Schedule of Operating Expenses – Stormwater Direct and Indirect Operating Expenses	113
Schedule of Capital Assets and Depreciation by Asset Class – Water and Sewer Fund	114
Schedule of Capital Assets and Depreciation by Department – Water and Sewer Fund	116
Schedule of Capital Assets and Depreciation by Asset Class – Stormwater Fund	118
Schedule of Capital Assets and Depreciation by Department – Stormwater Fund	119
Debt Service Accounts	120
Schedule of Restricted Assets and Related Payables – Debt Service Accounts.....	120
Schedule of Changes in Restricted Assets – Debt Service Accounts.....	121
Schedule of Revenue Bonds Payable	122
Notes to Schedule of Bonds Payable:	122
Renewal and Extension Account.....	122
Schedule of Restricted Assets and Related Payables – Renewal and Extension Account	123
Schedule of Changes in Restricted Assets – Renewal and Extension Account	123
V. Statistical Section.....	124
Statistical Section Index	125
Schedule 1: Net Position by Component	126
Schedule 2: Changes in Net Position.....	127
Schedule 3: Operating Revenues by Source	128
Schedule 4: Operating Expense by Function.....	129
Schedule 5: Nonoperating Revenues and Expenses	130
Schedule 6: Annual Capital Contributions by Source	131
Schedule 7: Gallons of Water Treated and Consumed	132
Schedule 8: Gallons of Water Sold and Wastewater Treated.....	133
Schedule 9: Annual Water Produced by Plant	134
Schedule 10: Annual Wastewater Treated by Plant	135
Schedule 11: Annual New Water Meter Settings	136
Schedule 12: Minimum Monthly Water Charges and Base Charges	137
Schedule 13: Number of Water and Wastewater Customers by Type.....	138
Schedule 14: Number of Stormwater Customers by Type	139
Schedule 15: Water and Sewer Rates	140
Schedule 16: Stormwater Rates.....	141

Schedule 17: Ten Largest Water and Wastewater Customers Measured by Consumption in Gallons and Water and Wastewater Revenues	142
Schedule 18: Ten Largest Water and Wastewater Customers Measured by Consumption in Gallons and Water and Wastewater Revenues (Ten Years Ago)	143
Schedule 19: Ten Largest Customers Measured By Stormwater User Fees	144
Schedule 20: Ten Largest Customers Measured By Stormwater User Fees (Ten Years Ago)	145
Schedule 21: Ratios of Outstanding Debt by Type	146
Schedule 22: Debt Service Coverage	147
Schedule 23: Demographic And Economic Statistics	148
Schedule 24: Ten Largest Employers	149
Schedule 25: Number of Employees by Job Class	150
Schedule 26: Operating and Capital Indicators	151
Schedule 27: Analysis of Cost of Water Sold	152
Schedule 28: Analysis of Cost of Wastewater Treated	153
Schedule 29: Allocation of Certain Expenses	154
VI. Compliance Section	155
Compliance Section Index	156
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>	157
Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance	159
Schedule of Expenditures of Federal Awards	161
Notes to Schedule of Expenditures of Federal Awards	161
Basis of Presentation and Accounting	161
Schedule of Findings and Questioned Costs	162
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 | 770.961.2130 | 1600 Battle Creek Road, Morrow, GA 30260

November 16, 2020

Mr. Robin Malone, 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, 2020.

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, 2020, 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 292,256 residents, according to most recent 2019 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 \$8.6 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-six public schools and thirteen 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, 2020, the Authority served 84,135 water customers, 68,441 sewer customers and 82,796 stormwater customers.

<i>Type of Customer</i>	Water		Sewer		Stormwater	
	<i>April 30, 2020</i>	<i>April 30, 2019</i>	<i>April 30, 2020</i>	<i>April 30, 2019</i>	<i>April 30, 2020</i>	<i>April 30, 2019</i>
Residential	78,732	77,628	64,423	63,311	77,580	76,451
Multi-Family Residential	6	5	6	5	8	6
Total Residential	78,738	77,633	64,429	63,316	77,588	76,457
Commercial	3,760	3,730	2,843	2,821	3,805	3,774
Motel	60	61	51	52	49	50
Multi-Family	389	386	358	356	366	361
Mobile Homes	23	23	22	22	17	17
Total Commerical and Multi-Family	4,232	4,200	3,274	3,251	4,237	4,202
Industrial	55	56	39	39	47	48
Institutional	676	683	495	505	628	634
Government	245	248	157	159	232	245
Cities and Counties	7	7	3	3	1	1
CCWA/Other	182	170	44	66	63	63
Total Industrial and Municipal	1,165	1,164	738	772	971	991
Total Customers	84,135	82,997	68,441	67,339	82,796	81,650

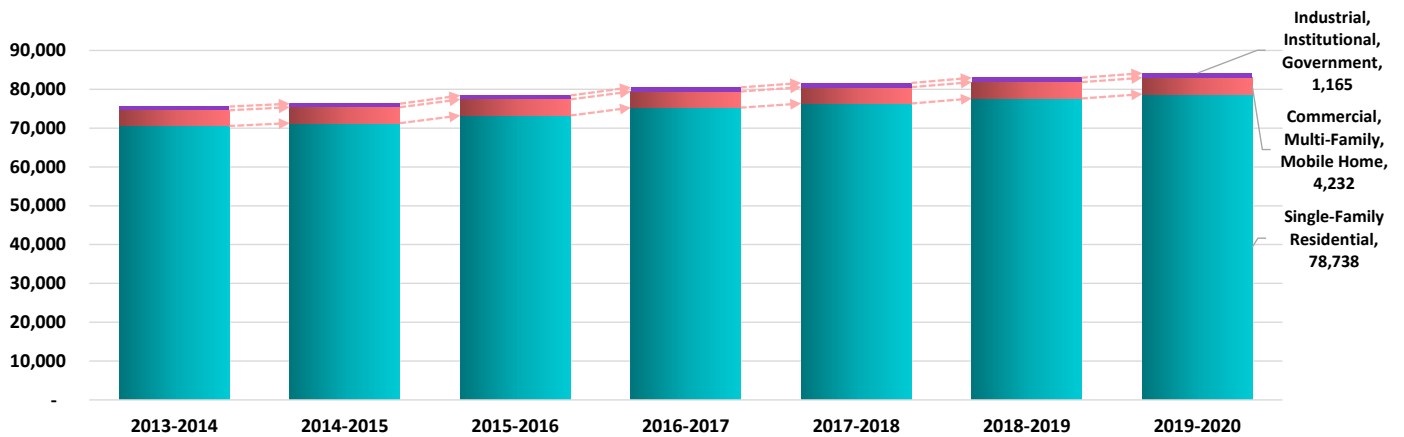




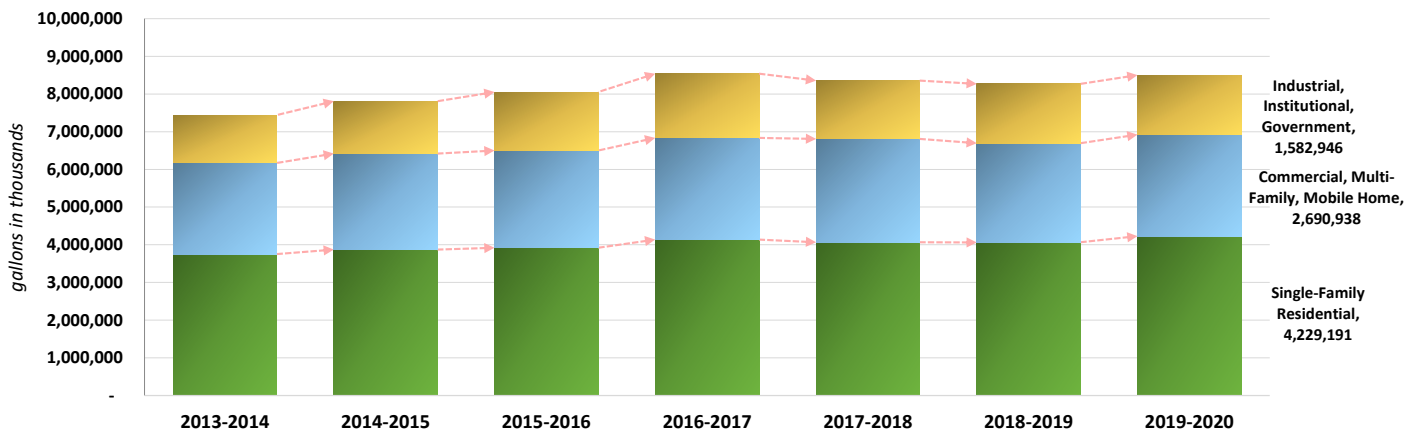
WATER CUSTOMERS AND USAGE

The number of water customers, in all categories, has been trending upward since FY 2013 - 2014 as the County continues its economic growth. Water usage is trending upward, following customer growth.

WATER CUSTOMERS BY CATEGORY



WATER USAGE BY CATEGORY

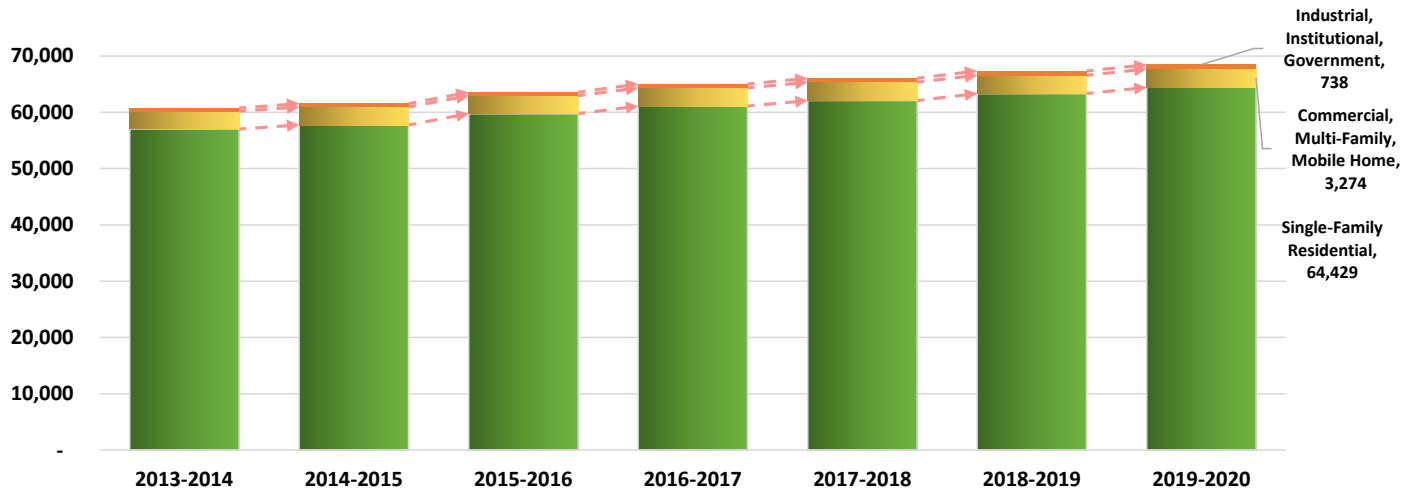




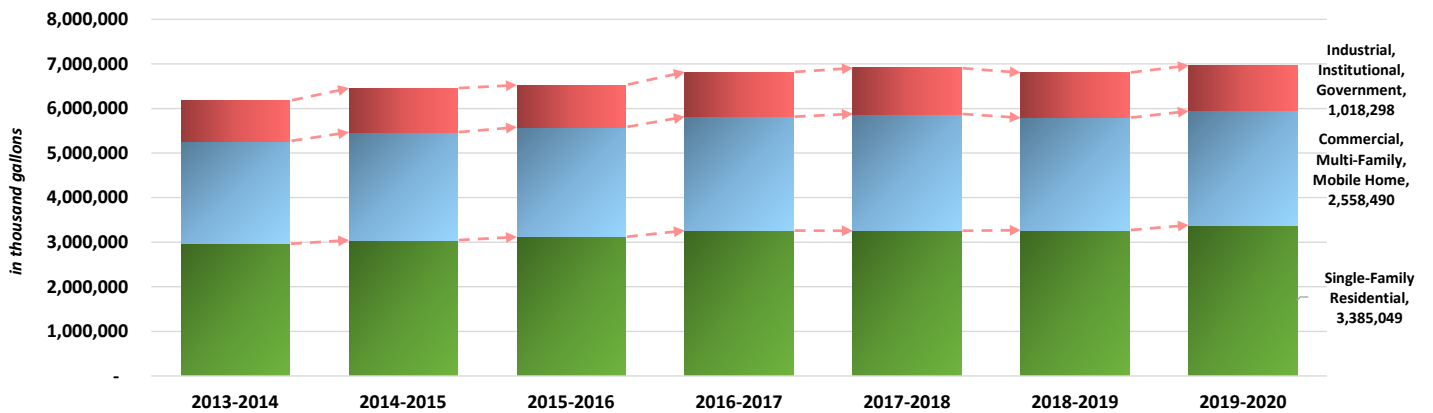
SEWER CUSTOMERS AND USAGE

The number of sewer customers, in all categories, has been trending upward since FY 2013 - 2014 as the County continues its economic growth.

SEWER CUSTOMERS BY CATEGORY



SEWER USAGE BY CATEGORY

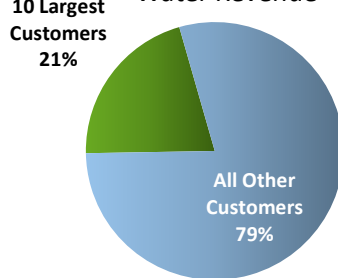




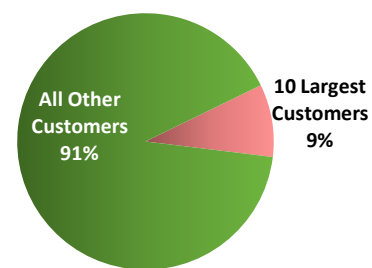
TOP TEN WATER AND SEWER CUSTOMERS BY REVENUE

Water			Wastewater		
Customer	Revenue	Percent	Customer	Revenue	Percent
Fresh Express	\$ 2,674,473	5.02%	Fresh Express	\$ 1,699,893	3.77%
Clayton County Board of Education	1,560,615	2.93%	Marcres Sales Inc	381,928	0.85%
City of College Park	1,542,749	2.89%	Clayton County Board of Commissioners	361,045	0.80%
Clayton County Board of Commissioners	1,325,561	2.49%	Deer Creek MHP LLC	288,155	0.64%
Clorox Company	1,092,707	2.05%	DMS Overlook LLC	271,191	0.60%
Marcres Sales Inc	695,001	1.30%	Hunter Ridge MHP LLC	265,935	0.59%
Deer Creek MHP LLC	572,979	1.07%	Club Chef Southeast LLC	263,828	0.58%
Club Chef Southeast LLC	565,694	1.06%	Toto USA Inc	249,182	0.55%
Hunter Ridge MHP LLC	541,262	1.02%	5890 Riverdale LLC	181,829	0.40%
DMS Overlook LLC	534,985	1.00%	Fulton County Public Works Department	169,042	0.37%
10 Largest Customers	\$11,106,026	20.83%	10 Largest Customers	\$ 4,132,028	9.16%
All Other Customers	42,201,237	79.17%	All Other Customers	40,986,003	90.84%
Total	\$53,307,263	100.00%	Total	\$45,118,031	100.00%

10 Largest Customers 21% Water Revenue



Wastewater Revenue



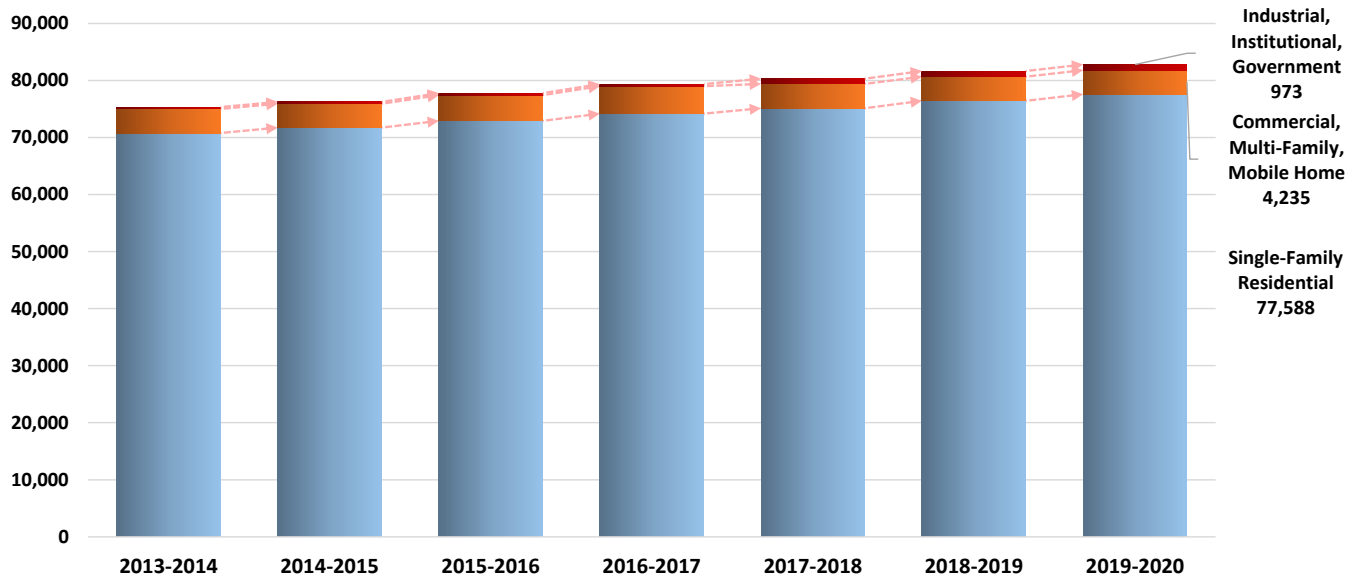
Additional information about the Authority's customer base, usage and related revenue trends can be found in the [STATISTICAL SECTION](#) in beginning on [Schedule 7](#) and through [Schedule 20](#).





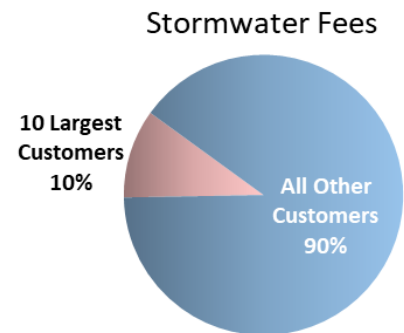
STORMWATER CUSTOMERS

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	6.08%
Georgia Department of Agriculture	86,438	0.86%
J C Penney Catalog Division	62,823	0.62%
Kroger	52,875	0.52%
Federal Express	49,641	0.49%
Fort Gillem - Site Manager	46,839	0.46%
HD Supply Facilities Maintenance LTD	33,642	0.33%
Georgia Power Company	31,016	0.31%
Urban Redevelopment Agency	30,568	0.30%
Tindall Corporation - GA Division	26,490	0.26%
10 Largest Customers	\$ 1,034,307	10.25%
All Other Customers	9,056,171	89.75%
Total	\$ 10,090,477	100.00%



JCPenney



Georgia Power



Hartsfield-Jackson
Atlanta International Airport





OVERVIEW OF THE SYSTEM



Water Production

- 3 Production Plants
- 47 MGD Capacity
- 26 MGD Produced
- 5 Reservoirs
- Water Storage
- 3 Clear Wells: 6.7 MG
- 7 Ground Storage Tanks: 23 MG
- 4 Elevated Tanks: 2.5 MG



Water Reclamation

- 3 Reclamation Facilities
- 38.4 MGD Treatment Capacity
- 21.2 MGD Treated
- 2 Constructed Wetlands systems
- 41 Lift Stations



Stormwater

- 6 City systems
- 1 County system
- 500 miles of piping

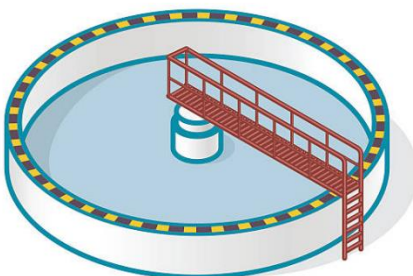
The Authority owns and operates five raw water reservoirs:

- **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. They are rated slightly 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 \$72.1M. 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 has benefited from 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 were 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 of March 2020, the COVID-19 global pandemic began to have a severe, negative impact on the travel industry. The Hartsfield-Jackson Atlanta International Airport and surrounding area has experienced a severe economic set-back from the pandemic. However, as the global economy and the travel industry recovers over the next few years, the airport is well-positioned to return to its position as an economic driver in the Atlanta area, helping to resume the growth of the prior decade.

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. In 2015, Hartsfield-Jackson unveiled its 20-year master plan that included nearly \$9 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.

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



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.

Georgia has taken a leading role in the movie industry, which contributes 55,000 jobs and \$7B in annual economic impact to the state. In 2019, nearly 400 productions were filmed in Georgia to include 26 feature films, 31 independent films, 214 television series, 91 commercials and 29 music videos. 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. The economy of Fayette County, Clayton County's Southside neighbor, receives an economic boost from the 288-acre Pinewood Atlanta Studios complex with five state of the art sound stages. Actor and producer, Tyler Perry developed 30 acres of the 488-acre site at the closed Fort McPherson army base in East Point directly impacting Clayton County's economy.

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.

The University System of Georgia opened classes its new Georgia Film Academy to train future industry workers in the State. Clayton State University has followed suit 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, 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. Although its plans have been put on hold due to the COVID-19 pandemic that struck in 2020, Delta is well-positioned to be a driving force, expanding international routes during the next few years of recovery.

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 22](#), 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

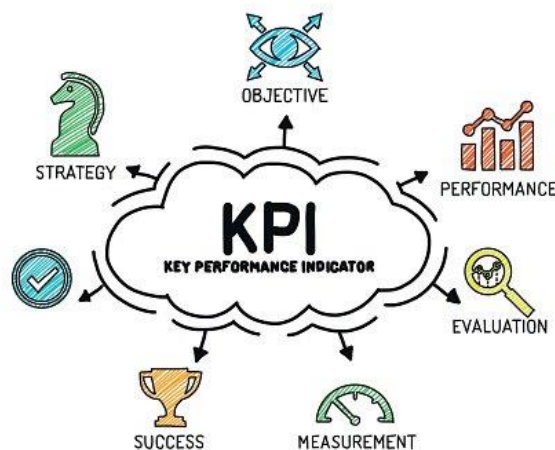
Integral to the Authority's Capital Improvement Program, is its Strategic Master Plan (SMP). The Authority prepares a detailed ten-year strategic master plan every ten years and conducts mid-term updates every five years. Mid-term updates provide an opportunity to measure the progress of the plan's implementation 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 2020 Strategic Master Plan was completed in the 2019 – 2020 fiscal year. The plan identified 145 projects with total costs estimated at \$665 million to be completed over the next ten years. The 2020 SMP was complemented by a Financial Strategy and Rate Modeling initiative to assist in the long-term strategy to fund the projects identified.

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 also incorporates an Information Technology (IT) Master Plan and a Strategic Asset Management Plan (SAMP). The later was completed and implemented in April 2019. Each year projects in the SMP are prioritized and used as an annual budgeting and work priority guide.

The SMP uses 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. These performance metrics are reviewed and updated, as necessary. This information is then used to develop annual work priorities so that staffing and financial resources are not overburdened and are 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

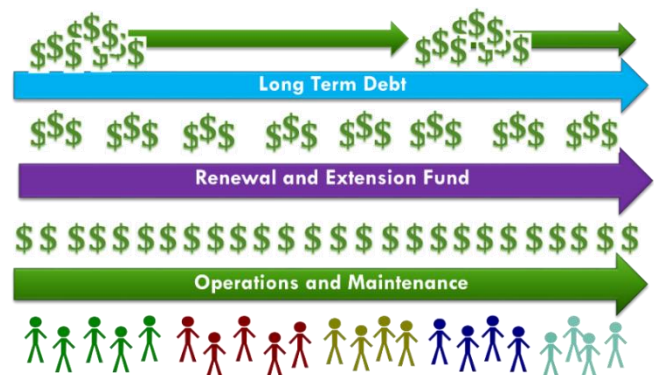
The table below lists the challenges that the Authority faces and management's approach to addressing these issues, by the priority of its projects, in each year's capital improvement program.

Challenge	CCWA Approach
Project Funding	Balanced approach to funding projects: (1) Debt (2) "pay as you go approach", and (3) Rate Increases
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.
Maintenance of Infrastructure and Assets	Utilize risk-based approaches to maintain, upgrade, and operate existing physical assets cost effectively.
Innovation and Technological Advancement	Implementation of innovative projects and processes across the utility. Implement technologies across the utility to automate processes and allow increased staff mobility.

PROJECT FUNDING

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, 2020, the Authority had three revenue bond issues with outstanding principal balances totaling \$72.1M. On May 1, 2020, two of the three outstanding series will be retired when the final payments are made leaving the 2012 Series outstanding. The final bond payment on this remaining series will be made on May 1, 2023. 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 \$1.75M. The outstanding loan balance as of April 30, 2020 was \$12.2M. 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.

In January 2020, the Authority was awarded a second \$25M loan from GEFA to continue funding its large sewer interceptor rehabilitation. This loan was executed in June 2020. The loan has an interest rate of 0.57% 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 \$1.74M.

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. As of April 30, 2020, the outstanding principal balance of this loan was \$2.6M and its final payment will be November 1, 2025. The second loan funded the addition of backflow devices within our distribution system. On April 30, 2020, it had an outstanding principal balance of \$1.6M and matures on April 1, 2026.

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 directors and managers. It also includes periodic reporting of this information by directors 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 master plan lists eighteen projects with total estimated costs of \$288M that address regulatory and capacity issues.

INNOVATION AND TECHNOLOGY ADVANCEMENT

Technology is a vital component of the Authority’s operation. There are eight projects with an estimated cost totaling \$5M listed in the master plan addressing technology needs over the next ten years.

MAINTAINING 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. The Strategic Asset Management Plan (SAMP) addresses the ongoing maintenance of assets through the development of operational procedures and practices. This priority of maintaining infrastructure and assets consumes the lion's share of projected Strategic Master Plan (SMP) spending over the next ten years. There are twenty-two projects with total estimated costs of \$255M that are focused on the assessment, maintenance and replacement of stormwater, sewer and water pipe infrastructure, forty-five projects with total estimated costs of \$89M associated with the maintenance and replacement of facilities and other Authority assets, and twenty-six SAMP initiatives estimated at \$3.9M to develop procedures and practices to maintain and manage net capital assets of \$590M and growing.

Of these projects, GEFA loan disbursements will cover \$38M of Large Interceptor Rehabilitation project costs.

CURRENT YEAR CAPITAL INITIATIVES

Capital projects, included in the *FY 2020 - 2021 Budget* for the both the Water and Sewer and Stormwater Funds, are listed in the table below. Due to the potential economic impact of the COVID-19 pandemic, forecasted revenues were discounted and operating expenses, such as bad debt write-offs, employee health care and contingency funds were increased. This lowered the amount of new funding available for capital projects in the upcoming year.

WATER AND SEWER FUND - RENEWAL AND EXTENSION FUND

For the Fiscal Year Beginning May 1, 2020

Construction Line	Project Description	Amount Budgeted
[RE146]	Wall Reconfiguration	\$ 10,000
[RE146]	Restroom Renovations	300,000
[RE146]	Shamrock CUB Renovations	100,000
[RE180]	DOT - Hasting Bridge Road	45,850
[RE180]	DOT - Dixon Industrial Road	239,750
[RE180]	DOT - Lake Jodeco/Carnes Road	117,200
[RE199]	Casey 24 MGD Capacity Recovery Upgrades - Blowers	2,540,000
Total Capital Projects		\$ 3,352,800

STORMWATER FUND - CONSTRUCTION FUND

For the Fiscal Year Beginning May 1, 2020

Construction Line	Project Description	Amount Budgeted
[SW004]	Cured In Place Pipe	1,500,000
[SW005]	Removal and Replacement	1,920,799
Total Capital Projects		\$ 3,420,799

As of April 30, 2020, there were a total of 180 active construction projects accounting for \$57.5M in construction in progress. There was an additional \$68.5 million in restricted cash budgeted for current and future capital work.





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
- Expense 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 20th. 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, expenses, 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 directors 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 2019 – 2020, CCWA was recognized with several awards by the Georgia Association of Water Professionals (GAWP).

2020

- GAWP Wastewater Plant of the Year for Advanced Treatment 6 – 9.9 MGD Category for its Northeast Water Reclamation Facility (WRF)
- GAWP Top Maintenance Technician for 2020 went to General Service's Lead Maintenance Technician Mike Harp
- GAWP District 3 Top Operator for Wastewater went to Pelletizing Chief Operator Jordan Cole
- Georgia Association of Water Professionals Production Plant Platinum Awards for 100 percent compliance in 2018 – J.W. Smith Water Production Plant (11 years), Terry R. Hicks Water Production Plant (19 years) and W.J. Hooper Water Production Plant (22 years)
- Georgia Association of Water Professionals Water Reclamation Facility Platinum Awards for 100 percent compliance in 2018 – Northeast Water Reclamation Facility (11 years), W.B. Casey Water Resource Recovery Facility (15 years)



2019

- Georgia Association of Water Professionals Collection System Platinum Award
- Georgia Association of Water Professionals Distribution System Platinum Award
- Central Wastewater Senior Lab Analyst Jay Patel received the Water Environment Federation Lab Analyst Excellence Award
- Assistant General Manager Keisha Thorpe received the William J. Greene Award from the Georgia Section of the American Water Works Association
- Georgia Association of Water Professionals Wastewater Plant of the Year for the Advanced Treatment 3 – 5.9 Million Gallons per Day – Shoal Creek Reclamation Facility
- Georgia Association of Water Professionals Biosolids/Residuals Program of Excellence Award for Large Operating System – Greater than 5 Dry Ton Category for 2018 operations – W.B. Casey WRRF Pelletizing Plant
- GAWP Biosolids/Residuals Program of Excellence Award for Small Operating System – Less Than 5 Dry Ton Category for 2018 – Northeast WRF
- Georgia Association of Water Professionals Production Plant Platinum Awards for 100 percent compliance in 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 Water Reclamation Facility 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 Top Wastewater Operator for District 3 Northeast WRF Chief Operator Keith Kiblinger
- Government Finance Officer Associations (GFOA) Distinguished Budget Presentation Award

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, 2019. This was the thirty-third 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*** for its annual budget document dated May 1, 2019. The Authority has received the Distinguished Budget Presentation award for a total of 14 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.



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.

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, 2019.



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, 2019

Christopher P. Morill

Executive Director/CEO

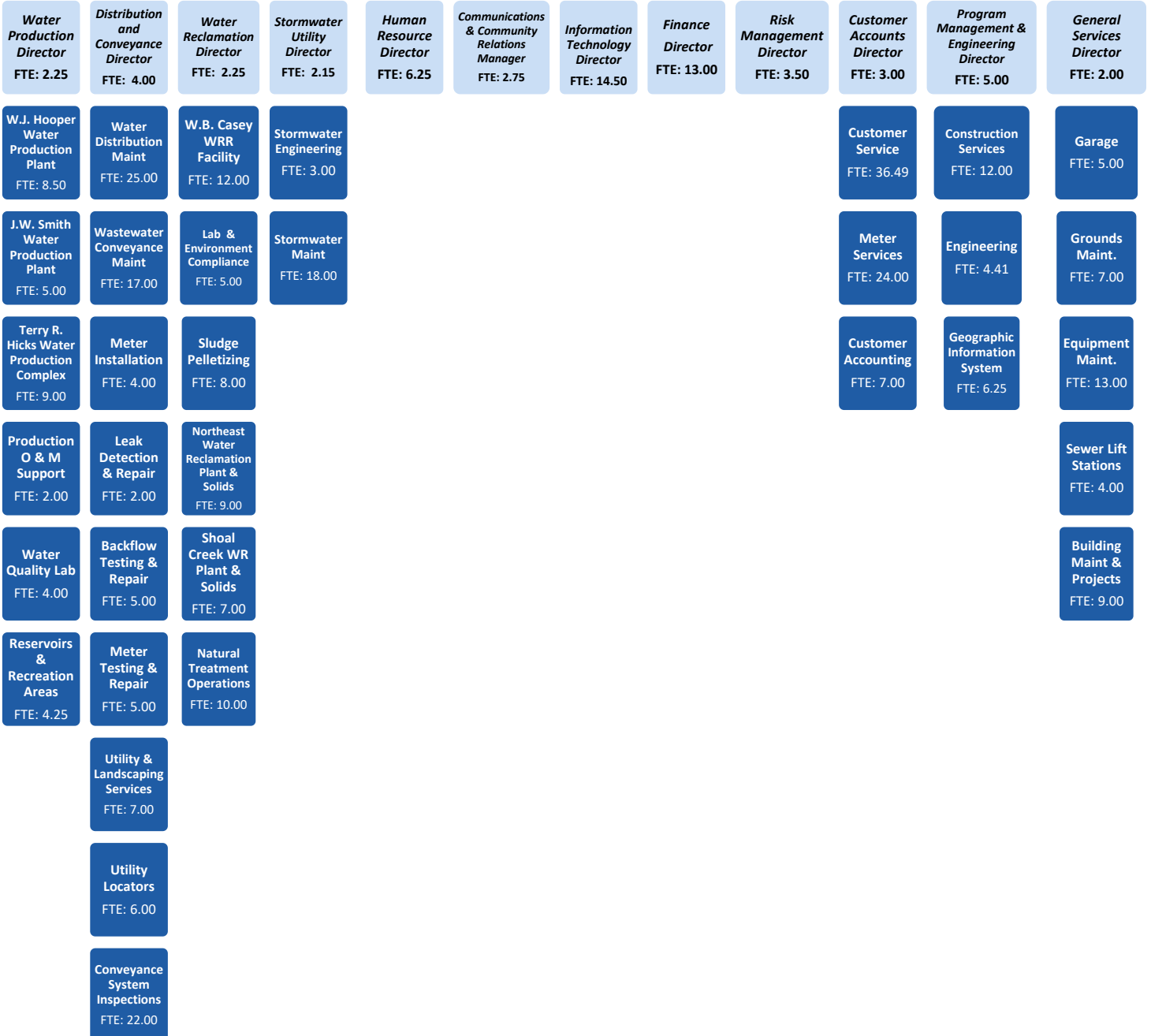
Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.



ORGANIZATIONAL CHART

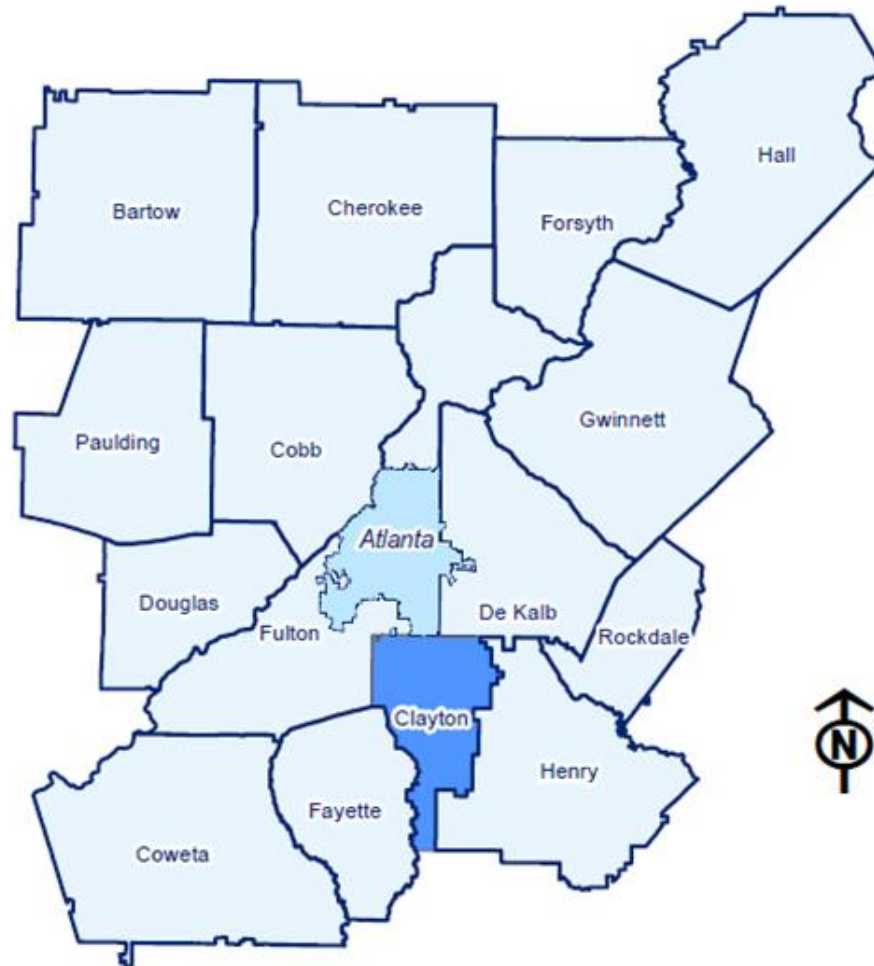
General Manager

FTE: 4.15

Assistant General Manager
OperationsAssistant General Manager
Support Services

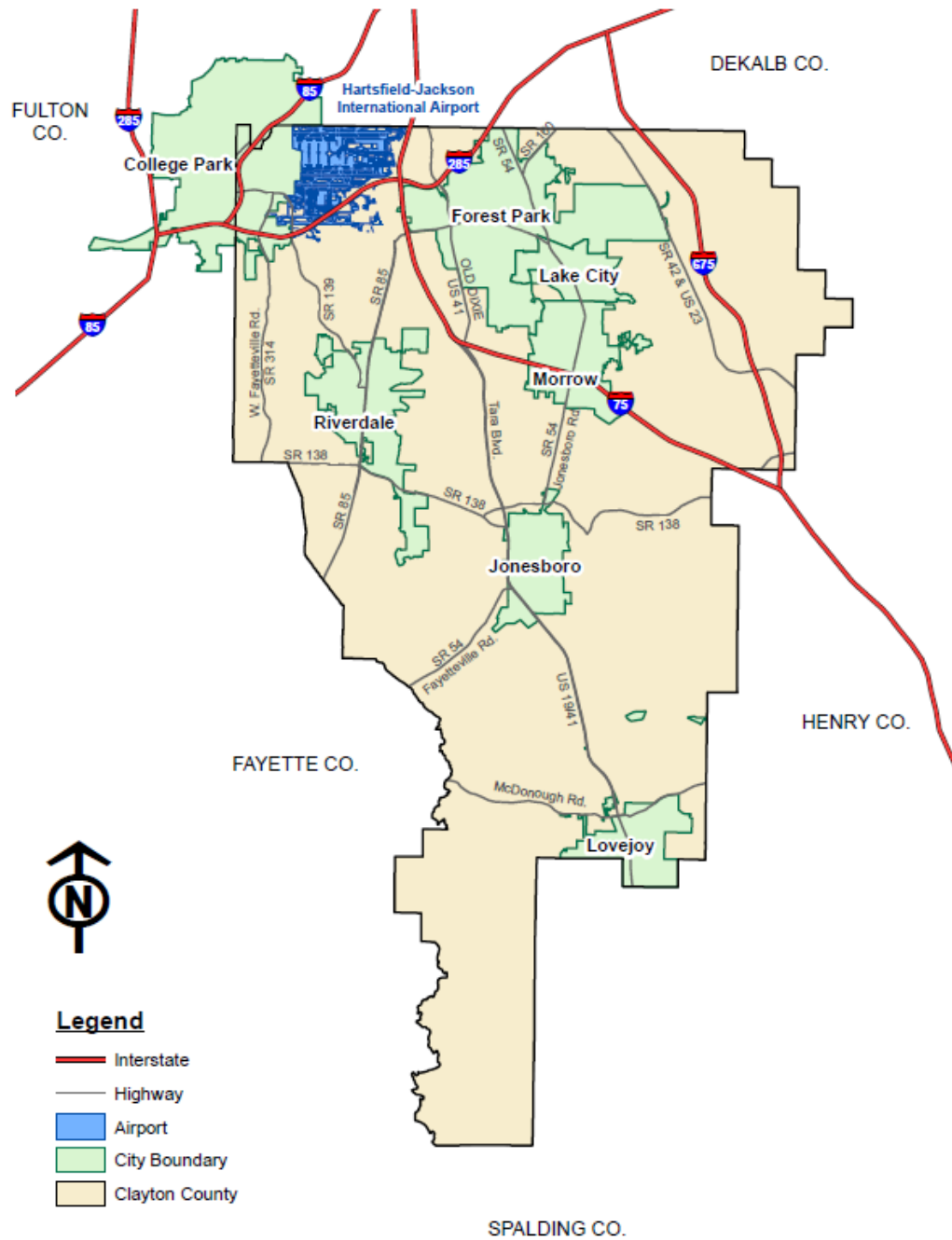


VICINITY MAP OF METRO ATLANTA AREA





MAP OF CLAYTON COUNTY





LISTING OF PRINCIPAL OFFICIALS AND CONSULTANTS

Board Members

Robin Malone, Chairman

Marie Barber, Vice Chair

Rodney Givens, Secretary-Treasurer

John L. Westervelt

Dr. Cephus Jackson

John M. Chafin

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

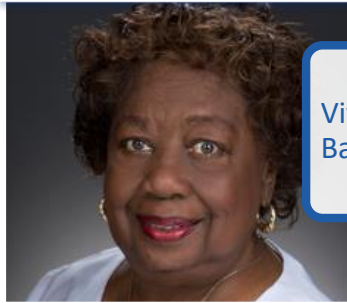
Auditors

Mauldin & Jenkins, Certified Public Accountants, LLC.



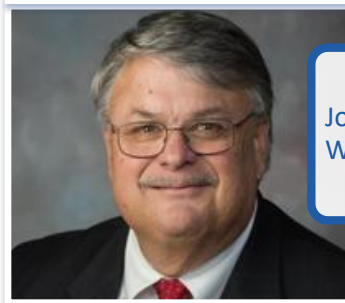
BOARD OF DIRECTORS

Member



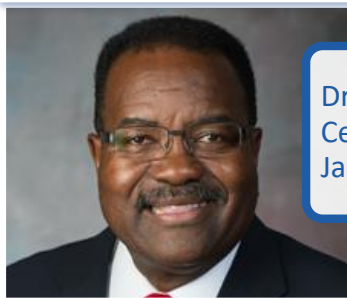
Vivian
Baldwin

Member



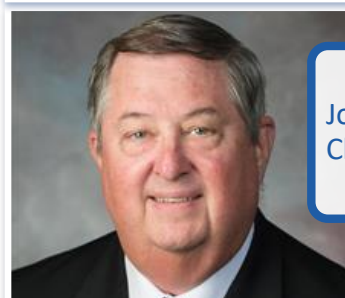
John L.
Westervelt

Member



Dr.
Cephus
Jackson

Member



John M.
Chafin

Vice Chair



Marie
Barber

Secretary - Treasurer



Rodney
Givens

Chairman



Robin
Malone



LEADERSHIP TEAM



Suzanne Brown
 Ed Durham
 Allison G. Halron
 Kendra Staniel
 Tommy Higginbotham
 Jeff Jones
 Brent Taylor
 Kevin Osbey
 Karen Riser
 Coty McDaniel
 Kelly Taylor
 Rodney Perkins

Communications & Community Relations Manager
Human Resource Director
Finance Director
Water Reclamation Director
Information Technology Director
Distribution & Conveyance Director
General Services Director
Stormwater Utility Director
Risk Management Director
Water Production Director
Program Management & Engineering Director
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, 2020, 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.

200 GALLERIA PARKWAY S.E., SUITE 1700 • ATLANTA, GA 30339-5946 • 770-955-8600 • 800-277-0080 • FAX 770-980-4489 • www.mjcpa.com
Members of The American Institute of Certified Public Accountants



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, 2020, 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 36 through 64, 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 104 - 106 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 November 16, 2020, 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

Atlanta, Georgia
November 16, 2020

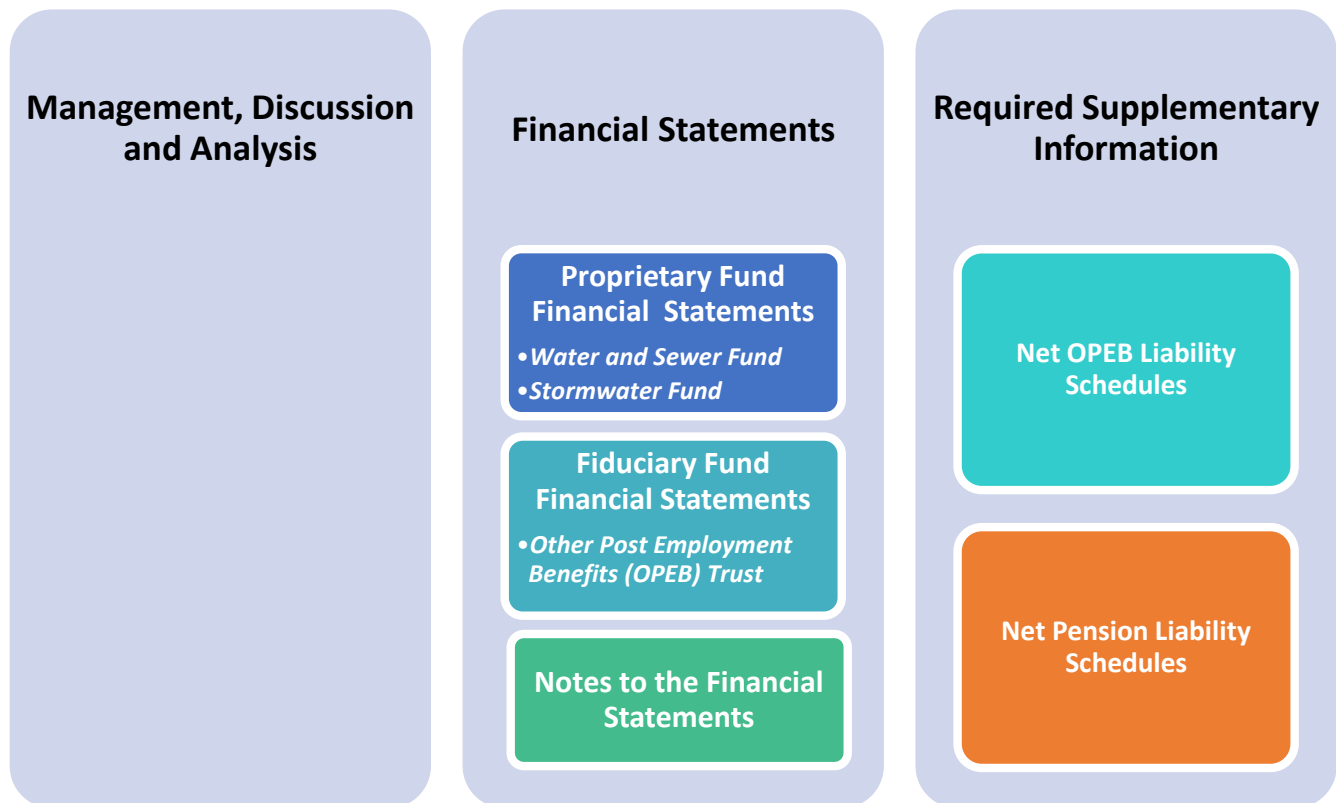


MANAGEMENT DISCUSSION AND ANALYSIS

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, 2020. 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 – Other Post-Employment Benefits](#), and two required disclosures for Pensions, the [Schedule of Proportionate Share of Net Pension Liability](#) and the [Schedule of Contributions - Pension](#).

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 2020 fiscal year by \$600,638,685 (*net position*). Of this amount, \$61,083,235 (*unrestricted net position*) may be used to meet the Authority's ongoing obligations to citizens and creditors.
- The Authority's total net position on April 30, 2020 increased by \$37,721,197, or 6.7 percent, compared to the previous year's balance.
- At April 30, 2020, the Authority's total current assets of \$86,945,470 exceeded its total current liabilities of \$31,667,006 by \$55,278,464. 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, 2020 decreased by \$17,260,000 when compared to the prior period. The bond premium decreased an additional \$1,799,861 reducing the *Revenue Bond Payable* liability a total of \$19,059,861 from the prior year.
- Total operating revenues for the fiscal year ended 2020 were \$114,510,109 an increase of \$2,099,556, or 1.9 percent, compared to the previous period.
- Total operating expenses for the fiscal year ended 2020 totaled \$82,582,533, which was \$3,479,543, or negative 4.0 percent lower than the previous year. The primary factors that influenced this decrease in operating expenses for the fiscal year were decreases in net pension expenses of \$3,798,077 and in net OPEB expenses of \$548,359 offset by and increase in depreciation expense of \$1,618,120 and net changes in various other operating expenses.
- Capital contributions from all sources totaled \$8,384,143 for the 2020 fiscal year.

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 of \$600,638,685 increased from the prior fiscal year by \$37,721,197 or 6.7 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 *Unrestricted* net position of \$34.3 million and \$6.0 million, respectively, and a reduction in *Restricted* net position of \$2.6 million.

	2020			2019			\$ Chg	% Chg
	Water and Sewer	Stormwater	Total	Water and Sewer	Stormwater	Total		
Current Assets	\$ 78,153,882	\$ 8,791,588	\$ 86,945,470	\$ 74,425,237	\$ 8,944,164	\$ 83,369,401	\$ 3,576,069	4.3%
Capital Assets, <i>net</i>	536,852,243	52,621,294	589,473,537	520,082,792	48,797,472	568,880,264	20,593,273	3.6%
Other Noncurrent Assets	89,216,175	126,653	89,342,828	92,256,233	124,302	92,380,535	(3,037,707)	-3.3%
Total Assets	\$ 704,222,300	\$ 61,539,535	\$ 765,761,835	\$ 686,764,262	\$ 57,865,938	\$ 744,630,200	\$ 21,131,635	2.8%
Deferred Charges - Debt Refunding	\$ 1,567,581	\$ -	\$ 1,567,581	\$ 2,341,829	\$ -	\$ 2,341,829	\$ (774,248)	-33.1%
Deferred Charges - OPEB Liability	1,152,852	60,676	1,213,528	577,488	30,394	607,882	605,646	99.6%
Deferred Charges - Pension Liability	10,056,107	609,534	10,665,641	7,092,821	453,572	7,546,393	3,119,248	41.3%
Deferred Outflows	\$ 12,776,540	\$ 670,210	\$ 13,446,750	\$ 10,012,138	\$ 483,966	\$ 10,496,104	\$ 2,950,646	28.1%
Current Liabilities Payable - <i>Unrestricted Assets</i>	\$ 7,342,675	\$ 338,037	\$ 7,680,712	\$ 9,204,938	\$ 284,147	\$ 9,489,085	\$ (1,808,373)	-19.1%
Current Liabilities Payable - <i>Restricted Assets</i>	23,986,294	-	23,986,294	25,872,983	-	25,872,983	(1,886,689)	-7.3%
Compensated Absences - <i>Noncurrent</i>	686,679	24,495	711,174	642,507	23,505	666,012	45,162	6.8%
Loans Payable	15,719,218	-	15,719,218	11,178,534	-	11,178,534	4,540,684	40.6%
Revenue Bonds Payable, <i>net</i>	59,590,210	-	59,590,210	77,295,071	-	77,295,071	(17,704,861)	-22.9%
Net OPEB Liability	12,148,388	639,389	12,787,777	11,413,220	600,696	12,013,916	773,861	6.4%
Net Pension Liability	40,440,507	2,559,454	42,999,961	34,782,846	2,261,683	37,044,529	5,955,432	16.1%
Total Liabilities	\$ 159,913,971	\$ 3,561,375	\$ 163,475,346	\$ 170,390,099	\$ 3,170,031	\$ 173,560,130	\$ (10,084,784)	-5.8%
Deferred Charges - OPEB Liability	\$ 8,557,456	\$ 450,392	\$ 9,007,848	\$ 9,717,836	\$ 511,465	\$ 10,229,301	\$ (1,221,453)	-11.9%
Deferred Charges - Pension Liability	5,782,371	304,335	6,086,706	7,998,416	420,969	8,419,385	(2,332,679)	-27.7%
Deferred Inflows	\$ 14,339,827	\$ 754,727	\$ 15,094,554	\$ 17,716,252	\$ 932,434	\$ 18,648,686	\$ (3,554,132)	-19.1%
Net Position:								
Net Investment in Capital Assets	\$ 446,524,064	\$ 52,621,294	\$ 499,145,358	\$ 416,030,294	\$ 48,797,472	\$ 464,827,766	\$ 34,317,592	7.4%
Restricted	40,283,439	126,653	40,410,092	42,923,407	124,302	43,047,709	(2,637,617)	-6.1%
Unrestricted	55,937,539	5,145,696	61,083,235	49,716,348	5,325,665	55,042,013	6,041,222	11.0%
Total Net Position	\$ 542,745,042	\$ 57,893,643	\$ 600,638,685	\$ 508,670,049	\$ 54,247,439	\$ 562,917,488	\$ 37,721,197	6.7%

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, \$499,145,358, or 83 percent, is its *Net Investment in Capital Assets*, important in providing water, sewer and stormwater services.

Net Position	2020	2019	\$ Chg	% Chg	% Net Position
Net Investment in Capital Assets	\$ 499,145,358	\$ 464,827,766	\$ 34,317,592	7.4%	83.1%
Restricted	40,410,092	43,047,709	(2,637,617)	-6.1%	6.7%
Unrestricted	61,083,235	55,042,013	6,041,222	11.0%	10.2%
Total Net Position	\$ 600,638,685	\$ 562,917,488	\$ 37,721,197	6.7%	100.0%

For the 2020 fiscal year, *Net Investment in Capital Assets* increased by \$34,317,592, or 7.4 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 \$22.3 million in depreciation expense in the 2020 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 a decrease of \$2,637,617 or negative 6.1 percent due to the decrease in the amount of current revenue bonds principal and interest payable between years of \$1,572,765 along with a decrease in the debt service reserve of \$1,067,203. This was offset by interest earned in an escrow account of \$2,351 during the year.

Compared to the prior year's balance, there was an increase in the *Unrestricted Net Position* category of \$6,041,222 or 11.0 percent. In 2020, Income Before Contributions and Transfers increased \$6.6 million the net impact of this overall improvement in financial performance increased *Unrestricted Net Position* mainly due to a decrease in *Current Liabilities* along with increases in *Deferred Outflows* and decreases in *Deferred Inflows* related to Net OPEB and Net Pension Liabilities.

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, 2020 and 2019 *Net Position* balances, by fund, are shown in the tables below.

WATER AND SEWER FUND

Net Position	2020	2019	\$ Chg	% Chg	% Net Position
Net Investment in Capital Assets	\$ 446,524,064	\$ 416,030,294	\$ 30,493,770	7.3%	82.3%
Restricted	40,283,439	42,923,407	(2,639,968)	-6.2%	7.4%
Unrestricted	55,937,539	49,716,348	6,221,191	12.5%	10.3%
Total Net Position	\$ 542,745,042	\$ 508,670,049	\$ 34,074,993	6.7%	100.0%

For the 2020 fiscal year, *Net Investment in Capital Assets* in the Water and Sewer Fund increased by \$30,493,770, or 7.3 percent, compared to the previous year. The amount shown in this category is calculated by taking the depreciated value of capital assets and subtracting the associated bond and GEFA loan debt. As part of this calculation, the Water and Sewer Fund recognized approximately \$18.7 million in depreciation expense in the 2020 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 decreased during the fiscal year by \$2,639,968 or a negative 6.2 percent due to a variance of \$1,575,765 in the amount of current revenue bond debt service payable between years combined with a reduction of \$1,067,203 in debt service reserve.

Compared to the prior year's balance, the Water and Sewer Fund showed an increase in the *Unrestricted Net Position* category of \$6,221,191 or 12.5 percent. The change in this component of Net Position was primarily due to a decrease in *Current Liabilities* along with increases in *Deferred Outflows* and decreases in *Deferred Inflows* related to Net OPEB and Net Pension Liabilities.



STORMWATER FUND

Net Position	2020	2019	\$ Chg	% Chg	% Net Position
Net Investment in Capital Assets	\$ 52,621,294	\$ 48,797,472	\$ 3,823,822	7.8%	90.9%
Restricted	126,653	124,302	2,351	1.9%	0.2%
Unrestricted	5,145,696	5,325,665	(179,969)	-3.4%	8.9%
Total Net Position	\$ 57,893,643	\$ 54,247,439	\$ 3,646,204	6.7%	100.0%

For the 2020 fiscal year, *Net Investment in Capital Assets* in the Stormwater Fund increased by \$3,823,822, or 7.8 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 \$3.6 million in depreciation expense in the 2020 fiscal year. The overall increase in this component of net position is due to the completion of multiple construction projects.

Restricted Net Position increased from the prior fiscal year \$2,351 or 1.9 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 \$179,969 or negative 3.4 percent. This component decreased due to cash from prior year funds used for capital projects.

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.

Current Asset Classification	2020	2019	\$ Chg	% Chg	% Current Assets
Unrestricted:					
Cash and Cash Equivalents	\$ 39,192,364	\$ 36,208,908	\$ 2,983,456	8.2%	45.1%
Accounts Receivable, <i>net</i>	16,565,182	15,285,390	1,279,792	8.4%	19.1%
Other Receivables	1,718,408	474,742	1,243,666	262.0%	2.0%
Inventories	2,229,302	2,060,407	168,895	8.2%	2.6%
Prepaid Expenses and Deposits	91,959	88,853	3,106	3.5%	0.1%
Total Unrestricted	\$ 59,797,215	\$ 54,118,300	\$ 5,678,915	10.5%	68.8%
Restricted:					
Cash and Cash Equivalents	27,148,255	29,251,101	(2,102,846)	-7.2%	31.2%
Total Current Assets	\$ 86,945,470	\$ 83,369,401	\$ 3,576,069	4.3%	100.0%

Total *Current Assets* of the Authority increased by \$3,576,069 or 4.3 percent compared to the previous period driven by increases in all accounts in this category except *Restricted Cash*. Cash increased \$2,983,456, *Accounts Receivable* increased \$1,279,792, *Other Receivables* were up \$1,243,666 and *Inventories* and *Prepaid Expenses* combined increased \$172,001. *Accounts Receivable* was up \$1,175,071 or 8.0 percent in the Water and Sewer Fund and \$104,721 or 17.3 percent in the Stormwater Fund due to the increase in outstanding customer billings as a direct result of the COVID-19 pandemic. This increase was due to the State of Emergency and Shelter-in-Place directive issued by the Governor's office, effective from April 3, 2020 through April 30, 2020, which eliminated in-person payment methods for several weeks. Additionally, the Authority halted its disconnections due to late payments as did other electric and water utilities causing some customers to stop making water payments. The Authority opened its customer service



lobbies on June 15, 2020 and intends to begin disconnections at higher past due amounts beginning July 15, 2020 while offering payment arrangements to assist customers with paying amounts owed in full by the end of this calendar year.

Other Receivables increased \$1,243,666 over 2019 because of the timing and amounts of a requested reimbursement in construction funds from GEFA of \$1,670,749 in 2020 versus \$73,711 in the prior year. Changes in the timing of auction proceeds from the sale of equipment and vehicle replacements, the sale of fertilizer pellets and a subdivision lift station agreement in 2019 slightly offset the large difference of the GEFA reimbursement invoice.

The timing of inventory purchases between years resulted in an increase of \$168,895 between years and slight changes in insurance payments and postage equipment deposits made up the \$3,106 increase in *Prepaid Expenses and Deposits* in 2020.

Restricted Cash and equivalents in the current asset section of \$27,148,255, consist of the following Water and Sewer Fund liabilities: bond debt service payments due on May 1 of the following fiscal year, noncurrent Accounts Payable (retainage held for certain construction contracts), additional internal funds held for construction projects funded by GEFA loans, and Customer Deposits. The change in revenue bond interest and principal payable in 2020 accounted for a decrease of \$1.6 million, a decrease in retainage payable accounted for another decrease of \$337 thousand and was offset by a slight increase of \$24 thousand in Customer Deposits between years.

A comparison of the April 30, 2020 and 2019 balances, by fund and asset classification, are shown in the tables below.

WATER AND SEWER FUND

Current Asset Classification	2020	2019	\$ Chg	% Chg	% Current Assets
Unrestricted:					
Cash and Cash Equivalents	\$ 31,112,054	\$ 27,870,480	\$ 3,241,574	11.6%	39.8%
Accounts Receivable, <i>net</i>	15,855,329	14,680,258	1,175,071	8.0%	20.3%
Other Receivables	1,716,983	474,138	1,242,845	262.1%	2.2%
Inventories	2,229,302	2,060,407	168,895	8.2%	2.9%
Prepaid Expenses and Deposits	91,959	88,853	3,106	3.5%	0.1%
Total Unrestricted	\$ 51,005,627	\$ 45,174,136	\$ 5,831,491	12.9%	65.3%
Restricted:					
Cash and Cash Equivalents	27,148,255	29,251,101	(2,102,846)	-7.2%	34.7%
Total Current Assets	\$ 78,153,882	\$ 74,425,237	\$ 3,728,645	5.0%	100.0%



STORMWATER FUND

Current Asset Classification	2020	2019	\$ Chg	% Chg	% Current Assets
Unrestricted:					
Cash and Cash Equivalents	\$ 8,080,310	\$ 8,338,428	\$ (258,118)	-3.1%	91.9%
Accounts Receivable, <i>net</i>	709,853	605,132	104,721	17.3%	8.1%
Other Receivables	1,425	604	821	135.9%	0.0%
Inventories	-	-	-	0.0%	0.0%
Prepaid Expenses and Deposits	-	-	-	0.0%	0.0%
Total Unrestricted	\$ 8,791,588	\$ 8,944,164	\$ (152,576)	-1.7%	100.0%
Restricted:					
Cash and Cash Equivalents	-	-	-	0.0%	0.0%
Total Current Assets	\$ 8,791,588	\$ 8,944,164	\$ (152,576)	-1.7%	100.0%

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 on April 30, 2020 and 2019 are compared by major classification. Total noncurrent assets increased by \$17,555,566 or 2.7 percent during the 2020 fiscal year. This growth was fueled by the increase in capital projects between years.

Noncurrent Assets	2020	2019	\$ Chg	% Chg	% Noncurrent Assets
Unrestricted Cash Assets	\$ 14,625	\$ 15,878	\$ (1,253)	-7.9%	0.0%
Restricted Assets	89,328,203	92,364,657	(3,036,454)	-3.3%	13.2%
Capital Assets (Net)	589,473,537	568,880,264	20,593,273	3.6%	86.8%
Total Noncurrent Assets	\$ 678,816,365	\$ 661,260,799	\$ 17,555,566	2.7%	100.0%

Restricted Assets consist of cash in the Water and Sewer Fund's Renewal and Extension account and its Debt Service Reserve of \$68.5 million and \$20.7 million, respectively, along with the Stormwater Fund's escrow account of \$127 thousand. This classification decreased by \$3.0 million dollars as the Authority reduced the amount of its debt service reserve \$1.1 million and lowered the amount transferred 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 2020 fiscal year, the Authority had capital assets of \$589,473,537 representing 86.8 percent of total noncurrent assets.

Net Capital Assets increased by \$20,593,273 or 3.6 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. A large project at the W.B. Casey Water Reclamation Facility was completed in fiscal year ended



April 30, 2020. This \$12.1 million project added a fourth clarifier, new screening system and completed major refurbishment and replacements of existing pumping equipment and concrete holding structures at the facility. Renovations to upgrade the Rum Creek sewer lift stations was also completed in the current fiscal year for \$2.1 million. In addition, one of the three large sewer outfall rehabilitation projects funded by a GEFA loan was completed for \$7.2 million. 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 2020 fiscal year, \$43.5 million in new assets were added and \$33 million was added to Construction in Progress. Completed capital projects accounted for \$39.0 million of the new assets added which included \$5.9 million from donated infrastructure. Four residential subdivisions accounted for \$4.7 million of those contributions and included stormwater, water and sewer pipelines. A new hotel, fire meter, sewer and line extensions at the Farmer's Market in Forest Park and additional sewer lines made of the remainder of the donated infrastructure. Capital equipment and other capital purchases accounted for approximately \$4.5 million.

As offsetting entries to those additions, depreciation expense for the year totaled \$22.3 million and capital assets having a net book value of approximately \$614 thousand were disposed.

A comparison of the April 30, 2020 and 2019 *Noncurrent Assets* balances, by fund, are shown in the tables below. Additional information related to Capital Assets can be found in [Note 6: Capital Assets](#) in the notes to the financial statements and in the [Schedules of Capital Assets](#) in the [Supplementary Information](#) section of this document.

WATER AND SEWER FUND

Noncurrent Assets	2020	2019	\$ Chg	% Chg	% Noncurrent Assets
Unrestricted Cash Assets	\$ 14,625	\$ 15,878	\$ (1,253)	-7.9%	0.0%
Restricted Assets	89,201,550	92,240,355	(3,038,805)	-3.3%	14.2%
Capital Assets (Net)	536,852,243	520,082,792	16,769,451	3.2%	85.7%
Total Noncurrent Assets	\$ 626,068,418	\$ 612,339,025	\$ 13,729,393	2.2%	100.0%

Noncurrent Assets in the Water and Sewer Fund increased \$13,729,393 or 2.2 percent during fiscal year 2020. *Net Capital Assets* of \$536,852,243 increased by \$16,769,451 or 3.2 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 2020 fiscal year, \$35.2 million in new assets were added and Construction in Progress increased \$737 thousand between 2019 and 2020. Completed capital projects accounted for \$31.3 million of the new assets added which included \$3.6 million from donated infrastructure. As offsetting entries to those additions, depreciation expense for the year totaled \$18.7 million and capital assets having a net book value of approximately \$495 thousand were disposed.

Restricted Assets consist of cash in the Renewal and Extension ("pay-go") account of \$68.5 million and in the debt service reserve of \$20.7 million. This classification decreased by \$3.0 million dollars as the Authority reduced the amount of its debt service reserve \$1.1 million and lowered the amount transferred into the renewal and extension account to self-fund capital projects in fiscal year 2020 than in fiscal year 2019.



STORMWATER FUND

Noncurrent Assets	2020	2019	\$ Chg	% Chg	% Noncurrent Assets
Unrestricted Cash Assets	\$ -	\$ -	\$ -	0.0%	0.0%
Restricted Assets	126,653	124,302	2,351	1.9%	0.2%
Capital Assets (Net)	52,621,294	48,797,472	3,823,822	7.8%	99.8%
Total Noncurrent Assets	\$ 52,747,947	\$ 48,921,774	\$ 3,826,173	7.8%	100.0%

Noncurrent Assets in the Stormwater Fund increased \$3,826,173 or 7.8 percent during fiscal year 2020. 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 \$2,351 was interest earned on the account during the year.

Net Capital Assets of \$52,621,294 increased by \$3,823,822 or 7.8 percent. This increase is due to the completion of large capital projects that replaced stormwater infrastructure. During the 2020 fiscal year, \$8.2 million in new assets were added and Construction in Progress decreased \$748 thousand. Completed capital projects accounted for \$7.7 million of the new assets added which included \$2.2 million from donated infrastructure. As offsetting entries to those additions, depreciation expense for the year totaled \$3.6 million and capital assets having a net book value of approximately \$119 thousand were disposed.

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	2020	2019	\$ Chg	% Chg
Deferred Charges Related to Debt Refunding	\$ 1,567,581	\$ 2,341,829	\$ (774,248)	-33.1%
Deferred Charges Related to OPEB Liability	1,213,528	607,882	605,646	99.6%
Deferred Charges Related to Pension Liability	10,665,641	7,546,393	3,119,248	41.3%
Total Deferred Outflows of Resources	\$ 13,446,750	\$ 10,496,104	\$ 2,950,646	28.1%

Deferred Outflows of Resources increased by \$2,950,646 or 28.1 percent between April 30, 2020 and 2019. Of that increase, \$3,119,248 was related to net pension liability and combined changes related to experience differences, assumption changes, investment earnings and changes in proportion and contributions. An additional increase of \$605,646 was related to net OPEB liability and combined changes in related experience differences, assumption changes and investment earnings. These increases were offset by a decrease in *Deferred Charges Related to Debt Refunding* of \$774,248 related to the amortization of bond premiums between years. More information can be found in [Note 11: Other Post-Employment Benefits](#) and [Note 12: Public Employee Retirement System \(PERS\)](#) in the notes to the financial statements.



A comparison of the April 30, 2020 and 2019 *Deferred Outflows of Resources* balances, by fund, are shown in the tables below.

WATER AND SEWER FUND

Deferred Outflows of Resources	2020	2019	\$ Chg	% Chg
Deferred Charges Related to Debt Refunding	\$ 1,567,581	\$ 2,341,829	\$ (774,248)	-33.1%
Deferred Charges Related to OPEB Liability	1,152,852	577,488	575,364	99.6%
Deferred Charges Related to Pension Liability	10,056,107	7,092,821	2,963,286	41.8%
Total Deferred Outflows of Resources	\$ 12,776,540	\$ 10,012,138	\$ 2,764,402	27.6%

STORMWATER FUND

Deferred Outflows of Resources	2020	2019	\$ Chg	% Chg
Deferred Charges Related to Debt Refunding	\$ -	\$ -	\$ -	0.0%
Deferred Charges Related to OPEB Liability	60,676	30,394	30,282	99.6%
Deferred Charges Related to Pension Liability	609,534	453,572	155,962	34.4%
Total Deferred Outflows of Resources	\$ 670,210	\$ 483,966	\$ 186,244	38.5%

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	2020	2019	\$ Chg	% Chg
Accounts Payable	\$ 4,373,030	\$ 6,128,420	\$ (1,755,390)	-28.6%
Accrued Payroll and Withholdings	1,144,017	1,187,915	(43,898)	-3.7%
Accrued Pension Contribution	166,521	219,640	(53,119)	-24.2%
Compensated Absences	1,108,077	1,077,253	30,824	2.9%
Loans Payable - Due Within One Year	681,332	660,722	20,610	3.1%
Accrued Loan Interest	14,992	15,376	(384)	-2.5%
Unearned Revenue	192,743	199,759	(7,016)	-3.5%
Total Current Liabilities Payable From Unrestricted Assets	\$ 7,680,712	\$ 9,489,085	\$ (1,808,373)	-19.1%

Current Liabilities Payable from Restricted Assets	2020	2019	\$ Chg	% Chg
Accounts Payable	\$ 1,108,760	\$ 1,445,978	\$ (337,218)	-23.3%
Accrued Revenue Bond Interest	1,687,350	1,905,115	(217,765)	-11.4%
Customer Deposits	5,285,184	5,261,890	23,294	0.4%
Revenue Bonds Payable - Due Within One Year	15,905,000	17,260,000	(1,355,000)	-7.9%
Total Current Liabilities Payable From Restricted Assets	\$ 23,986,294	\$ 25,872,983	\$ (1,886,689)	-7.3%

As indicated in the table, *Current Liabilities Payable from Unrestricted Assets* had a net decrease of \$1,808,373 from the previous fiscal year's balances. *Accounts Payable* decreased \$1,755,390 driving the reduction. The recognition by the Water and Sewer Fund of an obligation from a probable legal settlement estimated at \$1.5 million in 2019 was largely responsible for the decrease with the remaining decrease due to the timing differences of payments to vendors



between years with lower amounts accrued in the current year than in the previous year. The *Unearned Revenue* line item is predominately related to lift stations donated by residential developers. Each lift station is valued at \$50,000 or less, depending on size, and the Authority recognizes revenue at \$5,000 per year for each of ten years once operations begin. The decrease in this account between April 30, 2020 and 2019 is due to the recognition of revenue from existing stations that have been in operation and no new lift stations were added to the system in 2020. On April 30, 2020, *Accrued Payroll and Withholdings* was \$1,144,017, a decrease of \$43,898 from 2019. This decrease was due to the difference in overtime accrued between years because only emergency work was being done as the shelter-in-place mandate was in effect throughout April 2020. *Accrued Pension Contribution* of \$166,521 was \$53,119 lower in 2020 because a lower supplemental pension contribution was made.

Current Liabilities Payable from Restricted Assets of \$23,986,294 was \$1,886,689 or 7.3 percent lower than the prior year. 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* decreased \$1,355,000 due to the variations of bond principal payments from year to year. *Accounts Payable* from restricted assets are retainage payable funds. This account decreased by \$337,218 due to changes in retainage for construction projects between years. *Accrued Revenue Bond Interest* decreased by \$217,765 due slight changes in annual debt service requirements from year to year.

The tables below show a comparison of the April 30, 2020 and 2019 *Current Liabilities Payable* balances by fund and whether payable from unrestricted or restricted assets.

WATER AND SEWER FUND

Current Liabilities Payable from Unrestricted Assets	2020	2019	\$ Chg	% Chg
Accounts Payable	\$ 4,166,184	\$ 5,968,747	\$ (1,802,563)	-30.2%
Accrued Payroll and Withholdings	1,080,498	1,128,054	(47,556)	-4.2%
Accrued Pension Contribution	157,750	208,735	(50,985)	-24.4%
Compensated Absences	1,049,176	1,023,545	25,631	2.5%
Loans Payable - Due Within One Year	681,332	660,722	20,610	3.1%
Accrued Loan Interest	14,992	15,376	(384)	-2.5%
Unearned Revenue	192,743	199,759	(7,016)	-3.5%
Total Current Liabilities Payable From Unrestricted Assets	\$ 7,342,675	\$ 9,204,938	\$ (1,862,263)	-20.2%

Current Liabilities Payable from Restricted Assets	2020	2019	\$ Chg	% Chg
Accounts Payable	\$ 1,108,760	\$ 1,445,978	\$ (337,218)	-23.3%
Accrued Revenue Bond Interest	1,687,350	1,905,115	(217,765)	-11.4%
Customer Deposits	5,285,184	5,261,890	23,294	0.4%
Revenue Bonds Payable - Due Within One Year	15,905,000	17,260,000	(1,355,000)	-7.9%
Total Current Liabilities Payable From Restricted Assets	\$ 23,986,294	\$ 25,872,983	\$ (1,886,689)	-7.3%

As indicated in the table, *Current Liabilities Payable from Unrestricted Assets* had a net decrease of \$1,862,263 from the previous fiscal year's balances. *Accounts Payable* decreased \$1,802,563. The recognition in 2019 by the Water and Sewer Fund of an obligation from a probable legal settlement estimated at \$1.5 million was primarily responsible for the increase with the remaining decrease due to the timing differences of payments to vendors between years with lower amounts accrued in the current year than in the previous year. 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 decrease in this account



between April 30, 2020 and 2019 is due to the recognition of revenue from existing stations that have been in operation. The decreases in the *Accrued Payroll and Withholdings* and *Accrued Pension Contribution* accounts was due to less overtime accrued in 2020 due to the Shelter-in-Place mandate and a lower supplemental pension contribution than in the prior year.

Current Liabilities Payable from Restricted Assets decreased by \$1,886,689 or 7.3 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. *Revenue Bonds Payable* decreased \$1,355,000 due to the variations of bond principal payments from year to year. *Accounts Payable* from restricted assets are retainage payable funds. This account decreased by \$337,218 due to changes in retainage for construction projects between years. *Accrued Revenue Bond Interest* decreased by \$217,765 due slight changes in annual debt service requirements from year to year.

STORMWATER FUND

Current Liabilities Payable from Unrestricted Assets	2020	2019	\$ Chg	% Chg
Accounts Payable	\$ 206,846	\$ 159,673	\$ 47,173	29.5%
Accrued Payroll and Withholdings	63,519	59,861	3,658	6.1%
Accrued Pension Contribution	8,771	10,905	(2,134)	-19.6%
Compensated Absences	58,901	53,708	5,193	9.7%
Loans Payable - Due Within One Year	-	-	-	0.0%
Accrued Loan Interest	-	-	-	0.0%
Unearned Revenue	-	-	-	0.0%
Total Current Liabilities Payable From Unrestricted Assets	\$ 338,037	\$ 284,147	\$ 53,890	19.0%

Current Liabilities Payable from Restricted Assets	2020	2019	\$ Chg	% Chg
Accounts Payable	\$ -	\$ -	\$ -	0.0%
Accrued Revenue Bond Interest	-	-	-	0.0%
Customer Deposits	-	-	-	0.0%
Revenue Bonds Payable - Due Within One Year	-	-	-	0.0%
Total Current Liabilities Payable From Restricted Assets	\$ -	\$ -	\$ -	0.0%

Current Liabilities Payable from Unrestricted Assets had a net increase of \$53,890 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 of \$131,808,340 decreased by \$6,389,722 or negative 4.6 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 \$4,540,684 is the net impact of the reduction of principal paid of the Authority's two loans in repayment of \$660,722 and the increase in principal outstanding of a third loan which has had construction disbursements during fiscal year 2020 of \$5,222,016 less the change in *Loans Payable – Due within a year* of \$20,610. Interest only payments will be made on the construction loan until the project it funds is completed, and the loan goes into repayment which is expected in the fiscal year ending 2022.



Other changes in this category was the reduction in *Revenue Bonds Payable* of \$17.7 million with the repayment of bond principal and amortized issuance premium, the increase in *Net Pension Liability* of \$5.96 million and the increase in *Net OPEB liability* of \$774 thousand. More information can be found in [Note 7: Long-Term Obligations](#), [Note 11: Other Post-Employment Benefits](#), and [Note 12: Public Employee Retirement System \(PERS\)](#) in the notes to the financial statements.

Noncurrent Liabilities	2020	2019	\$ Chg	% Chg
Compensated Absences	\$ 711,174	\$ 666,012	\$ 45,162	6.8%
Loans Payable	15,719,218	11,178,534	4,540,684	40.6%
Revenue Bonds Payable (<i>Net of Bond Premium</i>)	59,590,210	77,295,071	(17,704,861)	-22.9%
Net OPEB Liability	12,787,777	12,013,916	773,861	6.4%
Net Pension Liability	42,999,961	37,044,529	5,955,432	16.1%
Total Noncurrent Liabilities	\$ 131,808,340	\$ 138,198,062	(6,389,722)	-4.6%

The tables below show a comparison of *Noncurrent Liabilities* balances by Fund on April 30, 2020 and 2019.

WATER AND SEWER FUND

Noncurrent Liabilities	2020	2019	\$ Chg	% Chg
Compensated Absences	\$ 686,679	\$ 642,507	\$ 44,172	6.9%
Loans Payable	15,719,218	11,178,534	4,540,684	40.6%
Revenue Bonds Payable (<i>Net of Bond Premium</i>)	59,590,210	77,295,071	(17,704,861)	-22.9%
Net OPEB Liability	12,148,388	11,413,220	735,168	6.4%
Net Pension Liability	40,440,507	34,782,846	5,657,661	16.3%
Total Noncurrent Liabilities	\$ 128,585,002	\$ 135,312,178	(6,727,176)	-5.0%

STORMWATER FUND

Noncurrent Liabilities	2020	2019	\$ Chg	% Chg
Compensated Absences	\$ 24,495	\$ 23,505	\$ 990	4.2%
Loans Payable	-	-	-	0.0%
Revenue Bonds Payable (<i>Net of Bond Premium</i>)	-	-	-	0.0%
OPEB Obligation (<i>Asset</i>)	-	-	-	0.0%
Net OPEB Liability	639,389	600,696	38,693	6.4%
Net Pension Liability	2,559,454	2,261,683	297,771	13.2%
Total Noncurrent Liabilities	\$ 3,223,338	\$ 2,885,884	337,454	11.7%

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 of \$15,094,554 decreased \$3,554,132 or negative 19.1 percent between April 30, 2020 and 2019. *Deferred Charges Related to Pension Liability* decreased \$2.3 million due to changes between years in actuarial assumptions and proportion related to net pension liability. *Deferred Charges Related to OPEB Liability* decreased \$1.2 million due to changes between years in actuarial assumptions. More information can be found in



[Note 11: Other Post-Employment Benefits](#) and [Note 12: Public Employee Retirement System \(PERS\)](#) in the notes to the financial statements.

Deferred Inflows of Resources	2020	2019	\$ Chg	% Chg
Deferred Charges Related to OPEB Liability	\$ 9,007,848	\$ 10,229,301	\$ (1,221,453)	-11.9%
Deferred Charges Related to Pension Liability	6,086,706	8,419,385	(2,332,679)	-27.7%
Total Deferred Inflows of Resources	\$ 15,094,554	\$ 18,648,686	\$ (3,554,132)	-19.1%

The tables below show a comparison of *Deferred Inflows of Resources* balances by Fund on April 30, 2020 and 2019.

WATER AND SEWER FUND

Deferred Inflows of Resources	2020	2019	\$ Chg	% Chg
Deferred Charges Related to OPEB Liability	\$ 8,557,456	\$ 9,717,836	\$ (1,160,380)	-11.9%
Deferred Charges Related to Pension Liability	5,782,371	7,998,416	(2,216,045)	-27.7%
Total Deferred Inflows of Resources	\$ 14,339,827	\$ 17,716,252	\$ (3,376,425)	-19.1%

STORMWATER FUND

Deferred Inflows of Resources	2020	2019	\$ Chg	% Chg
Deferred Charges Related to OPEB Liability	\$ 450,392	\$ 511,465	\$ (61,073)	-11.9%
Deferred Charges Related to Pension Liability	304,335	420,969	(116,634)	-27.7%
Total Deferred Inflows of Resources	\$ 754,727	\$ 932,434	\$ (177,707)	-19.1%





CONDENSED STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

The differences in net position between the two fiscal years are primarily due to increases in both operating and nonoperating revenues of \$2.1 million and \$1.1 million respectively, coupled with a decrease in operating expenses of \$3.5 million, or negative 4 percent. The increase in revenues is due to an increase in usage contributed in part by an increase in the overall customer base of approximately 1.5 percent in 2020. The drop in operating expenses was driven by decreases 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	2020	2019	\$ Chg	% Chg
Operating Revenues:				
Charges for Sales and Services:				
Sale of Water	\$ 53,307,263	\$ 52,010,546	\$ 1,296,717	2.5%
Sewer Service	45,118,031	44,449,171	668,860	1.5%
Stormwater Fees	10,090,477	9,955,756	134,721	1.4%
Tapping Fees	1,300,050	1,334,445	(34,395)	-2.6%
Penalties and Reconnect Charges	4,232,414	4,158,182	74,232	1.8%
Sale of Pellets, Timber and Materials	54,519	44,060	10,459	23.7%
Other Operating Revenues	407,355	458,393	(51,038)	-11.1%
Total Operating Revenues	\$ 114,510,109	\$ 112,410,553	\$ 2,099,556	1.9%
Operating Expenses:				
Water	\$ 12,916,375	\$ 12,669,453	\$ 246,922	1.9%
Sewer	16,078,097	16,521,214	(443,117)	-2.7%
Stormwater	2,755,139	2,989,969	(234,830)	-7.9%
Indirect	11,745,934	12,614,189	(868,255)	-6.9%
Administrative	16,775,504	20,573,887	(3,798,383)	-18.5%
Depreciation	22,311,484	20,693,364	1,618,120	7.8%
Total Operating Expenses	\$ 82,582,533	\$ 86,062,076	\$ (3,479,543)	-4.0%
Operating Income	\$ 31,927,576	\$ 26,348,477	\$ 5,579,099	21.2%
Nonoperating Revenues (Expenses):				
Interest Income	\$ 585,595	\$ 757,399	\$ (171,804)	-22.7%
Interest Expense	(2,533,392)	(3,519,088)	985,696	-28.0%
Gain (Loss) of Disposal of Capital Assets	(637,235)	(875,711)	238,476	-27.2%
Other (Net)	(5,490)	(6,040)	550	-9.1%
Total Nonoperating Revenues (Expenses)	\$ (2,590,522)	\$ (3,643,440)	\$ 1,052,918	28.9%
Income Before Contributions and Transfers	\$ 29,337,054	\$ 22,705,037	\$ 6,632,017	29.2%
Capital Contributions:				
Impact Fees	\$ 1,506,497	\$ 1,891,142	\$ (384,645)	-20.3%
Subdividers	5,853,264	2,354,727	3,498,537	148.6%
Other Governments	1,024,382	562,209	462,173	82.2%
Transfers In	1,271,151	1,413,558	(142,407)	-10.1%
Transfers Out	(1,271,151)	(1,413,558)	142,407	10.1%
Change in Net Position	\$ 37,721,197	\$ 27,513,115	\$ 10,208,082	37.1%
Net Position - Beginning	\$ 562,917,488	\$ 535,404,373	\$ 27,513,115	5.1%
Net Position - Ending	\$ 600,638,685	\$ 562,917,488	\$ 37,721,197	6.7%



WATER AND SEWER FUND

As indicated in the table that follows, net position of \$542,745,042 increased by \$34.1 million or 6.7 percent for the fiscal year ended April 30, 2020.

Changes in Net Position	2020	2019	\$ Chg	% Chg
Operating Revenues:				
Charges for Sales and Services:				
Sale of Water	\$ 53,307,263	\$ 52,010,546	\$ 1,296,717	2.5%
Sewer Service	45,118,031	44,449,171	668,860	1.5%
Stormwater Fees	-	-	-	0.0%
Tapping Fees	1,300,050	1,334,445	(34,395)	-2.6%
Penalties and Reconnect Charges	4,059,150	3,991,134	68,016	1.7%
Sale of Pellets, Timber and Materials	52,801	39,884	12,917	32.4%
Other Operating Revenues	407,355	458,393	(51,038)	-11.1%
Total Operating Revenues	\$104,244,650	\$102,283,573	\$ 1,961,077	1.9%
Operating Expenses:				
Water	\$ 12,916,375	\$ 12,669,453	\$ 246,922	1.9%
Sewer	16,078,097	16,521,214	(443,117)	-2.7%
Stormwater	-	-	-	0.0%
Indirect	10,546,186	11,242,735	(696,549)	-6.2%
Administrative	16,775,504	20,573,887	(3,798,383)	-18.5%
Depreciation	18,744,323	17,310,962	1,433,361	8.3%
Total Operating Expenses	\$ 75,060,485	\$ 78,318,251	\$ (3,257,766)	-4.2%
Operating Income	\$ 29,184,165	\$ 23,965,322	\$ 5,218,843	21.8%
Nonoperating Revenues (Expenses):				
Interest Income	\$ 576,225	\$ 746,723	\$ (170,498)	-22.8%
Interest Expense	(2,533,392)	(3,519,088)	985,696	-28.0%
Gain (Loss) of Disposal of Capital Assets	(558,161)	(714,269)	156,108	-21.9%
Other (Net)	(2,990)	(3,540)	550	-15.5%
Total Nonoperating Revenues (Expenses)	\$ (2,518,318)	\$ (3,490,174)	\$ 971,856	27.8%
Income Before Contributions and Transfers	\$ 26,665,847	\$ 20,475,148	\$ 6,190,699	30.2%
Capital Contributions:				
Impact Fees	\$ 1,506,497	\$ 1,891,142	\$ (384,645)	-20.3%
Subdividers	3,607,116	1,592,408	2,014,708	126.5%
Other Governments	1,024,382	562,209	462,173	82.2%
Transfers In	1,271,151	1,413,558	(142,407)	-10.1%
Transfers Out	-	-	-	0.0%
Change in Net Position	\$ 34,074,993	\$ 25,934,465	\$ 8,140,528	31.4%
Net Position - Beginning	\$508,670,049	\$482,735,584	\$ 25,934,465	5.4%
Net Position - Ending	\$542,745,042	\$508,670,049	\$ 34,074,993	6.7%



STORMWATER FUND

As indicated in the table that follows, net position of \$57,893,643 increased by \$3.6 million or 6.7 percent for the fiscal year ended April 30, 2020.

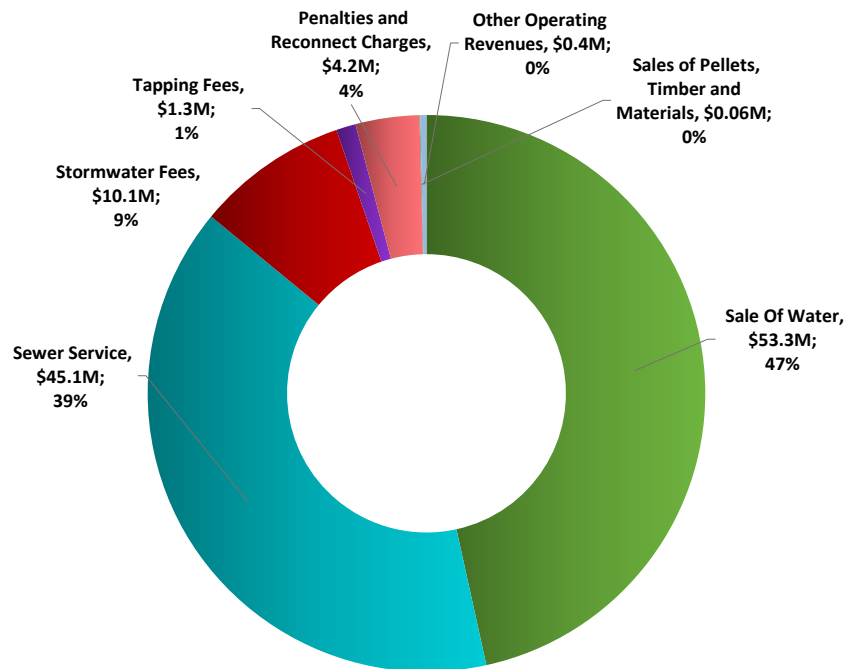
Changes in Net Position	2020	2019	\$ Chg	% Chg
Operating Revenues:				
Charges for Sales and Services:				
Sale of Water	\$ -	\$ -	\$ -	0.0%
Sewer Service	-	-	-	0.0%
Stormwater Fees	10,090,477	9,955,756	134,721	1.4%
Tapping Fees	-	-	-	0.0%
Penalties and Reconnect Charges	173,264	167,048	6,216	3.7%
Sale of Pellets, Timber and Materials	1,718	4,176	(2,458)	-58.9%
Other Operating Revenues	-	-	-	0.0%
Total Operating Revenues	\$ 10,265,459	\$ 10,126,980	\$ 138,479	1.4%
Operating Expenses:				
Water	\$ -	\$ -	\$ -	0.0%
Sewer	-	-	-	0.0%
Stormwater	2,755,139	2,989,969	(234,830)	-7.9%
Indirect	1,199,748	1,371,454	(171,706)	-12.5%
Administrative	-	-	-	0.0%
Depreciation	3,567,161	3,382,402	184,759	5.5%
Total Operating Expenses	\$ 7,522,048	\$ 7,743,825	\$ (221,777)	-2.9%
Operating Income	\$ 2,743,411	\$ 2,383,155	\$ 360,256	15.1%
Nonoperating Revenues (Expenses):				
Interest Income	\$ 9,370	\$ 10,676	\$ (1,306)	-12.2%
Interest Expense	-	-	-	0.0%
Gain (Loss) of Disposal of Capital Assets	(79,074)	(161,442)	82,368	-51.0%
Other (Net)	(2,500)	(2,500)	-	0.0%
Total Nonoperating Revenues (Expenses)	\$ (72,204)	\$ (153,266)	\$ 81,062	-52.9%
Income Before Contributions and Transfers	\$ 2,671,207	\$ 2,229,889	\$ 441,318	19.8%
Capital Contributions:				
Impact Fees	\$ -	\$ -	\$ -	0.0%
Subdividers	2,246,148	762,319	1,483,829	194.6%
Other Governments	-	-	-	0.0%
Transfers In	-	-	-	0.0%
Transfers Out	(1,271,151)	(1,413,558)	142,407	-10.1%
Change in Net Position	\$ 3,646,204	\$ 1,578,650	\$ 2,067,554	131.0%
Net Position - Beginning	\$ 54,247,439	\$ 52,668,789	\$ 1,578,650	3.0%
Net Position - Ending	\$ 57,893,643	\$ 54,247,439	\$ 3,646,204	6.7%



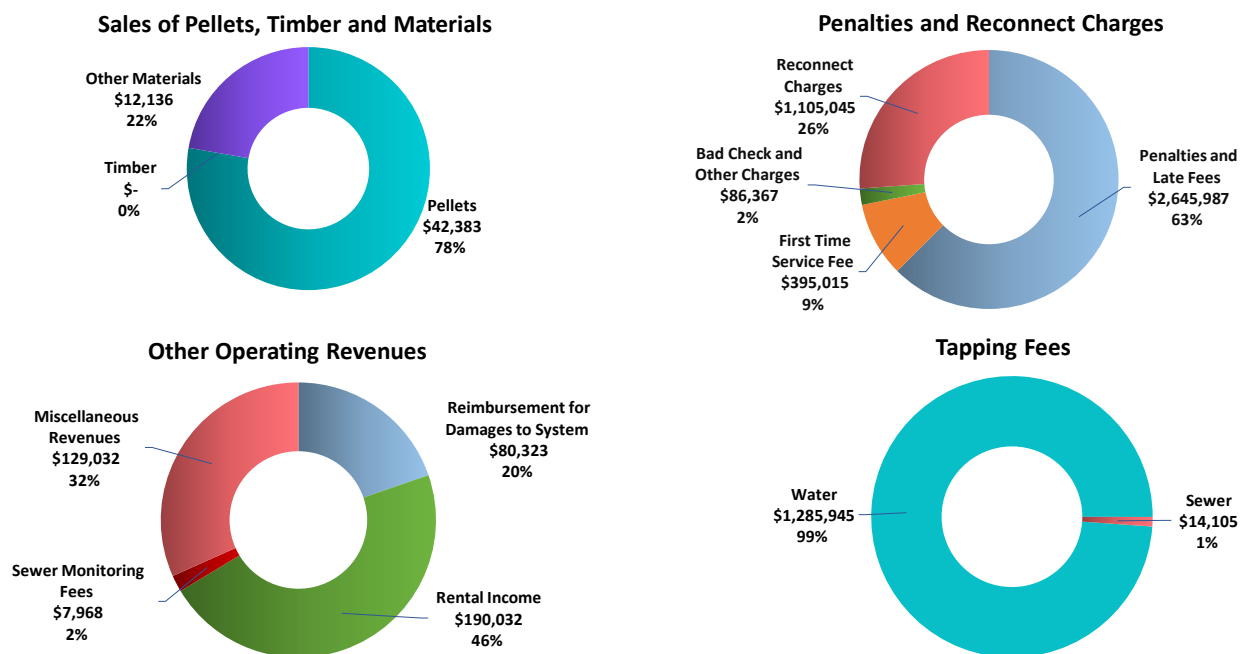
ANALYSIS OF REVENUES

For the 2020 fiscal year, the *Operating Revenues* of the Authority totaled \$114,510,109. This amount represented an increase of \$2,099,556, or 1.9 percent higher than the previous year total of \$112,410,553. 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 2020 and 2019 fiscal years.

Operating Revenues	2020	2019	\$ Chg	% Chg	% Operating Revenues
Sale of Water	\$ 53,307,263	\$ 52,010,546	\$ 1,296,717	2.5%	46.5%
Sewer Service	45,118,031	44,449,171	668,860	1.5%	39.4%
Stormwater Fees	10,090,477	9,955,756	134,721	1.4%	8.8%
Tapping Fees	1,300,050	1,334,445	(34,395)	-2.6%	1.1%
Penalties and Reconnect Charges	4,232,414	4,158,182	74,232	1.8%	3.7%
Sale of Pellets, Timber and Materials	54,519	44,060	10,459	23.7%	0.0%
Other Operating Revenues	407,355	458,393	(51,038)	-11.1%	0.4%
Total Operating Revenues	\$ 114,510,109	\$ 112,410,553	\$ 2,099,556	1.9%	100.0%

Operating Revenues increased \$2,009,556 or 1.9 percent in 2020. The sale of water, sewer service, and stormwater fees all increased predominately due to the overall growth of 1.5 percent in the Authority's customer base coupled with an increase in usage across all customer categories. The compounded average growth rate (CAGR) of the Authority's customer base has averaged 2.0 percent over the previous five years and 1.5 percent for all utility services between fiscal years ended 2019 and 2020. *Tapping fees*, or installation charges, are received from developers a few months prior to the completion of a property so there are timing differences between revenue received in this account and revenues recognized from water and sewer usage. *Sales of Pellets, Timber and Materials* of \$54,519 rose \$10,459 in 2020. These are revenues from the sale of certain by-products of the Authority's operation. The Authority has a fertilizer pellet process that uses a portion of treated biosolids created from sewer treatment to manufacture fertilizer to sell for agricultural use. Revenue from this source of \$42,383 increased approximately \$18 thousand over 2019. Scrap metal, generated mostly from the replacement of pipe infrastructure, is sold annually. In 2020, revenue received from this source dropped approximately \$8,000. The Authority harvests and sells timber every few years based on tree maturity and market price. No harvesting was done during this or the previous fiscal year. *Other Operating Revenue* decreased \$51 thousand in 2020. This revenue line item consists of the recognition of unearned revenue from the annual amortization of donated lift stations, system and equipment damage reimbursements, and property rental income from the use of the Authority's community-use buildings and from the placement of cell towers on its water tanks and property. Fees received from the rental of the community-use buildings, which varies year to year, declined approximately \$40 thousand in 2020 in part due to the Shelter-in-Place directive related to the COVID-19 pandemic. Operating revenue detail can be found in the [Schedule of Operating Revenues](#) in the Supplementary Information section of this document.



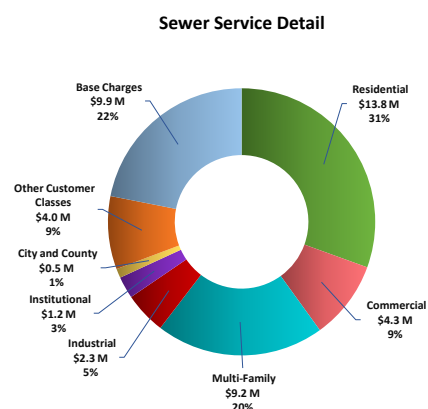
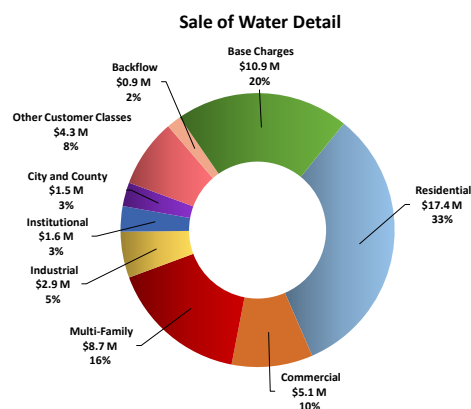
COMPARISON OF OPERATING REVENUES



The tables below provide a side-by-side comparison of *Operating Revenues* by fund for the 2020 and 2019 fiscal years. The graphs provide additional detail of each the operating revenue categories.

WATER AND SEWER FUND

Operating Revenues	2020	2019	\$ Chg	% Chg	% Operating Revenues
Sale of Water	\$ 53,307,263	\$ 52,010,546	\$ 1,296,717	2.5%	46.5%
Sewer Service	45,118,031	44,449,171	668,860	1.5%	39.4%
Stormwater Fees	-	-	-	0.0%	0.0%
Tapping Fees	1,300,050	1,334,445	(34,395)	-2.6%	1.1%
Penalties and Reconnect Charges	4,059,150	3,991,134	68,016	1.7%	3.5%
Sale of Pellets, Timber and Materials	52,801	39,884	12,917	32.4%	0.0%
Other Operating Revenues	407,355	458,393	(51,038)	-11.1%	0.4%
Total Operating Revenues	\$ 104,244,650	\$ 102,283,573	\$ 1,961,077	1.9%	100.0%

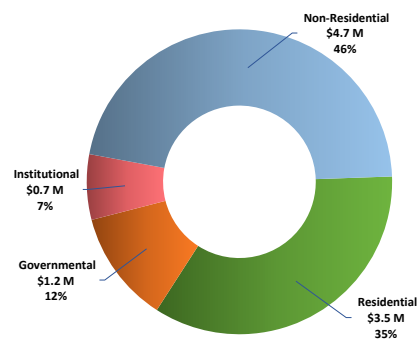




STORMWATER FUND

Operating Revenues	2020	2019	\$ Chg	% Chg	% Operating Revenues
Sale of Water	\$ -	\$ -	\$ -	0.0%	0.0%
Sewer Service	-	-	-	0.0%	0.0%
Stormwater Fees	10,090,477	9,955,756	134,721	1.4%	98.3%
Tapping Fees	-	-	-	0.0%	0.0%
Penalties and Reconnect Charges	173,264	167,048	6,216	3.7%	1.7%
Sale of Pellets, Timber and Materials	1,718	4,176	(2,458)	-58.9%	0.0%
Other Operating Revenues	-	-	-	0.0%	0.0%
Total Operating Revenues	\$ 10,265,459	\$ 10,126,980	\$ 138,479	1.4%	100.0%

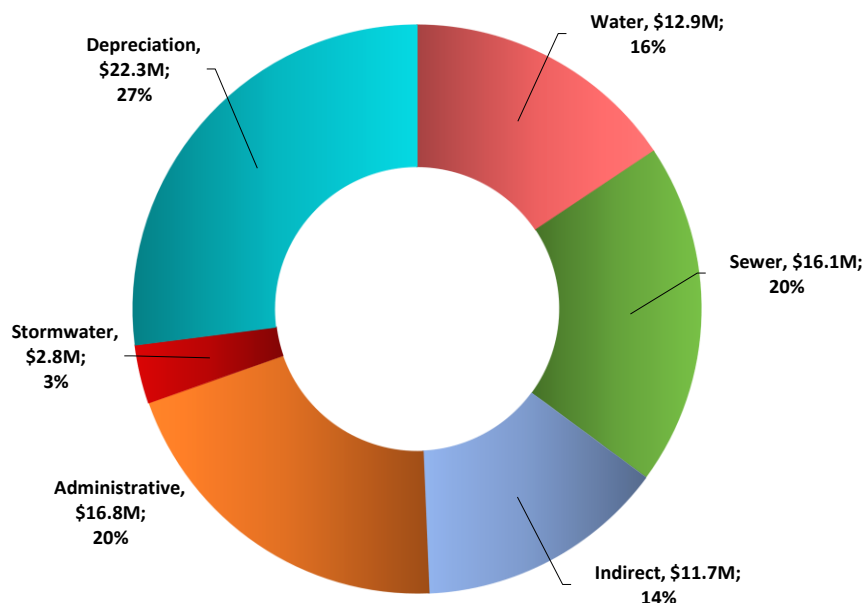
Stormwater Fee Detail



ANALYSIS OF EXPENSES

Total Operating Expenses for FY 2020 were \$82,582,533. That amount represents a decrease of \$3,479,543, or 4.0 percent less than the prior fiscal year total of \$86,062,076. 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 2020 and 2019 fiscal years.

Operating Expenses	2020	2019	\$ Chg	% Chg	% Operating Expenses
Water	\$ 12,916,375	\$ 12,669,453	\$ 246,922	1.9%	15.6%
Sewer	16,078,097	16,521,214	(443,117)	-2.7%	19.5%
Indirect	11,745,934	12,614,189	(868,255)	-6.9%	14.2%
Administrative	16,775,504	20,573,887	(3,798,383)	-18.5%	20.3%
Stormwater	2,755,139	2,989,969	(234,830)	-7.9%	3.3%
Depreciation	22,311,484	20,693,364	1,618,120	7.8%	27.0%
Total Operating Expenses	\$ 82,582,533	\$ 86,062,076	\$ (3,479,543)	-4.0%	100.0%

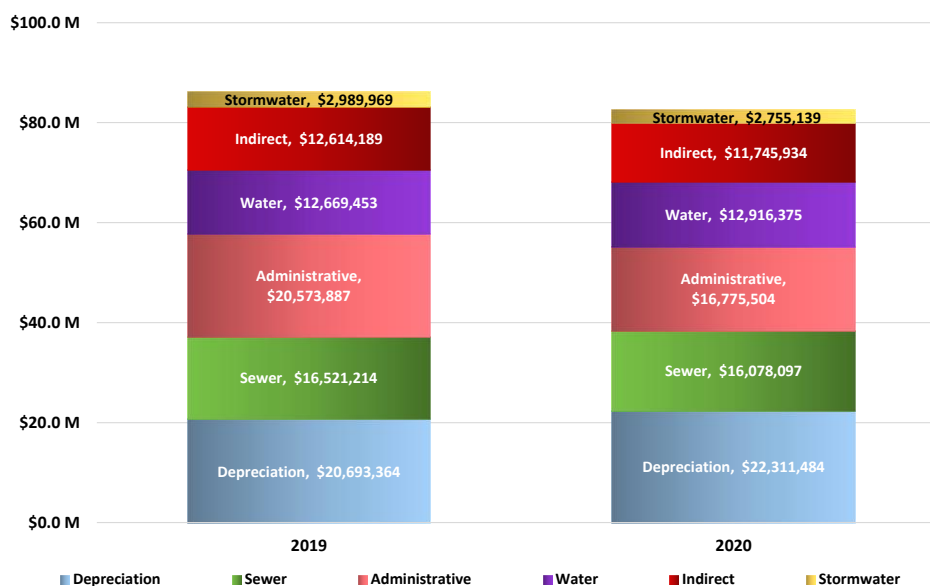
For the 2020 fiscal year, operating expenses decreased \$3,479,543 or negative 4 percent. This decrease was driven by changes in *Administrative* expenses which decreased \$3.8 million, or negative 18.5 percent from the prior year, primarily due to lower *Net OPEB Expense* and *Net Pension Expense* of \$3.8 million and \$548 thousand, respectively, and an accrual in the Water and Sewer Fund in 2019 of \$1.5 million in legal fees related to a probable settlement. These decreases were offset by increases in annual software and hardware licensing, increases in managed technology services, and increases in security monitoring services.

Indirect Expenses also decreased, down \$868 thousand, or negative 6.9 percent, over last year. The amount accrued to settle a pending lawsuit of \$1,485,614 and the amount of the actual settlement of \$500,000 resulted in a negative \$985,614. This excess accrual was moved to a budget unit that is set up to handle various accounting transactions and activity that is not related to managed budget units. Most of this activity is typically related to inventory adjustments and write-offs and is included in the *Indirect Expense* category where the Warehouse business unit resides. Removing the negative \$985,614 in excess accrual, the change in *Indirect Expenses* would have been an increase of \$289 thousand. A major warehouse improvement initiative accounted for about \$160 thousand in additional consulting fees in 2020 and the remainder of the increase was due to additional engineering consulting work. *Water Expense* increased \$247 thousand or 1.9 percent over the prior year due to increased demand and related water production. *Sewer Expense* of \$16.1 million dropped \$443 thousand due lower maintenance and repair costs necessary in 2020. Depreciation Expense increased by \$1.6 million due to net changes between capital additions and disposals and the variation of the estimated life of those assets.

In the Supplementary Information section of this document are schedules for each major expense category that show the detail of operating expenses by business unit: [Schedule of Operating Expenses – Direct Water Expenses](#); [Schedule of Operating Expenses – Direct Sewer Expenses](#); [Schedule of Operating Expenses – Indirect Expenses](#); [Schedule of Operating Expenses – Administrative Expenses](#), and [Schedule of Operating Expenses – Stormwater Direct and Indirect Expenses](#).



COMPARISON OF OPERATING EXPENSES



The tables below provide a side-by-side comparison of Operating Expenses by fund for the 2020 and 2019 fiscal years.

WATER AND SEWER FUND

Operating Expenses	2020	2019	\$ Chg	% Chg	% Operating Expenses
Water	\$ 12,916,375	\$ 12,669,453	\$ 246,922	1.9%	17.2%
Sewer	16,078,097	16,521,214	(443,117)	-2.7%	21.4%
Indirect	10,546,186	11,242,735	(696,549)	-6.2%	14.1%
Administrative	16,775,504	20,573,887	(3,798,383)	-18.5%	22.3%
Stormwater	-	-	-	0.0%	0.0%
Depreciation	18,744,323	17,310,962	1,433,361	8.3%	25.0%
Total Operating Expenses	\$ 75,060,485	\$ 78,318,251	\$ (3,257,766)	-4.2%	100.0%

STORMWATER FUND

Operating Expenses	2020	2019	\$ Chg	% Chg	% Operating Expenses
Water	\$ -	\$ -	\$ -	0.0%	0.0%
Sewer	-	-	-	0.0%	0.0%
Indirect	1,199,748	1,371,454	(171,706)	-12.5%	15.9%
Administrative	-	-	-	0.0%	0.0%
Stormwater	2,755,139	2,989,969	(234,830)	-7.9%	36.6%
Depreciation	3,567,161	3,382,402	184,759	5.5%	47.4%
Total Operating Expenses	\$ 7,522,048	\$ 7,743,825	\$ (221,777)	-2.9%	100.0%

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.

Capital Contributions	2020	2019	\$ Chg	% Chg
Impact Fees	\$ 1,506,497	\$ 1,891,142	\$ (384,645)	-20.3%
Subdividers	5,853,264	2,354,727	3,498,537	148.6%
Intergovernmental	1,024,382	562,209	462,173	82.2%
Total Capital Contributions	\$ 8,384,143	\$ 4,808,078	\$ 3,576,065	74.4%

During periods of strong economic development, commercial and residential developers contribute the piping and meter infrastructure they install when their construction is completed. An increase in residential development activity drove the \$3,576,065 increase in total *Capital Contributions* for 2020 of \$8,384,143. Contributions from *Impact Fees* and *Subdividers* are related to development activity. *Impact Fees* are earned at the beginning of the development process while contributions of pipe infrastructure from *Subdividers* occur when the development is completed, and the infrastructure is donated to the Authority to maintain as part of its system. The timing of the development phases could span fiscal years, hence the decline in Impact Fees of \$385 thousand but the increase of \$3.5 million in Subdivider Infrastructure in 2020. Four residential developments accounted for \$4.7 million of the donated stormwater, sewer and water infrastructure. A new hotel and sewer and water extensions at the Farmer's Market in Forest Park accounted for another \$416 thousand of contributed assets. The remaining donated infrastructure was from other water, sewer and stormwater extensions and fire meters throughout the County.

In 2020, *Intergovernmental* contributions of \$1,024,382 increased \$462,173 over 2019. The Clayton County Board of Commissioners made a \$867,323 reimbursement of the meter installation costs the Authority incurred to change a 70-unit apartment complex from larger meters to individual apartment meters. Additionally, a tax refund of \$154,569 was received from Georgia for the sales tax paid by a contractor on materials purchased for two large construction projects that the Authority paid the contractor. In 2019, the Authority received its final reimbursement of \$530,603 from the Urban Redevelopment Agency of Clayton County for a portion of its cost to construct pipe infrastructure at the closed Fort Gillem Army Base. This project was part of the Agency's economic development plan to repurpose the site for industrial use and donated pipelines.

The tables that follow show a comparison of *Capital Contributions* by Fund on April 30, 2020 and 2019.

WATER AND SEWER FUND

Capital Contributions	2020	2019	\$ Chg	% Chg
Impact Fees	\$ 1,506,497	\$ 1,891,142	\$ (384,645)	-20.3%
Subdividers	3,607,116	1,592,408	2,014,708	126.5%
Intergovernmental	1,024,382	562,209	462,173	82.2%
Total Capital Contributions	\$ 6,137,995	\$ 4,045,759	\$ 2,092,236	51.7%



STORMWATER FUND

Capital Contributions	2020	2019	\$ Chg	% Chg
Impact Fees	\$ -	\$ -	\$ -	0.0%
Subdividers	2,246,148	762,319	1,483,829	194.6%
Intergovernmental	-	-	-	0.0%
Total Capital Contributions	\$ 2,246,148	\$ 762,319	\$ 1,483,829	194.6%

CAPITAL ASSETS AND DEBT

CAPITAL ASSETS

On April 30, 2020, the Clayton County Water Authority had an investment of \$590 million in capital assets, net of depreciation and amortization. This amount represents a net increase, including additions and disposals, of \$20.6 million, or 3.6 percent more than last year. Of that total investment in plant, property, equipment and construction-in-progress on April 30, 2020, the Water and Sewer Fund had \$536,852,243 in net capital assets, and the Stormwater Fund had \$52,621,294. Comparative schedules for each fund's capital assets by major classification for the two most recent fiscal years is shown in the following tables. Additional detailed information concerning the Authority's capital assets can be found in the *Notes to the Financial Statements*, [Note 6: Capital Assets](#).

Capital Asset Classification	2020	2019	\$ Chg	% Chg	% Capital Assets
Land and Easements	\$ 31,996,796	\$ 32,184,580	(187,784)	-0.6%	5.4%
Building and Structures	95,224,652	92,637,371	2,587,281	2.8%	16.2%
Operating and Maintenance Equipment	44,991,949	43,276,105	1,715,844	4.0%	7.6%
Field Equipment	12,696,440	12,526,846	169,594	1.4%	2.2%
Road Equipment	2,578,663	1,695,361	883,302	52.1%	0.4%
Piping	299,886,265	283,890,076	15,996,189	5.6%	50.9%
Technology and Office Equipment	3,302,010	3,511,922	(209,912)	-6.0%	0.6%
Furniture and Fixtures	332,278	359,465	(27,187)	-7.6%	0.1%
System Franchises and Engineering Studies	40,965,728	41,289,133	(323,405)	-0.8%	6.9%
Construction in Progress	57,498,756	57,509,405	(10,649)	0.0%	9.8%
Total Capital Assets, net of accumulated depreciation	\$ 589,473,537	\$ 568,880,264	\$ 20,593,273	3.6%	100.0%

WATER AND SEWER FUND

Capital Asset Classification	2020	2019	\$ Chg	% Chg	% Capital Assets
Land and Easements	\$ 30,223,686	\$ 30,411,764	(188,078)	-0.6%	5.6%
Building and Structures	94,699,215	92,104,589	2,594,626	2.8%	17.6%
Operating and Maintenance Equipment	44,967,971	43,250,481	1,717,490	4.0%	8.4%
Field Equipment	12,123,251	12,107,118	16,133	0.1%	2.3%
Road Equipment	2,006,104	1,280,968	725,136	56.6%	0.4%
Piping	251,982,064	240,279,209	11,702,855	4.9%	46.9%
Technology and Office Equipment	3,242,608	3,489,719	(247,111)	-7.1%	0.6%
Furniture and Fixtures	286,673	305,922	(19,249)	-6.3%	0.1%
System Franchises and Engineering Studies	40,373,354	40,642,698	(269,344)	-0.7%	7.5%
Construction in Progress	56,947,317	56,210,324	736,993	1.3%	10.6%
Total Capital Assets, net of accumulated depreciation	\$ 536,852,243	\$ 520,082,792	\$ 16,769,451	3.2%	100.0%



STORMWATER FUND

Capital Asset Classification	2020	2019	\$ Chg	% Chg	% Capital Assets
Land and Easements	\$ 1,773,110	\$ 1,772,816	294	0.0%	3.4%
Building and Structures	525,437	532,782	(7,345)	-1.4%	1.0%
Operating and Maintenance Equipment	23,978	25,624	(1,646)	-6.4%	0.0%
Field Equipment	573,189	419,728	153,461	36.6%	1.1%
Road Equipment	572,559	414,393	158,166	38.2%	1.1%
Piping	47,904,201	43,610,867	4,293,334	9.8%	91.0%
Technology and Office Equipment	59,402	22,203	37,199	167.5%	0.1%
Furniture and Fixtures	45,605	53,543	(7,938)	-14.8%	0.1%
System Franchises and Engineering Studies	592,374	646,435	(54,061)	-8.4%	1.1%
Construction in Progress	551,439	1,299,081	(747,642)	-57.6%	1.0%
Total Capital Assets, net of accumulated depreciation	\$ 52,621,294	\$ 48,797,472	\$ 3,823,822	7.8%	100.0%

DEBT

On April 30, 2020, the Clayton County Water Authority had \$91.9 million in debt obligation, a net decrease of \$14.5 million or 13.6 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 on April 30 of 2020 and 2019 are shown in the tables below.

WATER AND SEWER FUND

Type of Debt	2020	2019	\$ Chg	% Chg
Revenue Bonds - Outstanding Principal	\$ 72,140,000	\$ 89,400,000	\$ (17,260,000)	-19.3%
Unamortized Bond Premium	3,355,210	5,155,071	(1,799,861)	-34.9%
GEFA Loans	16,400,550	11,839,256	4,561,294	38.5%
Total Debt	\$ 91,895,760	\$ 106,394,327	\$ (14,498,567)	-13.6%

For April 30, 2020, 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 \$5,222,016 in disbursements requested from the GEFA construction loan coupled with complete year of principal payments of \$660,772 for the two GEFA loans that are in repayment 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	2020	2019	\$ Chg	% Chg
Revenue Bonds - Outstanding Principal	\$ -	\$ -	\$ -	0.0%
Unamortized Bond Premium	-	-	-	0.0%
GEFA Loans	-	-	-	0.0%
Total Debt	\$ -	\$ -	\$ -	0.0%

The Stormwater Fund carries no debt.



ECONOMIC FACTORS, RATES AND NEXT YEAR'S FINANCIAL ACTIVITY

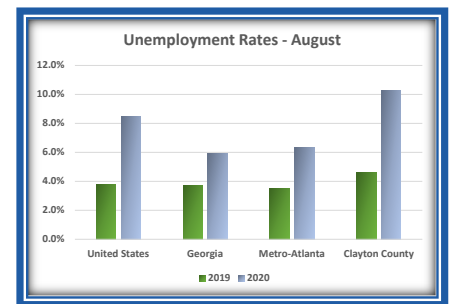
ECONOMIC FACTORS

In March 2020, the United States was becoming increasingly impacted by a world-wide pandemic from a COVID-19 virus. The economic impact of this pandemic has had a significant impact on the global economy as well as that of the metro-Atlanta area and Clayton County.

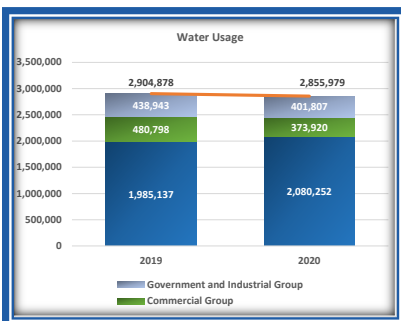
The 2020 – 2021 budget was developed with forecasted revenues that were discounted to attempt to anticipate the impact the pandemic would have on the Authority's revenue. The budget for expenses were also increased for employee healthcare (+15%), accounting write-offs (+25%), and an increase in contingency (+70%). The budget was also developed to include the 2020 Strategic Master Plan projects and the financial strategy to fund the 10-year Capital Improvement Plan. This strategy included water and sewer *rate increases of 10 percent*, effective January 1, 2021. Because of the timing of rate increase, this would equate to a 3.33 percent increase in revenue generated from water and sewer sales.

As of August 2020, residential homebuilding and sales are still strong but water usage has decreased 1.7 percent between 2019 and 2020 for the months of May through August.

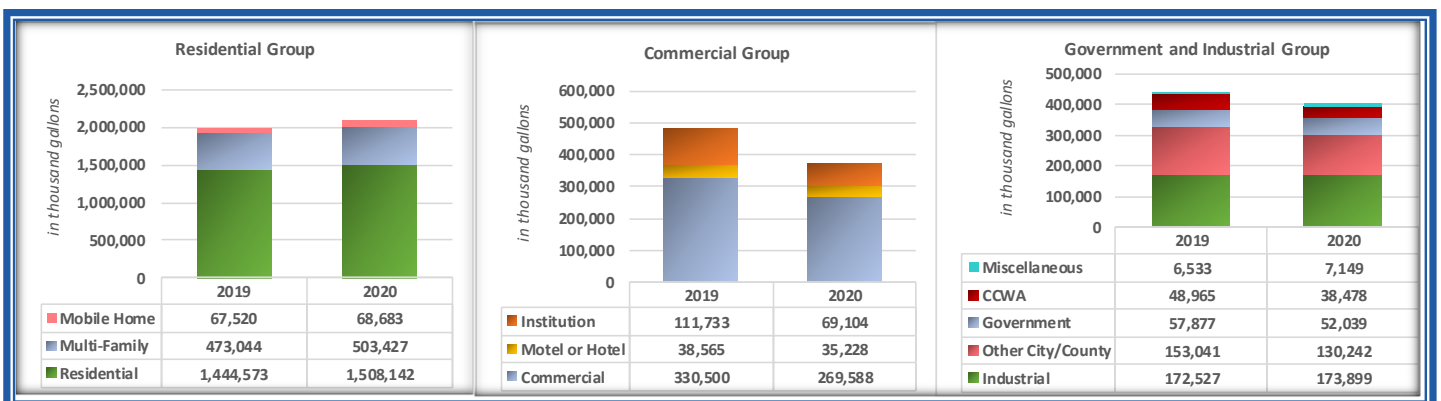
Unemployment Rates in Clayton County have increased from 4.6 percent in August 2019 to 10.3 percent in August 2020 and are higher than the metro-Atlanta area, the State, and the US.



The provision of water and sewer services represents a necessary purchase for the residents and industries of Clayton County. Based on historical trend information, the average residential customer in the County uses about 4,000 gallons a month.



This usage is below the average use of residential customers throughout the metro-Atlanta and does not include much discretionary usage such as irrigation and filling pools. However, aging accounts receivable has grown by 20 percent for residential customers as the Authority followed suit with other electric and water utilities and stopped disconnection for non-payment from mid-March through mid-July 2020. The area of larger concern is the lack of payment by a couple of multi-family apartment complexes that include water and sewer as part of the rent payments that have not been received.





NEXT YEAR'S BUDGET

The Authority's operating budget for 2020 - 2021 took into consideration the anticipated impact of the economic factors cited above. The revenue projections include a water and sewer rate adjustment of ten percent on base and tiers, effective January 1, 2021. 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 2020 - 2021 Budget is in the table below.

CONSOLIDATED BUDGET - FY 2020 - 2021

	Water and Sewer	Stormwater	Total FY 2020 - 2021
Revenues			
Water Sales	\$ 53,707,310	\$ -	\$ 53,707,310
Sewer Sales	45,500,448	-	45,500,448
Stormwater Fees	-	9,832,771	9,832,771
Installation Charges	768,679	-	768,679
Account Servicing Charge	4,018,053	157,205	4,175,258
Miscellaneous Income	540,034	1,580	541,614
Interest Income	33,032	5,193	38,225
Impact Fees	1,212,437	-	1,212,437
Interfund Transfer	1,219,663	-	1,219,663
Total Revenues	\$ 106,999,656	\$ 9,996,749	\$ 116,996,405
Expenses			
Personal Services	\$ 35,681,368	\$ 2,020,633	\$ 37,702,001
Operating Expenses	43,160,387	3,038,776	46,199,163
Debt Service	21,453,319	-	21,453,319
Interfund Transfers - Stormwater and Reserves	392,087	1,219,663	1,611,750
Capital Expenditures	2,959,695	296,878	3,256,573
Capital Projects	3,352,800	3,420,799	6,773,599
Total Expenses	\$ 106,999,656	\$ 9,996,749	\$ 116,996,405

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, 2020

	Water and Sewer	Stormwater	Total
ASSETS			
Current Assets:			
Cash and Cash Equivalents:			
Unrestricted	\$ 31,112,054	\$ 8,080,310	\$ 39,192,364
Restricted	27,148,255	-	27,148,255
Accounts Receivable <i>(Net of Allowance for Uncollectible)</i>	15,855,329	709,853	16,565,182
Other Receivables	1,716,983	1,425	1,718,408
Inventories	2,229,302	-	2,229,302
Prepaid Expenses and Deposits	91,959	-	91,959
Total Current Assets	\$ 78,153,882	\$ 8,791,588	\$ 86,945,470
Noncurrent Assets:			
Unrestricted Assets:			
Cash and Cash Equivalents	\$ 14,625	\$ -	\$ 14,625
Total Unrestricted Assets	\$ 14,625	\$ -	\$ 14,625
Restricted Assets:			
Cash and Cash Equivalents:			
Debt Service	\$ 20,691,089	\$ -	\$ 20,691,089
Renewal and Extension	68,510,461	-	68,510,461
Escrow Agreement	-	126,653	126,653
Total Restricted Assets	\$ 89,201,550	\$ 126,653	\$ 89,328,203
Capital Assets:			
Land and Easements	\$ 30,223,686	\$ 1,773,110	\$ 31,996,796
Buildings and Structures	182,358,815	750,973	183,109,788
Operating and Maintenance Equipment	83,851,099	136,335	83,987,434
Field Equipment	53,210,092	1,243,544	54,453,636
Road Equipment	7,846,019	1,641,827	9,487,846
Piping	370,130,260	145,072,798	515,203,058
Technology and Office Equipment	13,446,406	139,394	13,585,800
Furniture and Fixtures	2,349,746	101,891	2,451,637
System Franchise and Engineering Studies	76,889,919	646,625	77,536,544
Construction in Process	56,947,317	551,439	57,498,756
Less: Accumulated Depreciation	(340,401,116)	(99,436,642)	(439,837,758)
Total Capital Assets <i>(Net of Accumulated Depreciation)</i>	\$ 536,852,243	\$ 52,621,294	\$ 589,473,537
Total Noncurrent Assets	\$ 626,068,418	\$ 52,747,947	\$ 678,816,365
Total Assets	\$ 704,222,300	\$ 61,539,535	\$ 765,761,835
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Charges Related to Debt Refunding	\$ 1,567,581	\$ -	\$ 1,567,581
Deferred Charges Related to OPEB Liability	1,152,852	60,676	1,213,528
Deferred Charges Related to Pension Liability	10,056,107	609,534	10,665,641
Total Deferred Outflows of Resources	\$ 12,776,540	\$ 670,210	\$ 13,446,750

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, 2020

	Water and Sewer	Stormwater	Total
LIABILITIES			
Current Liabilities Payable From Unrestricted Assets:			
Accounts Payable	\$ 4,166,184	\$ 206,846	\$ 4,373,030
Accrued Payroll Withholdings	1,080,498	63,519	1,144,017
Accrued Pension Contribution	157,750	8,771	166,521
Compensated Absences	1,049,176	58,901	1,108,077
Loans Payable - Due Within One Year	681,332	-	681,332
Accrued Loan Interest	14,992	-	14,992
Unearned Revenue	192,743	-	192,743
Total Current Liabilities Payable From Unrestricted Assets	\$ 7,342,675	\$ 338,037	\$ 7,680,712
Current Liabilities Payable From Restricted Assets:			
Accounts Payable	\$ 1,108,760	-	\$ 1,108,760
Accrued Revenue Bond Interest	1,687,350	-	1,687,350
Customer Deposits	5,285,184	-	5,285,184
Revenue Bonds Payable - Due Within One Year	15,905,000	-	15,905,000
Total Current Liabilities Payable From Restricted Assets	\$ 23,986,294	\$ -	\$ 23,986,294
Total Current Liabilities	\$ 31,328,969	\$ 338,037	\$ 31,667,006
Noncurrent Liabilities:			
Compensated Absences	\$ 686,679	\$ 24,495	\$ 711,174
Loans Payable	15,719,218	-	15,719,218
Revenue Bonds Payable (Net of Bond Premium)	59,590,210	-	59,590,210
Net OPEB Liability	12,148,388	639,389	12,787,777
Net Pension Liability	40,440,507	2,559,454	42,999,961
Total Noncurrent Liabilities	\$ 128,585,002	\$ 3,223,338	\$ 131,808,340
Total Liabilities	\$ 159,913,971	\$ 3,561,375	\$ 163,475,346
DEFERRED INFLOWS OF RESOURCES			
Deferred Charges Related to OPEB Liability	\$ 8,557,456	\$ 450,392	\$ 9,007,848
Deferred Charges Related to Pension Liability	5,782,371	304,335	6,086,706
Total Deferred Inflows of Resources	\$ 14,339,827	\$ 754,727	\$ 15,094,554
NET POSITION			
Net Investment in Capital Assets	\$ 446,524,064	\$ 52,621,294	\$ 499,145,358
Restricted for:			
Debt Service	38,283,439	-	38,283,439
Renewal and Extension	1,500,000	-	1,500,000
Working Capital	500,000	-	500,000
Escrow Agreement	-	126,653	126,653
Unrestricted	55,937,539	5,145,696	61,083,235
Total Net Position	\$ 542,745,042	\$ 57,893,643	\$ 600,638,685

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, 2020

	Water and Sewer	Stormwater	Total
Operating Revenues:			
Charges for Sales and Services:			
Sale of Water	\$ 53,307,263	\$ -	\$ 53,307,263
Sewer Service	45,118,031	-	45,118,031
Stormwater Fees	-	10,090,477	10,090,477
Tapping Fees	1,300,050	-	1,300,050
Penalties and Reconnect Charges	4,059,150	173,264	4,232,414
Sale of Pellets, Timber and Materials	52,801	1,718	54,519
Other Operating Revenues	407,355	-	407,355
Total Operating Revenues	\$ 104,244,650	\$ 10,265,459	\$ 114,510,109
Operating Expenses:			
Water	\$ 12,916,375	\$ -	\$ 12,916,375
Sewer	16,078,097	-	16,078,097
Stormwater	-	2,755,139	2,755,139
Indirect	10,546,186	1,199,748	11,745,934
Administrative	16,775,504	-	16,775,504
Depreciation	18,744,323	3,567,161	22,311,484
Total Operating Expenses	\$ 75,060,485	\$ 7,522,048	\$ 82,582,533
Operating Income	\$ 29,184,165	\$ 2,743,411	\$ 31,927,576
Nonoperating Revenues (Expenses):			
Interest Income	\$ 576,225	\$ 9,370	\$ 585,595
Interest Expense	(2,533,392)	-	(2,533,392)
Gain (Loss) of Disposal of Capital Assets	(558,161)	(79,074)	(637,235)
Other (Net)	(2,990)	(2,500)	(5,490)
Total Nonoperating Revenues (Expenses)	\$ (2,518,318)	\$ (72,204)	\$ (2,590,522)
Income Before Contributions and Transfers	\$ 26,665,847	\$ 2,671,207	\$ 29,337,054
Capital Contributions:			
Impact Fees	\$ 1,506,497	\$ -	\$ 1,506,497
Subdividers and Developers	3,607,116	2,246,148	5,853,264
Other Governments	1,024,382	-	1,024,382
Transfers In	1,271,151	-	1,271,151
Transfers Out	-	(1,271,151)	(1,271,151)
Change in Net Position	\$ 34,074,993	\$ 3,646,204	\$ 37,721,197
Net Position - Beginning	\$ 508,670,049	\$ 54,247,439	\$ 562,917,488
Net Position - Ending	\$ 542,745,042	\$ 57,893,643	\$ 600,638,685

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, 2020

	Water and Sewer	Stormwater	Total
Cash Flows from Operating Activities:			
Cash Received from Customers	\$ 101,843,012	\$ 10,159,917	\$ 112,002,929
Cash Paid to Suppliers	(28,945,913)	(2,285,411)	(31,231,324)
Cash Paid to Employees	(30,680,299)	(1,723,659)	(32,403,958)
Net Cash Provided by Operating Activities	\$ 42,216,800	\$ 6,150,847	\$ 48,367,647
Cash Flows from Noncapital Financing Activities:			
Transfers from Other Funds	\$ 1,271,151	-	\$ 1,271,151
Transfers to Other Funds	-	(1,271,151)	(1,271,151)
Net Cash Provided by (Used In) Noncapital Financing Activities	\$ 1,271,151	\$ (1,271,151)	\$ -
Cash Flows from Capital and Related Financing Activities:			
Acquisition and Construction of Capital Assets	\$ (32,391,407)	\$ (5,144,833)	\$ (37,536,240)
Fees Received From Subdividers	1,506,497	-	1,506,497
Principal Paid on Bonds Payable	(17,260,000)	-	(17,260,000)
Principal Paid on Notes Payable	(660,722)	-	(660,722)
Proceeds from Loans Payable	5,222,016	-	5,222,016
Interest Paid on Bonds and Loans Payable	(3,777,154)	-	(3,777,154)
Proceeds from Sale of Capital Assets	370,882	-	370,882
Fees Received from Other Governments	1,024,382	-	1,024,382
Net Cash Used In Capital and Related Financing Activities	\$ (45,965,506)	\$ (5,144,833)	\$ (51,110,339)
Cash Flows from Investing Activities:			
Interest on investments	\$ 576,225	\$ 9,370	\$ 585,595
Net Cash Provided by Investing Activities	\$ 576,225	\$ 9,370	\$ 585,595
Net Decrease in Cash and Cash Equivalents	\$ (1,901,330)	\$ (255,767)	\$ (2,157,097)
Cash and Cash Equivalents, April 30, 2019	149,377,814	8,462,730	157,840,544
Cash and Cash Equivalents, April 30, 2020	\$ 147,476,484	\$ 8,206,963	\$ 155,683,447
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:			
Operating Income	\$ 29,184,165	\$ 2,743,411	\$ 31,927,576
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:			
Depreciation Expense	\$ 18,744,323	\$ 3,567,161	\$ 22,311,484
(Increase) Decrease in Accounts Receivable	(1,175,071)	(104,721)	(1,279,792)
(Increase) Decrease in Other Receivables	(1,242,845)	(821)	(1,243,666)
(Increase) Decrease in Inventories	(168,895)	-	(168,895)
(Increase) Decrease in Prepaid Items	(3,106)	-	(3,106)
(Decrease) Increase in Accounts Payable	(2,139,781)	47,173	(2,092,608)
(Decrease) Increase in Accrued Liabilities	(545,825)	(80,052)	(625,877)
(Decrease) Increase in Customer Deposits	23,294	-	23,294
(Decrease) Increase in Compensated Absences	69,803	6,183	75,986
(Decrease) Increase in Net OPEB Liability	(1,000,576)	(52,662)	(1,053,238)
(Decrease) Increase in Net Pension Liability	478,330	25,175	503,505
(Decrease) Increase in Unearned Revenue	(7,016)	-	(7,016)
Total Adjustments	13,032,635	3,407,436	16,440,071
Net Cash Provided by Operating Activities	\$ 42,216,800	\$ 6,150,847	\$ 48,367,647

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, 2020

	Water and Sewer	Stormwater	Total
Reconciliation of Cash Presentation to Cash and Cash Equivalents:			
Unrestricted Assets:			
Cash and Cash Equivalents:			
Current	\$ 31,112,054	\$ 8,080,310	\$ 39,192,364
Noncurrent	14,625	-	14,625
Restricted Assets:			
Cash and Cash Equivalents:			
Current	27,148,255	-	27,148,255
Noncurrent	89,201,550	126,653	89,328,203
Total Cash and Cash Equivalents	\$ 147,476,484	\$ 8,206,963	\$ 155,683,447
Non-cash Capital and Related Financing Activities			
Contributions of Capital Assets by Subdividers and Developers	\$ 3,607,116	\$ 2,246,148	\$ 5,853,264
Capital Assets Transferred Between Funds	(2,886)	2,886	-
Total Non-cash Capital and Related Financing Activities	\$ 3,604,230	\$ 2,249,034	\$ 5,853,264

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, 2020**

ASSETS

Cash and Cash Equivalents	\$	176,079
Investments		
Equity - Exchange Traded Index and Mutual Funds		6,941,648
Fixed Income - Exchange Traded Index and Mutual Funds		5,771,299
Interest Receivable		8,204
Total Assets	\$	<u>12,897,230</u>

LIABILITIES

Accounts Payable	\$	-
Total Liabilities	\$	<u>-</u>

NET POSITION

Restricted for Other Postemployment Benefits	\$	<u>12,897,230</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, 2020**

Additions:

Contributions:		
Employer	\$	1,362,778
Investment Earnings:		
Interest Income		598,989
Net Appreciation (Depreciation) in the Fair Value of Assets		<u>(453,109)</u>
Total Additions	\$	1,508,658

Deductions:

Benefits Paid to Participants or Beneficiaries	\$	1,362,778
Bank Fees and Charges		<u>57,489</u>
Change in Net Position	\$	88,391

Net Position Restricted for Other Postemployment Benefits:

Beginning of Year	\$	12,808,839
End of Year	\$	<u>12,897,230</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 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 present separate statements for CCWA's two proprietary funds, Water and Sewer Fund and Stormwater Fund and for its fiduciary fund, the OPEB Trust Fund. The financial statements for the business-type activities of the proprietary funds 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 proprietary 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. On April 30, 2020, the allowance for doubtful accounts was \$276,071 and \$13,928 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. 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 on 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, 2020 are shown in the following table:

Type of Restriction	Water and Sewer	Stormwater	Total
Bond Covenants:			
Debt Service	\$ 38,283,439	\$ -	\$ 38,283,439
Renewal and Extension	1,500,000	-	1,500,000
Working Capital	500,000	-	500,000
Escrow Agreement	-	126,653	126,653
Total Restricted Net Position	\$ 40,283,439	\$ 126,653	\$ 40,410,092



- **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, 2020, the Authority adopted a new accounting standard issued by Government Accounting Standards Board (GASB): *GASB Statement No. 89, Accounting for Interest Cost Incurred before the End of a Construction Period* which discontinues the practice of considering interest costs as one of the ancillary charges necessary to place the asset into its intended location and condition for use. This authoritative standard states that decisions regarding how to finance the acquisition of capital assets do not impact the service capacity of those assets. Interest during construction will continue to be expensed in the fiscal period incurred. It will no longer be capitalized and included as a cost of the assets when construction is completed, and the assets are placed in service.



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 on April 30, 2020. As indicated in the presentation by classification, 75 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, 2020, 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
Cash and Cash Equivalents:				
Unrestricted	\$ 31,126,679	\$ 8,080,310	\$ -	\$ 39,206,989
Restricted	116,349,805	126,653	176,079	116,652,537
Total Cash and Cash Equivalents	\$ 147,476,484	\$ 8,206,963	\$ 176,079	\$ 155,859,526

	Demand Deposits	Cash on Hand	Investments	Total Balances
Unrestricted:				
Water and Sewer:				
Current	\$ 31,103,654	\$ 8,400	\$ -	\$ 31,112,054
Noncurrent	14,625	-	-	14,625
Stormwater:				
Current	8,080,310	-	-	8,080,310
Noncurrent	-	-	-	-
Restricted:				
Water and Sewer:				
Debt Service	-	-	17,592,350	17,592,350
Debt Service Reserve	-	-	20,691,089	20,691,089
Construction	3,161,961	-	-	3,161,961
Renewal and Extension	69,619,221	-	-	69,619,221
Customer Deposits	5,285,184	-	-	5,285,184
Stormwater:				
Escrow	126,653	-	-	126,653
Other Post Employment Benefit Trust:				
Trust	176,079	-	-	176,079
Total Cash and Cash Equivalents	\$ 117,567,687	\$ 8,400	\$ 38,283,439	\$ 155,859,526

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, 2020, 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.

On April 30, 2020, 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, 2020, 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, 2020, 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 \$38,283,439.

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	4/30/2020	Average Credit Quality	Weighted Average Maturity (Yrs)
Cash Equivalents	\$ 176,079	-	-
Mutual Funds - Fixed Income	984,007	BB	4.85
Mutual Funds - Fixed Income	979,679	AA	8.37
Mutual Funds - Fixed Income	1,009,367	BBB	12.78
Mutual Funds - Fixed Income	642,098	BBB*	11.96
Mutual Funds - Fixed Income	209,634	A	1.14
Mutual Funds - Fixed Income	487,816	B	6.93
Exchange Traded Index Funds - Fixed Income	1,247,368	AA	8.10
Exchange Traded Index Funds - Fixed Income	211,330	AA	2.80
Exchange Traded Index - Equity	518,633	-	-
Exchange Traded Index - Equity	256,963	-	-
Mutual Funds - Equities	6,166,052	-	-
Total Investments Measured at Fair Value	\$ 12,889,026		

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, 2020, \$12,712,947 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, 2020, the fixed income investments had an average effective duration of 5.41 years compared to the Bloomberg-Barclays Aggregate Bond Index of 5.69 years. The weighted average yield to maturity of the Portfolio was 2.95 percent compared to the Bloomberg-Barclays Aggregate Bond Index of 1.62 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 establishes 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, 2020. 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	\$ 663,541	\$ 775,596	\$ -	\$ -	\$ 775,596	6.1%
Exchange Traded Index Funds - Fixed Income	1,398,016	1,458,698	-	-	1,458,698	11.5%
Mutual Funds - Equity	5,399,717	6,166,052	-	-	6,166,052	48.5%
Mutual Funds - Fixed Income	4,306,841	4,312,601	-	-	4,312,601	33.9%
Total Investments	\$ 11,768,115	\$ 12,712,947	\$ -	\$ -	\$ 12,712,947	100.0%

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, 2020, 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, 2020, the annual rate of return for the OPEB investment portfolio was 1.13 percent compared to the policy benchmark (*75 percent Russell 3000/25 percent MSCI ACWI ex US/50 percent Barclays Aggregate Index*) of 3.85 percent. The three-year return on the portfolio was 5.35 percent compared to the benchmark



5.77 percent and the return on the Inception to date (November 1, 2012) of 6.98 percent compared to the benchmark 6.71 percent.

FOREIGN CURRENCY RISK

On April 30, 2020, investments with exposure to foreign currency risk totaled \$1,005,413 or 7.8 percent, of the total Other Post-Employment Benefit (OPEB) portfolio. These investments are through U.S. mutual funds 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, 2020 are shown in the table that follows.

	Water and Sewer	Stormwater	Total
Outstanding Customer Billings	\$ 6,766,698	\$ 723,781	\$7,490,479
Estimated Unbilled Services Provided	9,364,702	-	9,364,702
Less: Allowance for Doubtful Accounts	(276,071)	(13,928)	(289,999)
Net Accounts Receivable	\$ 15,855,329	\$ 709,853	\$ 16,565,182

NOTE 5: INTERFUND TRANSFERS

During the fiscal year ended April 30, 2020, the Stormwater Fund transferred \$1,271,151 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 during construction is expensed in the fiscal period incurred. Interest expense is not capitalized as a cost of the assets when construction is completed, and the assets are placed in service.

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, 2020, is shown in the table that follows. As indicated by the total found at the bottom of the table, net capital assets increased by \$16,769,451, or 3.2 percent, during the 2020 fiscal year.

Capital Assets by Major Class:	April 30, 2019	Increases	Transfers	Decreases	April 30, 2020
Capital Assets, Not Being Depreciated:					
Land and Easements	\$ 30,411,764	\$ 47,262	\$ -	\$ (235,340)	\$ 30,223,686
Construction in Progress	56,210,324	28,467,246	-	(27,730,253)	56,947,317
Total Capital Assets, Not Being Depreciated:	\$ 86,622,088	\$ 28,514,508	\$ -	\$ (27,965,593)	\$ 87,171,003
Capital Assets, Being Depreciated:					
Building and Structures	\$ 174,903,063	\$ 7,485,749	\$ 1,100	\$ (31,097)	\$ 182,358,815
Operating and Maintenance Equipment	79,688,497	4,623,591	58,125	(519,114)	83,851,099
Field Equipment	51,285,072	1,947,028	127,530	(149,538)	53,210,092
Road Equipment	7,035,210	1,378,225	59,019	(626,435)	7,846,019
Piping	353,036,030	17,094,230	-	-	370,130,260
Technology and Office Equipment	13,028,027	545,990	(64,220)	(63,391)	13,446,406
Furniture and Fixtures	2,328,888	26,023	-	(5,165)	2,349,746
System Franchises and Engineering Studies	74,763,451	2,126,468	-	-	76,889,919
Total Capital Assets, Being Depreciated	\$ 756,068,238	\$ 35,227,304	\$ 181,554	\$ (1,394,740)	\$ 790,082,356
Less: Accumulated Depreciation For:					
Building and Structures	\$ 82,798,474	\$ 4,879,480	\$ -	\$ (18,354)	\$ 87,659,600
Operating and Maintenance Equipment	36,438,016	2,665,645	59,225	(279,758)	38,883,128
Field Equipment	39,177,954	1,929,834	127,187	(148,134)	41,086,841
Road Equipment	5,754,242	653,089	59,019	(626,435)	5,839,915
Piping	112,756,821	5,391,375	-	-	118,148,196
Technology and Office Equipment	9,538,308	783,833	(61,011)	(57,332)	10,203,798
Furniture and Fixtures	2,022,966	45,255	-	(5,148)	2,063,073
System Franchises and Engineering Studies	34,120,753	2,395,812	-	-	36,516,565
Total Accumulated Depreciation	\$ 322,607,534	\$ 18,744,323	\$ 184,420	\$ (1,135,161)	\$ 340,401,116
Capital Assets, Net	\$ 520,082,792	\$ 44,997,489	\$ (2,866)	\$ (28,225,172)	\$ 536,852,243



STORMWATER FUND

For the Stormwater Fund, the major classes of utility capital assets and accumulated depreciation at April 30, 2020 are shown in the table below. As indicated by the total found at the bottom of the table, net capital assets increased by \$3,823,822, or 7.8 percent, during the 2020 fiscal year.

Capital Assets by Major Class:	April 30, 2019	Increases	Transfers	Decreases	April 30, 2020
Capital Assets, Not Being Depreciated:					
Land and Easements	\$ 1,772,816	\$ 294	\$ -	\$ -	\$ 1,773,110
Construction in Progress	1,299,081	4,525,290	-	(5,272,932)	551,439
Total Capital Assets, Not Being Depreciated:	\$ 3,071,897	\$ 4,525,584	\$ -	\$ (5,272,932)	\$ 2,324,549
Capital Assets, Being Depreciated:					
Building and Structures	\$ 738,424	\$ 12,549	\$ -	\$ -	\$ 750,973
Operating and Maintenance Equipment	136,335	-	-	-	136,335
Field Equipment	1,131,356	239,718	(127,530)	-	1,243,544
Road Equipment	1,393,712	307,134	(59,019)	-	1,641,827
Piping	137,511,080	7,561,718	-	-	145,072,798
Technology and Office Equipment	88,059	48,670	4,995	(2,330)	139,394
Furniture and Fixtures	101,891	-	-	-	101,891
System Franchises and Engineering Studies	680,949	84,824	-	(119,148)	646,625
Total Capital Assets, Being Depreciated	\$ 141,781,806	\$ 8,254,613	\$ (181,554)	\$ (121,478)	\$ 149,733,387
Less: Accumulated Depreciation For:					
Building and Structures	\$ 205,642	\$ 19,894	\$ -	\$ -	\$ 225,536
Operating and Maintenance Equipment	110,711	1,646	-	-	112,357
Field Equipment	711,628	85,914	(127,187)	-	670,355
Road Equipment	979,319	148,968	(59,019)	-	1,069,268
Piping	93,900,213	3,268,384	-	-	97,168,597
Technology and Office Equipment	65,856	14,680	1,786	(2,330)	79,992
Furniture and Fixtures	48,348	7,938	-	-	56,286
System Franchises and Engineering Studies	34,514	19,737	-	-	54,251
Total Accumulated Depreciation	\$ 96,056,231	\$ 3,567,161	\$ (184,420)	\$ (2,330)	\$ 99,436,642
Capital Assets, Net	\$ 48,797,472	\$ 9,213,036	\$ 2,866	\$ (5,392,080)	\$ 52,621,294

CONSTRUCTION COMMITMENTS

Total construction commitments outstanding for construction in process as of April 30, 2020 were \$21,490,305. 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. On April 30, 2020, the outstanding principal balance was \$1,554,517.

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. On April 30, 2020, the outstanding principal balance was \$2,640,372.

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 2020 totaled \$5,222,016, adding to the total outstanding principal balance of the loan of \$12,205,661 on April 30, 2020. Interest only payments were made monthly on the outstanding principal balance during the construction phase and totaled \$49,037 during this fiscal year.

In January 2020, GEFA approved a second \$25,000,000 Clean Water loan to fund additional Large Sewer Outfall Replacement projects. The interest rate on this loan is 0.57 percent. The loan was executed on June 22, 2020. No disbursements were made during the fiscal year ended April 30, 2020.

LOANS OUTSTANDING

As of April 30, 2020, 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
2021	\$ 681,332	\$ 116,314	\$ 797,646
2022	701,808	95,839	797,647
2023	723,154	74,493	797,647
2024	745,059	52,588	797,647
2025	767,879	29,767	797,646
2026	575,657	7,552	583,209
Total	\$ 4,194,889	\$ 376,553	\$ 4,571,442

A third GEFA loan is in the construction phase with an outstanding principal balance of \$12,205,661 as of April 30, 2020. 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 \$49,037.

On June 22, 2020, the Authority executed a fourth GEFA loan. This loan was executed after fiscal year end April 30, 2020 and no disbursements were made during this reporting period.



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, 2020, net revenues totaled \$52,306,743 and debt service related to the revenue bonds totaled \$20,852,850. 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 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%. On April 30, 2020, the outstanding balance on this series was \$2,325,000. 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%. The final payment of \$15,020,000 on May 1, 2019, retired the 2013B series leaving an outstanding balance on the 2013A series 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 of 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, 2020, 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
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
Total	\$ 72,140,000	\$ 7,085,550	\$ 79,225,550

The long-term portion of revenue bonds outstanding at April 30, 2020 is as follows:

Total Bonds Outstanding	\$ 72,140,000	
Less: Current Portion	(15,905,000)	\$ 56,235,000
Adjustments:		
Unamortized Bond Premium		3,355,210
Net Long-Term Portion of Revenue Bonds Outstanding		\$ 59,590,210

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 on April 30, 2020 is:

Restricted Debt Service Assets	\$ 38,283,439
Less: Principal and Interest Due May 1, 2020	(17,592,350)
Available Reserve, April 30, 2020	\$ 20,691,089

ARBITRAGE LIABILITY

On April 30, 2020, 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, 2020, 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, 2020:

	Beginning Balance	Additions	Reductions	Ending Balance	Portion of Ending Balance Due Within One Year
Revenue Bonds Payable	\$ 89,400,000	\$ -	\$ 17,260,000	\$ 72,140,000	\$ 15,905,000
Amounts for Issuance Premiums	5,155,071	-	1,799,861	3,355,210	-
Total Bonds Payable	\$ 94,555,071	\$ -	\$ 19,059,861	\$ 75,495,210	\$ 15,905,000
Loans Payable	\$ 11,839,256	\$ 5,222,016	\$ 660,722	\$ 16,400,550	\$ 681,332
Compensated Absences	1,743,265	1,164,121	1,088,135	1,819,251	1,108,077
Net OPEB Liability	12,013,916	773,861	-	12,787,777	-
Net Pension Liability	37,044,529	5,955,432	-	42,999,961	-
Total Long-term Liabilities	\$ 157,196,037	\$ 13,115,430	\$ 20,808,718	\$ 149,502,749	\$ 17,694,409

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, 2020, 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 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 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.



The Authority maintains specific stop loss coverage through a private insurance carrier for specific medical and prescription claims exceeding \$100,000 per covered individual per policy year to reduce the exposure from catastrophic claims. A liability of \$196,834 for the estimated cost of claims, net of adjustments, incurred prior to, but paid after, April 30, 2020 has been accrued and is included in the Statement of Net Position. A third-party administrator is employed to process claims for the group insurance health program.

As of April 30, 2020, claims paid were \$523,367 more than premiums collected and recorded as a loss in the Statement of Revenues, Expenses and Changes in Net Position.

	2020	2019
Claims incurred	\$ 5,048,607	\$ 4,859,387
Claims paid	(4,851,773)	(4,634,032)
Unpaid claims at April 30,	<u>\$ 196,834</u>	<u>\$ 225,355</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 2020, disbursements of \$5,222,016. Total outstanding principal on CWSRF 2016037 on April 30, 2020 was \$12,205,661. In accordance with Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), 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

In the fiscal year ended April 30, 2019, the Authority was a defendant in a major lawsuit. At the time, it was probable that the defendant would be awarded 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. The lawsuit was settled at \$500,000, leaving an excess expense accrual of \$985,614.

In fiscal year ended April 30, 2020, 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.

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.

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

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. This valuation was used to complete an Interim Year Financial Disclosure of Other Post-Employment Benefits under GASB Statements No. 74 and 75 as of April 30, 2020 and update 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, 2020, 2019, 2018, 2017, 2016 and 2015, no additional contribution was made more than expenses paid.

NET OPEB LIABILITY

An interim-year financial disclosure of Other Post-Employment Benefits under GASB Statements No. 74 and 75 was completed for the Authority as of April 30, 2020. The net OPEB liability reported by the Authority on April 30, 2020 is based on the measurement date of April 30, 2020 and determined by an actuarial valuation as of January 1, 2019. The components of the net OPEB liability on April 30, 2020 were:

	4/30/2020
Total OPEB Liability	\$ 25,676,803
Plan Fiduciary Net Position	12,889,026
Net OPEB Liability	\$ 12,787,777
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	50.20%

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, 2020 were as follows:

	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balances at April 30, 2019	\$ 24,823,637	\$ 12,809,721	\$ 12,013,916
Changes for the year:			
Service cost	575,581	-	575,581
Interest	1,977,426	-	1,977,426
Differences between expected and actual experience	-	-	-
Changes in assumptions	(337,063)	-	(337,063)
Contributions - employer	-	1,362,778	(1,362,778)
Net Investment Income - <i>(Projected earnings on Fiduciary Net Position)</i>	-	1,022,478	(1,022,478)
Benefit Payments	(1,362,778)	(1,362,778)	-
Differences between projected and actual earnings	-	(885,684)	885,684
Administrative expense	-	(57,489)	57,489
Net changes	\$ 853,166	\$ 79,305	\$ 773,861
Balances at April 30, 2020	\$ 25,676,803	\$ 12,889,026	\$ 12,787,777

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 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 January 1, 2019 valuation date; 8.00% at April 30, 2020 measurement date; 8.00% at April 30, 2019 measurement date
Funding Discount Rate	8.00%
Annual Wage Increases	3.00% through 2023; 4.00% thereafter
Price Inflation	2.50%
Investment Rate of Return	8.00% at April 30, 2020 valuation date
Health Cost Trend Rates:	
Pre-medicare	8.50%-4.50%
Post-medicare	7.00%-4.50%
Ultimate trend rate	4.50%
Retirement	Participants are assumed to retire in accordance with annual rates barying by date of hire, age, and service
Participation Rate	Future retirees: 100% elect medical and pharmacy coverage; 90% elect life insurance coverage Current retirees: Based on current coverage; assume no one will opt in or opt out of coverage after initial retirement election is made Future Spousal: 25% of participating retirees assumed to be married and cover spouse; male spouses are assumed to be 3 years younger and female spouse 3 years older Current spousal: Based on current coverage election; actual age of spouses is used, if provided

It was assumed that there is no liability to the Employer for Dental and Vision Insurance benefits under the Plan as retirees are required to pay 100 percent of the premium costs. There are no material implicit rate subsidies as dental and vision costs do not vary materially by age. A 5 percent load was added to the life insurance coverage to account for administrative fees.



Changes Since Prior Measurement Date: The 1 percent load on the Total OPEB Liability (TOL) was removed to reflect the impact of the “Cadillac Tax” repealed on December 20, 2019. The mortality improvement scale was updated from Scale MP-2018 to Scale MP-2019

Healthcare Reform: Per the *Setting Every Community UP for Retirement Enhancement Act* (SECURE), signed into law on December 20, 2019, the excise taxes are reduced to zero. The decrease in liability will be deemed an actuarial gain due to a change in assumptions. Other legislative changes related to the Affordable Care Act were included in the valuation only to the extent they have already been implemented in the plan.

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-2019 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%
	100%	2.50%	5.50%	8.00%

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 April 30, 2020 are in the table below. The discount rate utilized to determine the total OPEB liability as of the beginning of the measurement period was 8.00%.

Single Equivalent Interest Rate (SEIR)	
Long-Term Expected Rate of Return	8.00%
S&P Municipal Bond 20-year High Grade Rate Index*	2.85%
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
Single Equivalent Interest Rate	8.00%

*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	\$ 16,124,715	\$ 12,787,777	\$ 10,021,375

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	\$ 9,789,845	\$ 12,787,777	\$ 16,461,788

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 EXPENSE AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO OPEB

For the year ended April 30, 2020, the Authority recognized OPEB expense of \$309,540. At April 30, 2020, 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	\$ 408,861	\$ -
Changes of assumptions	-	9,007,848
Net difference between projected and actual earnings	804,667	-
Total	\$ 1,213,528	\$ 9,007,848



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

<i>Fiscal Year ended April 30,</i>	
2021	\$ (1,278,478)
2022	(1,278,478)
2023	(1,278,481)
2024	(1,310,520)
2025	(1,487,656)
2026+	(1,160,707)

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.

Plan Membership as of June 30, 2019	Number of Participants
Inactive plan members or beneficiaries currently receiving	1,399
Inactive plan members entitled to but not yet receiving	301
Active plan members	2,418
Total	4,118

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 11.44 percent of active participants' compensation is payable leaving a balance of 3.94 percent to be paid by the employers. In the previous valuation, the normal contribution rate was 11.59 percent of active participants' compensation, leaving a balance of 4.09 percent to be paid by employers.

The employers also contribute toward the liquidation of the unfunded accrued liability. The 11.01 percent additional contribution made by the employers will liquidate the unfunded accrued liability within 30 years. This compares to a 10.18 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, 2019, total contributions to the Plan by the Authority were \$2,880,836 and by members were \$1,556,271.

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 standards.

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

On April 30, 2020, the Authority reported a liability for its proportionate share of the net pension liability in the amount of \$42,999,961. The net pension liability was measured as of June 30, 2019. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2019. 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, 2019. On June 30, 2019, the Authority's proportionate share was 16.59 percent; an increase of 0.16 percent from its allocation measured as of June 30, 2018.

For the year ended April 30, 2020, the Authority recognized pension expense of \$5,063,023. On April 30, 2020, 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	\$ 5,404,578	\$ -
Changes of assumptions	508,803	5,985,838
Net difference between projected and actual earnings on pension plan investments	647,249	-
Changes in proportion	1,938,645	100,868
Contributions subsequent to measurement date	2,166,366	-
Total	\$10,665,641	\$ 6,086,706

Contributions of \$2,166,366 made subsequent to the measurement date of June 30, 2019 to the end of the fiscal year of April 30, 2020 will be reported as deferred outflows and recognized as a reduction in the net pension liability in the fiscal year ended April 30, 2021.

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

<i>Fiscal Year ended April 30,</i>	
2020	\$ 531,272
2021	(1,370,259)
2022	1,319,661
2023	1,246,429
2024	685,466
Total	\$ 2,412,569



ACTUARIAL ASSUMPTIONS

The total pension liability as of June 30, 2019 was determined by an actuarial valuation as of June 30, 2019 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-2018 projection scale. For healthy non-annuitants, mortality rates are based on the RP-2014 blue-collar mortality table rolled back to 2010, with fully generational mortality improvements based on the Modified Buck MP-2018 projection scale. For disabled participants, mortality is based on the RP-2014 blue collar mortality table rolled back to 2010 and projected with fully generational mortality improvements based on the Buck Modified MP-2018 projection scale.

The actuarial assumptions used in the July 1, 2019 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, 2019: Domestic Equities 8.15%, International Equities 0.65%, Fixed Income -7.53%, and Money Market 2.28%.

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	\$ 56,898,855	\$ 42,999,961	\$ 31,384,468



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.





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

	2019	2018	2017	2016	2015
Authority's proportion of the net pension liability	16.59%	16.43%	15.97%	15.51%	15.25%
Authority's proportionate share of the net pension liability	\$42,999,961	\$37,044,529	\$33,706,558	\$35,781,953	\$40,945,632
Authority's covered payroll during the measurement period	\$20,568,981	\$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	209.05%	180.87%	167.92%	181.97%	215.20%
Plan fiduciary net position as a percentage of the total pension liability	63.17%	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

	2019	2018	2017	2016	2015
Contractually required contribution	\$ 3,048,425	\$ 2,943,069	\$ 2,842,162	\$ 2,756,799	\$ 2,286,727
Contributions in relation to the contractually required contribution	3,048,425	2,943,069	2,940,655	2,756,799	2,700,229
Contribution deficiency (excess)	\$ -	\$ -	\$ (98,493)	\$ -	\$ (413,502)
Covered payroll for Authority's fiscal year-end	\$ 20,342,030	\$ 20,242,269	\$ 19,191,102	\$ 18,690,627	\$ 17,065,000
Contributions as a percentage of covered payroll	14.99%	14.54%	15.32%	14.75%	14.19%

Notes to the Schedule of Contributions:

- The schedules will present 10 years of information once it is accumulated.**
- 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, 2019 is based on the July 1, 2018 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 July 1, 2018 Actuarial Valuation Report for Clayton County, Georgia Public Employees' Retirement System
Administrative Expenses	0.325% of Payroll
Inflation	3.00% per annum
Salary Increases	3.00% for 5 years; 4.00% per annum thereafter
Investment Rate of Return	8.00%, net of pension plan investment expenses
Retirement and Termination rate	Actuarial value as specified in the July 1, 2018 Actuarial Valuation Report for Clayton County, Georgia Public Employees' Retirement System
Mortality	<p><i>Healthy Annuitants:</i> 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-2018 projection scale.</p> <p><i>Healthy Non-annuitants:</i> Mortality rates are based on the RP-2014 blue-collar mortality table rolled back to 2010, with fully generational mortality improvements based on the Modified Buck MP-2018 projection scale.</p> <p><i>Disabled Participants:</i> Mortality is based on the RP-2014 blue collar mortality table rolled back to 2010 and projected with fully generational mortality improvements based on the Buck Modified MP-2018 projection scale.</p>

- Changes of Assumptions used to determine the actuarially determined contribution:** None



SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS

	2020	2019	2018
Total OPEB Liability			
Service cost	\$ 575,581	\$ 1,018,532	\$ 998,561
Interest	1,977,426	1,774,662	1,683,533
Differences between expected and actual experience	-	550,581	-
Changes in assumptions	(337,063)	(11,740,276)	(108,791)
Benefit payments	(1,362,778)	(981,035)	(886,728)
Net change in total OPEB liability	\$ 853,166	\$ (9,377,536)	\$ 1,686,575
Total OPEB liability - beginning	24,823,637	34,201,173	32,514,598
Total OPEB liability - ending (a)	\$ 25,676,803	\$ 24,823,637	\$ 34,201,173
Plan Fiduciary Net Position			
Employer contributions	\$ 1,362,778	\$ 981,035	\$ 886,728
Contributions - active members	-	-	-
Difference between projected and actual earnings	(885,684)	(160,202)	-
Net investment income	1,022,478	962,726	935,980
Benefit payments <i>(expected payments used)</i>	(1,362,778)	(981,035)	(886,728)
Administrative expenses	(57,489)	(53,763)	(51,775)
Other	-	-	-
Net change in plan fiduciary net position	\$ 79,305	\$ 748,761	\$ 884,205
Plan fiduciary net position - beginning	12,809,721	12,060,960	11,176,755
Plan fiduciary net position - ending (b)	12,889,026	12,809,721	12,060,960
Client's net OPEB liability - ending (a) - (b)	\$ 12,787,777	\$ 12,013,916	\$ 22,140,213
Plan fiduciary net position as a percentage of the total OPEB liability	50.20%	51.60%	35.26%
Covered payroll	\$ 22,548,332	\$ 20,342,030	\$ 19,191,102
Net OPEB liability as a percentage of covered payroll	56.71%	59.06%	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

	2020	2019	2018	2017	2016
Actuarially determined contribution	\$ 1,447,371	\$ 1,405,215	\$ 2,019,000	\$ 2,019,000	\$ 1,940,000
Contributions in relation to the actuarially determined contributions	1,362,778	981,035	886,728	867,000	890,000
Contribution deficiency (excess)	\$ 84,593	\$ 424,180	\$ 1,132,272	\$ 1,152,000	\$ 1,050,000
Covered payroll	\$ 22,548,332	\$ 20,342,679	\$ 19,191,102	\$ 19,191,102	\$ 17,065,000
Actual contributions as a percentage of covered payroll	6.04%	4.82%	4.62%	4.52%	5.22%

	2015	2014	2013	2012	2011
Actuarially determined contribution	\$ 1,940,000	\$ 1,917,000	\$ 1,917,000	\$ 1,968,000	\$ 1,968,000
Contributions in relation to the actuarially determined contributions	890,000	1,979,000	1,839,000	1,216,000	1,037,000
Contribution deficiency (excess)	\$ 1,050,000	\$ (62,000)	\$ 78,000	\$ 752,000	\$ 931,000
Covered payroll	\$ 17,065,000	\$ 16,834,000	\$ 16,834,000	\$ 16,678,000	\$ 16,678,000
Actual contributions as a percentage of covered payroll	5.22%	11.76%	10.92%	7.29%	6.22%

Notes to the Schedule: CCWA has an actuarial analysis performed every two years with an interim-year financial disclosure between years.



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 January 1, 2019 valuation date; 8.00% at April 30, 2020 measurement date; 8.00% at April 30, 2019 measurement date
Funding Discount Rate	8.00%
Annual Wage Increases	3.00% through 2023; 4.00% thereafter
Price Inflation	2.50%
Investment Rate of Return	8.00% at April 30, 2020 valuation date
Health Cost Trend Rates:	
Pre-medicare	8.50%-4.50%
Post-medicare	7.00%-4.50%
Ultimate trend rate	4.50%
Retirement	Participants are assumed to retire in accordance with annual rates barying by date of hire, age, and service
Participation Rate	Future retirees: 100% elect medical and pharmacy coverage; 90% elect life insurance coverage Current retirees: Based on current coverage; assume no one will opt in or opt out of coverage after initial retirement election is made Future Spousal: 25% of participating retirees assumed to be married and cover spouse; male spouses are assumed to be 3 years younger and female spouse 3 years older Current spousal: Based on current coverage election; actual age of spouses is used, if provided

SCHEDULE OF OTHER POST-EMPLOYMENT BENEFITS INVESTMENT RETURNS

	4/30/2020	4/30/2019
Annual Money-Weighted Rate of Return	1.07%	6.67%

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

Schedule of Operating Revenues Proprietary Funds For the Fiscal Year Ended April 30, 2020

	Water and Sewer	Stormwater	Total
Sale Of Water:			
Residential	\$ 17,437,586	\$ -	\$ 17,437,586
Commercial	5,051,574	-	5,051,574
Multi-Family	8,719,501	-	8,719,501
Industrial	2,949,453	-	2,949,453
Institutional	1,550,240	-	1,550,240
City and County	1,522,285	-	1,522,285
Other Customer Classes	4,258,263	-	4,258,263
Backflow	947,995	-	947,995
Base Charges	10,870,366	-	10,870,366
Total Sale of Water	\$ 53,307,263	\$ -	\$ 53,307,263
Sewer Service:			
Residential	\$ 13,802,069	\$ -	\$ 13,802,069
Commercial	4,316,291	-	4,316,291
Multi-Family	9,179,964	-	9,179,964
Industrial	2,290,210	-	2,290,210
Institutional	1,220,418	-	1,220,418
City and County	502,143	-	502,143
Other Customer Classes	3,950,414	-	3,950,414
Base Charges	9,856,522	-	9,856,522
Total Sewer Service	\$ 45,118,031	\$ -	\$ 45,118,031
Stormwater Fees:			
Residential	\$ -	\$ 3,461,306	\$ 3,461,306
Governmental	-	1,198,503	1,198,503
Institutional	-	727,629	727,629
Non-Residential	-	4,703,039	4,703,039
Total Stormwater Fees	\$ -	\$ 10,090,477	\$ 10,090,477
Tapping Fees:			
Water	\$ 1,285,945	\$ -	\$ 1,285,945
Sewer	14,105	-	14,105
Total Tapping Fees	\$ 1,300,050	\$ -	\$ 1,300,050
Penalties and Reconnect Charges:			
Penalties and Late Fees	\$ 2,479,230	\$ 166,757	\$ 2,645,987
First Time Service Fee	395,015	-	395,015
Bad Check and Other Charges	79,860	6,507	86,367
Reconnect Charges	1,105,045	-	1,105,045
Total Penalties and Reconnect Charges	\$ 4,059,150	\$ 173,264	\$ 4,232,414
Sales of Pellets, Timber and Materials:			
Pellets	\$ 42,383	\$ -	\$ 42,383
Timber	-	-	-
Other Materials	10,418	1,718	12,136
Total Sales of Pellets, Timber and Materials	\$ 52,801	\$ 1,718	\$ 54,519
Other Operating Revenues:			
Reimbursement for Damages to System	\$ 80,323	\$ -	\$ 80,323
Rental Income	190,032	-	190,032
Sewer Monitoring Fees	7,968	-	7,968
Miscellaneous Revenues	129,032	-	129,032
Total Other Operating Revenues	\$ 407,355	\$ -	\$ 407,355
Total Operating Revenues	\$ 104,244,650	\$ 10,265,459	\$ 114,510,109



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, 2020**

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	\$ 181,127	\$ 134,498	\$ 830,288	\$ -	\$ -	\$ -	\$ 468,651
Operating Materials and Supplies	3,131	1,512	803,775	81	445	-	287,482
Vehicle Supplies	613	2,075	1,295	386	778	-	342
Administrative Supplies	891	335	4,011	157	103	-	1,689
Utilities	1,398	1,471	1,164,846	275,808	527,392	13,753	901,647
Maintenance and Repairs	741	197	104,867	925	686	759	41,616
Outside Services	3,635	1,780	210,464	39,892	67,615	1,712	75,599
Rentals	-	-	-	-	-	-	-
Accounting Charges	-	-	-	-	-	-	-
General Expenses	70,855	1,917	29,958	1,080	3,101	3,752	16,772
Expenses Capitalized	(1,144)	-	-	-	-	-	(1,720)
Grand Total	\$ 261,247	\$ 143,785	\$ 3,149,504	\$ 318,329	\$ 600,120	\$ 19,976	\$ 1,792,078

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	\$ -	\$ -	\$ -	\$ -	\$ 703,903	\$ -	\$ 281,007
Operating Materials and Supplies	47,242	176	-	245	377,858	445	77,054
Vehicle Supplies	-	-	-	-	1,920	-	1,927
Administrative Supplies	-	27	-	-	8,452	-	907
Utilities	-	206,012	3,766	-	540,695	6,451	2,215
Maintenance and Repairs	338	457	323	1,511	31,220	360	199
Outside Services	25,962	32,138	25	1,800	111,194	50	85,114
Rentals	88,923	-	-	443	535	-	6,621
Accounting Charges	-	-	-	-	-	-	-
General Expenses	73	1,453	1,047	1,992	25,861	332	16,159
Expenses Capitalized	-	-	-	-	(1,774)	-	-
Grand Total	\$ 162,538	\$ 240,263	\$ 5,161	\$ 5,991	\$ 1,799,864	\$ 7,638	\$ 471,203

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	\$ 163,563	\$ 1,884,073	\$ 388,656	\$ 140,358	\$ 323,120	\$ 5,499,244
Operating Materials and Supplies	706,648	382,239	59,119	1,469	26,727	2,775,648
Vehicle Supplies	7,147	65,245	5,459	2,476	11,202	100,865
Administrative Supplies	2,415	12,704	1,419	98	1,941	35,149
Utilities	1,506	27,519	4,597	2,417	5,929	3,687,422
Maintenance and Repairs	2,132	24,358	933	38	744	212,404
Outside Services	435,205	572,250	3,102	555	4,200	1,672,292
Rentals	416	-	1,331	-	-	98,269
Accounting Charges	-	-	-	-	-	-
General Expenses	3,903	27,638	4,332	1,999	4,229	216,453
Expenses Capitalized	(1,322,935)	(47,722)	-	-	(6,076)	(1,381,371)
Grand Total	\$ -	\$ 2,948,304	\$ 468,948	\$ 149,410	\$ 372,016	\$ 12,916,375



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, 2020

	Water		Northeast Water		Shoal Creek	
	Reclamation	W.B. Casey	Reclamation	Northeast Solids	Water	Shoal Creek
Operating Expense	Manager	WRRF	Facility	Handling	Facility	Solids Handling
Salaries, Wages and Benefits	\$ 249,025	\$ 790,617	\$ 774,923	\$ 8,154	\$ 548,223	\$ 102,455
Operating Materials and Supplies	11,866	387,296	190,489	77,983	36,302	55,761
Vehicle Supplies	300	7,125	1,013	-	2,209	-
Administrative Supplies	319	5,184	3,085	68	2,476	50
Utilities	1,422	1,007,849	514,638	37,208	321,855	30,328
Maintenance and Repairs	88	77,641	84,734	8,313	88,573	5,213
Outside Services	574,892	201,875	184,820	330,179	120,241	248,313
Rentals	-	1,079	307	-	-	-
Accounting Charges	-	-	-	-	-	-
General Expenses	68,652	43,524	33,171	4,130	23,527	4,455
Expenses Capitalized	(11,102)	-	-	-	-	-
Grand Total	\$ 895,462	\$ 2,522,190	\$ 1,787,180	\$ 466,035	\$ 1,143,406	\$ 446,575

	R.L. Jackson	Natural	Wastewater		Laboratory/	
	Transfer Pump	Treatment	Conveyance	Conveyance	Environmental	Sludge
Operating Expense	Station	Operations	Maintenance	System Inspection	Compliance	Pelletizing
Salaries, Wages and Benefits	\$ -	\$ 829,644	\$ 1,070,638	\$ 1,381,768	\$ 446,138	\$ 674,233
Operating Materials and Supplies	-	9,321	203,445	77,987	19,623	255,119
Vehicle Supplies	1,148	24,138	29,798	45,160	4,263	2,009
Administrative Supplies	-	2,618	8,945	10,035	2,670	3,631
Utilities	509,587	118,911	13,464	17,434	3,523	472,128
Maintenance and Repairs	1,756	32,932	120,515	34,539	109	81,126
Outside Services	84,246	35,331	511,974	254,088	42,284	129,544
Rentals	562	-	1,283	959	3,204	120
Accounting Charges	-	-	-	-	-	-
General Expenses	6,510	17,503	24,470	28,820	7,656	18,043
Expenses Capitalized	-	-	-	(1,368)	-	-
Grand Total	\$ 603,809	\$ 1,070,398	\$ 1,984,532	\$ 1,849,422	\$ 529,470	\$ 1,635,953

	Influent Pump	Sewage Lift	Total Direct
Operating Expense	Station	Station	Wastewater
Salaries, Wages and Benefits	\$ -	\$ 253,049	\$ 7,128,867
Operating Materials and Supplies	288	117,645	1,443,125
Vehicle Supplies	328	13,439	130,930
Administrative Supplies	-	1,953	41,034
Utilities	190,442	264,975	3,503,764
Maintenance and Repairs	578	90,654	626,771
Outside Services	91,950	63,708	2,873,445
Rentals	-	-	7,514
Accounting Charges	-	-	-
General Expenses	4,624	50,032	335,117
Expenses Capitalized	-	-	(12,470)
Grand Total	\$ 288,210	\$ 855,455	\$ 16,078,097



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, 2020

Operating Expense	Meter Services	J.W. Smith Recreation Park and Community Building	Shamrock Recreation	Shamrock Community Use Building	Wetlands Center	Program Management/ Engineering Manager	Construction Services
Salaries, Wages and Benefits	\$ 1,524,406	\$ 85,611	\$ 154,102	\$ -	\$ 92,829	\$ 625,196	\$ 657,119
Operating Materials and Supplies	123,994	998	16,834	20,771	8,861	1,332	8,162
Vehicle Supplies	60,538	5,776	2,326	19	292	339	9,356
Administrative Supplies	7,570	1,317	6,337	1,195	1,512	4,699	1,542
Utilities	31,735	9,042	11,810	15,434	11,012	6,051	15,515
Maintenance and Repairs	9,882	3,053	8,999	14,972	9,572	6	1,111
Outside Services	22,075	17,624	25,575	60,514	45,527	642,125	4,914
Rentals	-	-	908	-	390	42	-
Accounting Charges	-	965	-	2,420	5	-	-
General Expenses	44,710	1,082	1,415	1,012	2,210	71,977	14,321
Expenses Capitalized	(4,875)	-	-	-	-	(1,083)	(93,115)
Grand Total	\$ 1,820,035	\$ 125,468	\$ 228,306	\$ 116,337	\$ 172,210	\$ 1,350,684	\$ 618,925

Operating Expense	Engineering	Geographic Information System	Distribution and Conyenance Manager	Utility and Landscaping Services	Utility Locators	General Services Manager	Garage
Salaries, Wages and Benefits	\$ 282,647	\$ 543,980	\$ 469,788	\$ 452,365	\$ 375,597	\$ 223,241	\$ 336,415
Operating Materials and Supplies	620	2,623	15,951	74,933	21,206	913	12,874
Vehicle Supplies	-	1,958	4,650	22,889	13,177	295	5,037
Administrative Supplies	1,761	379	2,455	2,496	1,124	592	2,520
Utilities	3,409	5,407	21,320	3,514	6,622	11,291	9,164
Maintenance and Repairs	-	180	4,955	7,014	1,505	1,376	7,406
Outside Services	730,842	26,612	28,833	3,234	65,597	63,196	15,603
Rentals	-	-	-	-	-	-	1,283
Accounting Charges	-	-	-	-	-	-	-
General Expenses	7,740	163,553	78,767	8,462	6,338	74,693	5,694
Expenses Capitalized	-	(13,430)	(1,639)	(3,321)	-	-	-
Grand Total	\$ 1,027,019	\$ 731,262	\$ 625,080	\$ 571,586	\$ 491,166	\$ 375,597	\$ 395,996

Operating Expense	Warehouse	Equipment Maintenance	Grounds Right of Way Maintenance	Building Maintenance/ Projects	Miscellaneous	Total Indirect
Salaries, Wages and Benefits	\$ 269,760	\$ 1,057,809	\$ 330,321	\$ 671,261	\$ -	\$ 8,152,447
Operating Materials and Supplies	10,454	19,210	13,870	25,184	11,491	390,281
Vehicle Supplies	2,277	17,369	11,448	14,594	3,367	175,707
Administrative Supplies	1,641	3,784	1,269	5,074	601	47,868
Utilities	25,158	62,592	8,604	15,811	-	273,491
Maintenance and Repairs	1,770	3,350	12,740	1,872	52	89,815
Outside Services	189,917	28,418	9,159	6,403	(985,614)	1,000,554
Rentals	-	816	2,927	-	-	6,366
Accounting Charges	-	-	-	-	-	3,390
General Expenses	7,932	16,908	3,669	6,661	10,305	527,449
Expenses Capitalized	-	(612)	-	(3,111)	-	(121,182)
Grand Total	\$ 508,909	\$ 1,209,644	\$ 394,007	\$ 743,749	\$ (959,798)	\$ 10,546,186



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, 2020

Operating Expense	General Manager	Human Resources	Public Relations	Board Members	Information Technology	Contracts, Compliance, Risk Mgmt	Finance
Salaries, Wages and Benefits	\$ 714,811	\$ 1,306,639	\$ 183,355	\$ 47,592	\$ 1,604,927	\$ 326,065	\$ 1,202,719
Operating Materials and Supplies	18,172	1,561	35,223	392	187,688	497	1,123
Vehicle Supplies	652	-	-	-	79	-	160
Administrative Supplies	8,748	3,396	34,663	236	10,235	7,040	8,256
Utilities	66,848	11,246	1,556	3,578	309,057	2,529	13,800
Maintenance and Repairs	26,798	80	473	-	1,512	-	788
Outside Services	247,669	154,638	35,787	14,849	430,972	226,126	85,401
Rentals	2,005	2,180	-	-	-	144	-
Accounting Charges	-	-	-	-	-	-	-
General Expenses	596,476	76,678	45,374	46,284	1,284,826	951	31,013
Expenses Capitalized	-	-	-	-	(182,417)	-	-
Grand Total	\$ 1,682,179	\$ 1,556,418	\$ 336,431	\$ 112,931	\$ 3,646,879	\$ 563,352	\$ 1,343,260

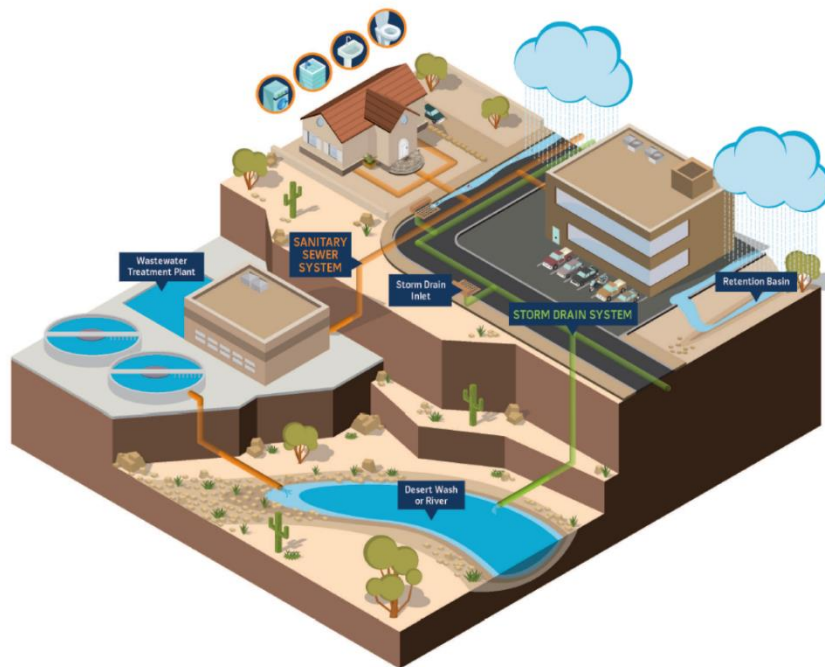
Operating Expense	Risk Management	Customer Accounts Director	Customer Accounting	Customer Service	Community Use Room	Water Conservation	Total Administrative
Salaries, Wages and Benefits	\$ 331,547	\$ 320,894	\$ 468,699	\$ 1,944,772	\$ -	\$ -	\$ 8,452,020
Operating Materials and Supplies	3,244	438	-	108,861	2,163	46,850	406,212
Vehicle Supplies	-	-	-	-	-	-	891
Administrative Supplies	8,796	5,866	25,100	27,061	139	-	139,536
Utilities	3,404	7,042	4,425	21,509	5,214	-	450,208
Maintenance and Repairs	446	1,603	-	1,152	363	-	33,215
Outside Services	177,663	176,669	554,537	145,386	4,216	-	2,253,913
Rentals	-	-	3,192	-	-	-	7,521
Accounting Charges	-	-	3,098,291	-	655	-	3,098,946
General Expenses	12,103	6,737	7,348	5,256	32	2,381	2,115,459
Expenses Capitalized	-	-	-	-	-	-	(182,417)
Grand Total	\$ 537,203	\$ 519,249	\$ 4,161,592	\$ 2,253,997	\$ 12,782	\$ 49,231	\$ 16,775,504



SCHEDULE OF OPERATING EXPENSES – STORMWATER DIRECT AND INDIRECT OPERATING EXPENSES

Business-Type Activities
Stormwater
Schedule Of Operating Expenses By Business Unit
Indirect and Direct Operating Expenses
For Fiscal Year Ended April 30, 2020

Operating Expense	Stormwater Management	Engineering	Total Indirect Stormwater	Maintenance	Total Direct Stormwater
Salaries, Wages and Benefits	\$ 203,675	\$ 206,241	\$ 409,916	\$ 1,187,400	\$ 1,187,400
Operating Materials and Supplies	1,343	7,668	9,011	110,321	110,321
Vehicle Supplies	433	1,146	1,579	45,154	45,154
Administrative Supplies	8,796	2,380	11,176	9,659	9,659
Utilities	8,484	6,212	14,696	15,813	15,813
Maintenance and Repairs	709	349	1,058	11,873	11,873
Outside Services	90,274	387,294	477,568	1,524,619	1,524,619
Rentals	-	2,991	2,991	-	-
Accounting Charges	189,376	-	189,376	-	-
General Expenses	75,916	6,461	82,377	25,860	25,860
Expenses Capitalized	-	-	-	(175,560)	(175,560)
Grand Total	\$ 579,006	\$ 620,742	\$ 1,199,748	\$ 2,755,139	\$ 2,755,139





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	Ending Balance	Beginning Balance	Additions	Transfers/ Splits	Ending Balance	
Land and Easements									
Land	\$ 28,613,479	\$ -	\$ -	\$ 28,613,479	\$ -	\$ -	\$ -	\$ -	\$ 28,613,479
Easements	1,798,285	47,262	-	1,845,547	-	-	-	-	1,845,547
Total Land and Easements	\$ 30,411,764	\$ 47,262	\$ -	\$ 30,459,021	\$ -	\$ -	\$ -	\$ -	\$ 30,459,021
Building and Structures									
Utilities Service	\$ 1,402,851	\$ -	\$ -	\$ 1,402,851	\$ (1,353,434)	\$ (9,103)	\$ -	\$ (1,362,537)	\$ 40,314
Paving & Surfacing	6,379,644	238,400	-	6,618,044	(5,477,376)	(173,948)	-	(5,651,324)	966,720
Landscaping	816,176	6,500	-	822,676	(772,837)	(6,504)	-	(779,341)	43,335
Fencing	927,580	48,115	(8,650)	967,045	(884,979)	(9,787)	-	(894,766)	72,279
Retaining Walls	1,627,937	-	-	1,627,937	(62,680)	(563,830)	-	(626,510)	1,001,427
Outdoor Lighting	1,187,500	-	-	1,187,500	(1,181,539)	(1,100)	-	(1,182,639)	4,861
Exterior Signage	126,948	-	-	126,948	(106,146)	(3,368)	-	(109,514)	17,434
Site Preparation	17,749,313	-	-	17,749,313	(12,018,129)	(747,742)	-	(12,765,871)	4,983,442
Building & Structures	127,502,869	6,986,724	137,608	134,627,201	(52,287,989)	(3,450,186)	(92,599)	(55,830,774)	78,796,427
Building Services	8,110,112	106,010	1,100	8,217,222	(3,974,165)	(309,912)	-	(4,284,077)	3,920,402
Residences, Barns, Etc.	128,958	-	(128,958)	-	(90,318)	(2,282)	92,599	(1)	3,881,163
Water Tanks	6,364,150	100,000	-	6,464,150	(2,497,021)	(85,966)	-	(2,582,987)	969,552
Lift Stations	1,221,757	-	-	1,221,757	(235,437)	(16,768)	-	(252,205)	1,860
Metering Stations	5,350	-	-	5,350	(3,356)	(134)	-	(3,490)	-
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)	-
Total Building and Structures	\$ 174,903,063	\$ 7,485,749	\$ 1,100	\$ 182,355,815	\$ (82,798,474)	\$ (4,879,480)	\$ -	\$ (87,659,600)	\$ 94,699,215
Operating/Maintenance Equipment									
Pumping Equipment	\$ 11,963,252	\$ 769,652	\$ -	\$ 12,732,904	\$ (5,804,574)	\$ (380,605)	\$ -	\$ (6,185,179)	\$ 6,469,884
Treatment Equipment	34,881,934	2,917,771	-	37,799,705	(15,681,522)	(1,208,667)	-	(16,890,189)	20,844,531
Monitoring/Control Equipment	28,966,901	744,972	59,225	29,771,098	(11,717,391)	(933,206)	(59,225)	(12,622,992)	16,966,163
Lifting/Handling Equipment	1,305,341	63,496	-	1,368,837	(1,169,089)	(26,047)	-	(1,195,136)	173,701
Garage Equipment	42,248	750	-	43,000	(18,817)	(6,574)	-	(25,391)	17,607
Laboratory Equipment	768,923	5,367	-	774,290	(559,816)	(34,534)	-	(594,350)	179,940
Landscaping Equipment	294,684	20,297	-	314,981	(229,921)	(24,380)	-	(254,301)	60,680
Safety Equipment	782,109	30,000	-	812,109	(728,445)	(19,209)	-	(747,654)	64,455
Shop/Cleaning Equipment & Tools	211,720	-	-	211,720	(202,860)	(3,582)	-	(206,442)	5,278
Fuel Dispensing Equipment	127,761	-	-	127,761	(95,421)	(2,385)	-	(97,806)	29,955
Containers	271,181	-	-	271,181	(172,920)	(13,366)	-	(186,286)	83,478
Marine Equipment	36,889	59,301	-	96,190	(22,559)	(11,859)	-	(34,418)	61,772
Miscellaneous Other Equipment	35,554	11,985	(1,100)	46,439	(34,687)	(1,231)	-	(35,918)	10,521
Total Operating/Maintenance Equipment	\$ 79,688,497	\$ 4,623,591	\$ 58,125	\$ 83,851,099	\$ (36,438,022)	\$ (2,665,645)	\$ (59,225)	\$ (38,883,134)	\$ 44,967,965
Field Equipment									
Construction Equipment	\$ 3,342,383	\$ 113,869	\$ 127,530	\$ 3,583,782	\$ (2,884,202)	\$ (117,572)	\$ (127,187)	\$ (3,128,961)	\$ 454,529
Drilling/Cutting Equipment	297,032	-	-	297,032	(282,562)	(6,539)	-	(289,101)	7,931
Specialized Maint Equipment	261,388	-	-	261,388	(204,128)	(18,562)	-	(222,690)	38,698
Forestry Equipment	151,480	-	-	151,480	(90,015)	(12,884)	-	(102,899)	48,581
Measuring/Drifting Equipment	667,555	59,876	-	727,431	(623,904)	(29,544)	-	(653,448)	73,983
Energy Utility Sources	12,656,953	-	-	12,656,953	(12,469,735)	(50,525)	-	(12,520,260)	136,693
Meters	33,908,281	1,773,283	-	35,681,564	(22,623,408)	(1,694,208)	-	(24,317,616)	11,362,836
Total Field Equipment	\$ 51,285,072	\$ 1,947,028	\$ 127,530	\$ 53,210,092	\$ (39,177,954)	\$ (1,929,834)	\$ (127,187)	\$ (41,086,841)	\$ 12,123,251
Road Equipment									
Trucks	\$ 3,337,773	\$ 1,019,481	\$ 59,019	\$ 4,416,273	\$ (3,105,434)	\$ (199,584)	\$ (59,019)	\$ (3,304,037)	\$ 1,052,236
Trailers (Non-Forestry)	313,619	-	-	313,619	(252,843)	(22,819)	-	(275,662)	37,957
Automobiles/Pick-Ups	3,383,818	358,744	-	3,742,562	(2,395,964)	(430,686)	-	(2,826,650)	915,912
Total Road Equipment	\$ 7,035,210	\$ 1,378,225	\$ 59,019	\$ 8,472,497	\$ (5,754,241)	\$ (633,089)	\$ (59,019)	\$ (6,387,340)	\$ 2,006,105

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	
Piping											
Water Distribution System	\$ 132,719,359	\$ 3,705,717	\$ -	\$ -	\$ 136,425,076	(39,346,494)	\$ (1,785,701)	\$ -	\$ -	\$ (41,132,195)	\$ 95,292,881
Sewer Outfall/Col.Sys/FCD MNs	167,027,543	11,196,951	-	-	178,224,494	(50,892,573)	(2,246,531)	-	-	(53,139,104)	125,085,390
Piping (In-Plant/Building)	39,181,971	1,162,662	-	-	40,344,633	(15,796,699)	(992,310)	-	-	(16,789,009)	23,555,624
Valves (In-Plant/Building)	6,208,282	417,000	-	-	6,625,282	(2,266,963)	(158,709)	-	-	(2,425,672)	4,199,610
Gates (In-Plant/Building)	1,385,748	611,900	-	-	1,997,648	(589,860)	(45,795)	-	-	(635,655)	1,361,993
Forest Park Water & Sewer Lines	4,585,997	-	-	-	4,585,997	(3,416,400)	(134,882)	-	-	(3,551,282)	1,034,715
In-Plant/Building/Other	1,927,130	-	-	-	1,927,130	(447,825)	(27,447)	-	-	(475,272)	1,451,858
Total Piping	\$ 353,036,030	\$ 17,094,230	\$ -	\$ -	\$ 370,130,260	\$ (112,756,814)	\$ (5,391,375)	\$ -	\$ -	\$ (118,148,189)	\$ 251,982,071
Technology and Office Equipment											
Computing Devices	\$ 11,543,024	\$ 412,308	\$ -	\$ (43,752)	\$ 11,911,580	\$ (8,285,422)	\$ (691,098)	\$ -	\$ 41,981	\$ (8,934,539)	\$ 2,977,041
Communication Equipment	742,351	-	-	(14,133)	728,218	(588,092)	(43,034)	-	9,845	(621,281)	106,937
Miscellaneous Equipment	6,065	-	-	-	6,065	(5,556)	(203)	-	-	(5,759)	306
Audio-Visual Equipment	736,587	133,682	(64,220)	(5,506)	800,543	(659,236)	(49,498)	61,011	5,506	(642,217)	158,326
Total Technology and Office Equipment	\$ 13,028,027	\$ 545,990	\$ (64,220)	\$ (63,391)	\$ 13,446,406	\$ (9,538,306)	\$ (783,833)	\$ 61,011	\$ 57,332	\$ (10,203,796)	\$ 3,242,610
Furniture and Fixtures											
Desks, Tables, & Racks	\$ 819,753	\$ 20,017	\$ -	\$ -	\$ 839,770	\$ (687,781)	\$ (21,713)	\$ -	\$ -	\$ (709,494)	\$ 130,276
Seating	125,436	-	-	(516)	124,920	(111,523)	(3,037)	-	516	(114,044)	10,876
Storage Units	340,003	-	-	(1,515)	338,488	(320,560)	(6,868)	-	1,515	(325,913)	12,575
Shelving	32,391	-	-	-	32,391	(32,336)	(55)	-	-	(32,391)	-
Aerial Photos, Misc	357,658	6,006	-	-	363,664	(246,078)	(5,524)	-	-	(251,602)	112,062
Appliances	653,647	-	-	(3,134)	650,513	(624,692)	(8,058)	-	3,117	(629,633)	20,880
Total Furniture and Fixtures	\$ 2,328,888	\$ 26,023	\$ -	\$ (5,165)	\$ 2,349,746	\$ (2,022,970)	\$ (45,255)	\$ -	\$ 5,148	\$ (2,063,077)	\$ 286,669
System Franchises, Engineering Studies											
Non-Tangibles	\$ 74,763,451	\$ 2,126,468	\$ -	\$ -	\$ 76,889,919	(34,120,753)	(2,395,812)	\$ -	\$ -	(36,516,565)	\$ 40,373,354
Total System and Engineering Studies	\$ 74,763,451	\$ 2,126,468	\$ -	\$ -	\$ 76,889,919	\$ (34,120,753)	\$ (2,395,812)	\$ -	\$ -	\$ (36,516,565)	\$ 40,373,354
Total All Classes	\$ 786,480,002	\$ 35,274,566	\$ 181,554	\$ (1,630,080)	\$ 820,306,042	\$ (322,607,534)	\$ (18,744,323)	\$ (184,420)	\$ 1,135,161	\$ (340,401,116)	\$ 479,904,926
Construction In Progress	56,210,324	28,467,246	-	(27,730,253)	56,947,317	-	-	-	-	-	56,947,317
TOTAL CAPITAL ASSETS	\$ 842,690,326	\$ 63,741,812	\$ 181,554	\$ (29,360,333)	\$ 877,253,359	\$ (322,607,534)	\$ (18,744,323)	\$ (184,420)	\$ 1,135,161	\$ (340,401,116)	\$ 536,852,243



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
Administrative										
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)
Human Resources	130,464	371	7,269	(659)	137,445	(100,606)	(3,717)	(6,207)	659	(109,871)
Public Relations	63,370	8,935	(31,442)	-	40,863	(47,927)	(1,120)	16,301	-	(32,746)
Board Member	36,901	-	(6,620)	-	30,281	(29,231)	(1,274)	5,372	-	(25,133)
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)
Risk Management	158,818	-	(3,735)	(896)	154,187	(34,260)	(8,225)	2,524	896	(39,065)
Finance	262,974	27,624	4,044	-	294,642	(236,043)	(5,056)	(4,242)	-	(245,341)
Customer Accounts Director	398,716	9,577	55,865	-	464,158	(85,355)	(33,216)	(40,863)	-	(159,434)
Meter Reading & Repair	1,109,742	103,612	(801)	(215,012)	997,541	(694,141)	(114,581)	684	213,512	(594,526)
Customer Accounting	1,583,919	-	(801)	(743)	1,582,375	(1,539,714)	(8,426)	676	743	(1,546,721)
Customer Service	560,597	40,577	(31,241)	(11,723)	558,210	(188,892)	(36,869)	19,251	7,292	(199,218)
Warehouse	426,616	220,064	(8,267)	(58,754)	579,659	(335,554)	(29,716)	7,187	52,234	(305,849)
Total Administrative	\$ 25,688,013	\$ 1,245,357	\$ (37,778)	\$ (326,210)	\$ 26,569,382	\$ (13,867,392)	\$ (1,092,571)	\$ 16,985	\$ 313,098	\$ (14,629,880)
Water Reclamation										
Water Reclamation DM	\$ 643,706	\$ -	\$ -	\$ (7,680)	\$ 636,026	\$ (294,044)	\$ (16,440)	\$ -	\$ 7,680	\$ (302,804)
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)
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)
NE Solids Handling	3,530,776	-	-	(2,813)	3,527,963	(1,704,151)	(100,228)	-	2,813	(1,801,566)
Shoal Creek WRP	33,795,287	84,617	(10,120)	(19,085)	33,850,699	(13,172,022)	(519,171)	10,120	12,005	(13,669,066)
Shoal Creek Solids Handling	4,446,640	-	-	-	4,446,640	(1,480,478)	(123,595)	-	-	(1,604,073)
Transfer Pump Station	7,976,817	-	-	-	7,976,817	(4,963,882)	(172,195)	-	-	(5,136,077)
Laboratory/Environmental Comp.	603,630	6,517	(801)	-	609,346	(515,406)	(9,050)	676	-	(523,780)
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)
Influent Pump Station	2,140,161	-	-	-	2,140,161	(1,100,203)	(49,378)	-	-	(1,149,581)
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)
Total Water Reclamation	\$ 267,445,803	\$ 3,972,852	\$ (43,979)	\$ (7,022,926)	\$ 264,351,750	\$ (111,652,715)	\$ (6,579,661)	\$ 27,247	\$ 6,447,524	\$ (111,757,605)
Distribution and Conveyance										
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)
Meter Installation	3,449,582	1,027,004	-	(674)	4,475,912	(550,558)	(258,247)	-	736	(808,069)
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)
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)
Leak Detection & Repair	231,494	9,730	2,105	(854)	242,475	(83,585)	(21,227)	(2,105)	854	(106,063)
Backflow Testing and Repair	4,498,252	35,468	-	(25,004)	4,508,716	(3,569,763)	(306,666)	-	24,998	(3,851,431)
Utility & Landscaping Services	507,886	28,382	(21,389)	(24,948)	489,931	(289,333)	(59,290)	21,389	24,948	(302,286)
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)
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)
Water & Sewer Locators	238,528	28,382	(31,069)	(24,801)	211,040	(201,221)	(16,226)	31,069	24,801	(161,577)
Total Distribution and Conveyance	\$ 341,278,848	\$ 10,120,958	\$ (51,885)	\$ (211,455)	\$ 351,136,466	\$ (119,182,212)	\$ (6,311,426)	\$ 52,128	\$ 211,271	\$ (125,230,239)
Total	\$ 515,133,861	\$ 11,366,315	\$ (89,763)	\$ (2,348,135)	\$ 516,496,218	\$ (230,519,107)	\$ (12,674,037)	\$ 70,135	\$ 6,660,622	\$ (237,145,414)

Continued on next page



	Capital Assets				Allowance for Depreciation				Net Book Value
	Beginning Balance	Additions	Transfers/Splits	Ending Balance	Beginning Balance	Additions	Transfers/Splits	Ending Balance	
Water Production									
Water Production Manager	\$ 514,266	\$ 808,911	\$ (19,248)	\$ 1,303,929	\$ (308,006)	\$ (25,763)	\$ 20,853	\$ (312,916)	\$ 991,013
Water Production O&M Support	82,646	-	-	81,824	(49,229)	-	-	(49,823)	32,001
WJ Hooper Water Plant	41,540,883	206,326	337	41,638,799	(16,825,100)	(1,160,758)	758	(17,925,346)	23,713,453
Morrow Pumping Station	2,444,257	-	-	2,444,257	(783,862)	(64,618)	-	(848,480)	1,595,777
Noah's Ark Pumping Station	4,585,383	-	-	4,585,383	(2,349,362)	(92,039)	-	(2,441,401)	2,143,982
Elevated Tanks	3,890,159	-	-	3,890,159	(1,821,387)	(68,214)	-	(1,889,601)	2,000,558
JW Smith Water Plant	22,598,799	116,616	1,852	22,717,267	(12,145,943)	(547,790)	(247)	(12,693,980)	10,023,287
Blalock Jr Reservoir	3,852,866	478,499	1,852	4,333,217	(1,723,410)	(54,129)	(247)	(1,777,786)	2,555,431
Jonesboro Pumping Station	2,101,516	-	-	2,101,516	(1,059,191)	(43,582)	-	(1,102,773)	998,743
Forest Park Pumping Station	496,193	-	-	496,193	(436,905)	(3,292)	-	(440,197)	55,996
Shoal Creek Reservoir	8,921,808	-	1,852	8,923,660	(3,489,026)	(153,726)	(247)	(3,642,999)	5,280,661
Terry Hicks Water Plant	24,261,959	1,774	1,852	24,265,139	(13,539,219)	(648,747)	(247)	(14,187,767)	10,077,372
Well Program	568,541	-	-	568,541	(196,534)	(14,762)	-	(211,296)	357,245
Water Quality Lab	331,496	-	-	322,112	(194,093)	(19,890)	-	(204,599)	117,513
J.W. Smith Recreation Park	380,504	7,075	-	387,579	(279,805)	(12,179)	-	(291,984)	95,595
Lake Shamrock Recreation	929,385	32,366	(20,660)	941,091	(759,710)	(28,219)	20,660	(767,269)	173,822
Shamrock Community Use Bldg	588,628	-	-	588,628	(398,358)	(15,890)	-	(414,248)	174,380
Wetland Center	803,563	28,557	(19,213)	812,907	(605,614)	(17,191)	20,818	(601,987)	210,920
Total Water Production	\$ 118,892,852	\$ 1,680,124	\$ (51,376)	\$ 120,402,201	\$ (56,964,754)	\$ (2,972,042)	\$ 62,101	\$ (59,804,452)	\$ 60,597,749
Engineering									
Program Mgmt & Eng/DM	\$ 1,394,172	\$ 457	\$ -	\$ 1,393,587	\$ (382,180)	\$ (46,034)	\$ -	\$ (427,433)	\$ 966,154
Watershed Protection	1,037,938	-	-	1,037,938	(559,120)	(34,598)	-	(593,718)	444,220
Program Management	5,203,210	55,407	(43,040)	5,215,577	(2,330,775)	(209,242)	43,040	(2,496,977)	2,718,600
Drafting & Mapping	190,651	25	-	185,926	(169,274)	(2,795)	-	(168,111)	17,815
Geographic Info System	1,108,764	36,910	-	1,143,390	(697,360)	(56,351)	-	(751,541)	391,849
Total Engineering	\$ 8,934,735	\$ 92,799	\$ (43,040)	\$ 8,976,418	\$ (4,138,709)	\$ (349,020)	\$ 43,040	\$ (4,437,780)	\$ 4,538,638
General Services									
General Services/DM	\$ 1,286,777	\$ 16,664	\$ (798,208)	\$ 505,233	\$ (552,209)	\$ (28,744)	\$ 487,856	\$ (93,097)	\$ 412,136
Sewage Lift Station	11,747,275	2,208,636	(26,677)	13,909,522	(6,301,274)	(368,838)	27,186	(6,630,344)	7,279,178
Garage	447,566	-	(448)	447,118	(400,689)	(9,379)	2,053	(408,015)	39,103
Equipment Maintenance	1,433,579	284,812	-	1,718,391	(1,221,184)	(58,045)	-	(1,279,229)	439,162
Grounds/Right-of-Way Maint	581,562	158,425	(46,866)	692,692	(460,127)	(43,228)	46,866	(456,060)	236,632
Building Maint/Projects	919,371	-	31,122	950,493	(780,755)	(35,921)	(31,122)	(847,798)	102,695
Miscellaneous	178,687	-	789,236	179,881	(170,109)	(2,571)	(788,715)	(787,749)	6,235
Total General Services	\$ 16,594,817	\$ 2,668,537	\$ (51,841)	\$ 18,403,330	\$ (9,886,347)	\$ (546,726)	\$ (255,876)	\$ (9,888,189)	\$ 8,515,141
Total All Departments	\$ 786,480,002	\$ 35,274,566	\$ 181,554	\$ 820,306,042	\$ (322,607,534)	\$ (18,744,323)	\$ (184,420)	\$ (340,401,116)	\$ 479,904,926
Construction In Progress	56,210,324	28,467,246	-	56,947,317	-	-	-	-	56,947,317
Total CAPITAL ASSETS	\$ 842,690,326	\$ 63,741,812	\$ 181,554	\$ 877,253,359	\$ (322,607,534)	\$ (18,744,323)	\$ (184,420)	\$ (340,401,116)	\$ 536,852,243



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	
Land and Easements									
Land	\$ 797,804	\$ -	\$ -	\$ -	\$ 797,804	\$ -	\$ -	\$ -	\$ 797,804
Easements	228,012	294	-	-	228,306	-	-	-	228,306
Dams/Earthen Embankment	747,000	-	-	-	747,000	-	-	-	747,000
Total Land and Easements	\$ 1,772,816	\$ 294	\$ -	\$ -	\$ 1,773,110	\$ -	\$ -	\$ -	\$ 1,773,110
Building and Structures									
Fencing	\$ 20,310	\$ -	\$ -	\$ -	\$ 20,310	\$ (14,540)	\$ (1,381)	\$ -	\$ (15,921)
Outdoor Lighting	4,807	-	-	-	4,807	(2,684)	(481)	-	(3,165)
Exterior Signage	595	-	-	-	595	(594)	-	-	(594)
Building & Structures	701,881	12,549	-	-	714,430	(183,439)	(17,599)	-	(201,038)
Building Services	10,831	-	-	-	10,831	(4,385)	(433)	-	(4,818)
Total Building and Structures	\$ 738,424	\$ 12,549	\$ -	\$ -	\$ 750,973	\$ (205,642)	\$ (19,894)	\$ -	\$ (225,536)
Operating/Maintenance Equipment									
Pumping Equipment	\$ 48,242	\$ -	\$ -	\$ -	\$ 48,242	\$ (41,753)	\$ (683)	\$ -	\$ (42,436)
Treatment Equipment	-	-	-	-	-	-	-	-	-
Monitoring/Control Equipment	28,904	-	-	-	28,904	(9,769)	(963)	-	(10,732)
Lifting/Handling Equipment	-	-	-	-	-	-	-	-	-
Garage Equipment	-	-	-	-	-	-	-	-	-
Laboratory Equipment	33,513	-	-	-	33,513	(33,513)	-	-	(33,513)
Safety Equipment	19,014	-	-	-	19,014	(19,014)	-	-	(19,014)
Shop/Cleaning Equipment & Tools	3,825	-	-	-	3,825	(3,825)	-	-	(3,825)
Miscellaneous Other Equipment	2,837	-	-	-	2,837	(2,837)	-	-	(2,837)
Total Operating/Maintenance Equipment	\$ 136,335	\$ -	\$ -	\$ -	\$ 136,335	\$ (110,711)	\$ (1,646)	\$ -	\$ (112,357)
Field Equipment									
Construction Equipment	\$ 1,082,697	\$ 239,718	\$ (127,530)	\$ -	\$ 1,194,885	\$ (663,811)	\$ (85,884)	\$ 127,187	\$ (622,508)
Drilling/Cutting Equipment	14,467	-	-	-	14,467	(14,467)	-	-	(14,467)
Specialized Maint Equipment	18,222	-	-	-	18,222	(18,222)	-	-	(18,222)
Measuring/Drafting Equipment	14,056	-	-	-	14,056	(14,056)	-	-	(14,056)
Energy Utility Sources	1,914	-	-	-	1,914	(1,072)	(30)	-	(1,102)
Total Field Equipment	\$ 1,131,356	\$ 239,718	\$ (127,530)	\$ -	\$ 1,243,544	\$ (711,628)	\$ (85,914)	\$ 127,187	\$ (670,355)
Road Equipment									
Trucks	\$ 1,167,589	\$ 307,134	\$ (59,019)	\$ -	\$ 1,415,704	\$ (835,574)	\$ (122,029)	\$ 59,019	\$ (898,584)
Trailers (Non-Forestry)	51,199	-	-	-	51,199	(16,885)	(8,218)	-	(25,103)
Automobiles/Pick-Ups	174,924	-	-	-	174,924	(126,860)	(18,721)	-	(145,581)
Total Road Equipment	\$ 1,393,712	\$ 307,134	\$ (59,019)	\$ -	\$ 1,641,827	\$ (979,319)	\$ (148,968)	\$ 59,019	\$ (1,069,268)
Piping									
Stormwater Infrastructure	\$ 137,511,080	\$ 7,561,718	\$ -	\$ -	\$ 145,072,798	\$ (93,900,213)	\$ (3,268,384)	\$ -	\$ (97,168,597)
Total Piping	\$ 137,511,080	\$ 7,561,718	\$ -	\$ -	\$ 145,072,798	\$ (93,900,213)	\$ (3,268,384)	\$ -	\$ (97,168,597)

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	Ending Balance
Technology and Office Equipment									
Computing Devices	\$ 27,282	\$ -	\$ -	\$ (2,330)	\$ 24,952	\$ (13,467)	\$ (1,743)	\$ -	\$ 2,330
Communication Equipment	24,032	-	-	-	24,032	(19,006)	(1,602)	-	-
Audio-Visual Equipment	36,745	48,670	4,995	-	90,410	(33,383)	(11,335)	(1,786)	-
Total Technology and Office Equipment	\$ 88,059	\$ 48,670	\$ 4,995	\$ (2,330)	\$ 139,394	\$ (65,856)	\$ (14,680)	\$ (1,786)	\$ (79,992)
Furniture and Fixtures									
Desks, Tables, Racks, Seating	\$ 15,062	\$ -	\$ -	\$ -	\$ 15,062	\$ (14,201)	\$ (323)	\$ -	\$ (14,524)
Storage Units	13,600	-	-	-	13,600	(11,957)	(548)	-	-
Aerial Maps, Décor, Plants	60,419	-	-	-	60,419	(13,775)	(5,999)	-	-
Appliances	12,810	-	-	-	12,810	(8,415)	(1,068)	-	-
Total Furniture and Fixtures	\$ 101,891	\$ -	\$ -	\$ -	\$ 101,891	\$ (48,348)	\$ (7,938)	\$ -	\$ (56,286)
System Franchises, Engineering Studies									
Non-Tangibles	\$ 680,949	\$ 84,824	\$ -	\$ (119,148)	\$ 646,625	\$ (34,514)	\$ (19,737)	\$ -	\$ (54,251)
Total System and Engineering Studies	\$ 680,949	\$ 84,824	\$ -	\$ (119,148)	\$ 646,625	\$ (34,514)	\$ (19,737)	\$ -	\$ (54,251)
Total Before Construction in Progress	\$ 143,554,622	\$ 8,254,907	\$ (181,554)	\$ (121,478)	\$ 151,506,497	\$ (96,056,231)	\$ (3,567,161)	\$ 184,420	\$ 2,330
Construction in Progress	\$ 1,299,081	\$ 4,525,290	\$ -	\$ (5,272,932)	\$ 551,439	\$ -	\$ -	\$ -	\$ -
TOTAL CAPITAL ASSETS	\$ 144,853,703	\$ 12,780,197	\$ (181,554)	\$ (5,394,410)	\$ 152,057,936	\$ (96,056,231)	\$ (3,567,161)	\$ 184,420	\$ 2,330

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	Ending Balance
Stormwater									
Management	\$ 2,917,322	\$ 45,533	\$ 1,852	\$ (119,148)	\$ 2,845,559	\$ (279,755)	\$ (40,500)	\$ (247)	\$ (320,502)
Engineering	145,171	58,543	-	-	203,714	(105,748)	(8,231)	-	(113,979)
Maintenance	140,492,129	8,150,831	(183,406)	(2,330)	148,457,224	(95,670,728)	(3,518,430)	184,667	(99,002,161)
Total Stormwater	\$ 143,554,622	\$ 8,254,907	\$ (181,554)	\$ (121,478)	\$ 151,506,497	\$ (96,056,231)	\$ (3,567,161)	\$ 184,420	\$ (99,436,642)
Construction in Progress	\$ 1,299,081	\$ 4,525,290	\$ (5,272,932)	\$ -	\$ 551,439	\$ -	\$ -	\$ -	\$ -
TOTAL CAPITAL ASSETS	\$ 144,853,703	\$ 12,780,197	\$ (181,554)	\$ (5,394,410)	\$ 152,057,936	\$ (96,056,231)	\$ (3,567,161)	\$ 184,420	\$ (99,436,642)



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, 2020

Current Assets:	
Restricted Assets:	
Cash and Cash Equivalents	\$ 17,592,350
Noncurrent Assets:	
Restricted Assets:	
Cash and Cash Equivalents	20,691,089
Interest Receivable	5,096
Total Restricted Assets - Debt Service	<u>\$ 38,288,535</u>
Current Liabilities Payable From Restricted Assets:	
Accounts Payable	\$ -
Accrued Interest, due May 1	1,687,350
Current Portion of Principal	15,905,000
Total Current Liabilities Payable From Restricted Assets	<u>\$ 17,592,350</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, 2020

Beginning Balance, May 1	\$ 40,999,427
Increases:	
Interest Earned	\$ 468,553
Transfers from Operating Account	17,676,010
Total Increases	<u>\$ 18,144,563</u>
Decreases:	
Revenue Bond Interest Paid	\$ 3,592,465
Revenue Bond Principal Paid	17,260,000
Paying Agent and Trustee Fees	2,990
Total Decreases	<u>\$ 20,855,455</u>
Ending Balance, April 30	<u>\$ 38,288,535</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	10,865,000	2,325,000
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	3,435,000	13,580,000
Total							\$ 86,440,000	\$ 14,300,000	\$ 72,140,000

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.

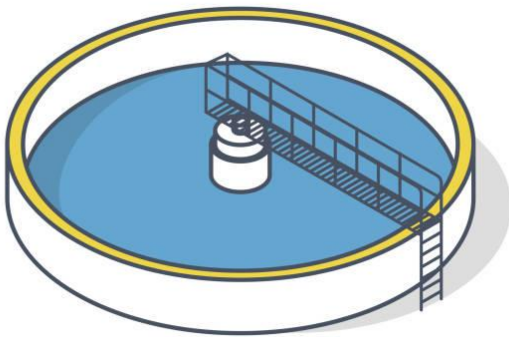
The 2013a Water and Sewerage Refunding Revenue Bonds fully refunded the 2003 Series Bonds.

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 replacements, additions, extensions, 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.
- 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, 2020

Current Assets:		
Restricted Assets:		
Cash and Cash Equivalents	\$	1,108,760
Noncurrent Assets:		
Restricted Assets:		
Cash and Cash Equivalents		68,510,461
Total Restricted Assets - Renewal And Extension Account	\$	<u>69,619,221</u>
Current Liabilities Payable From Restricted Assets:		
Accounts Payable	\$	1,108,760
Total Current Liabilities Payable From Restricted Assets	\$	<u>1,108,760</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, 2020

Beginning Balance, May 1, 2019	\$	71,928,041
Increases:		
Interest Earned	\$	69,934
Impact Fees		1,506,497
Contributions From General Operations		19,793,163
Total Increases	\$	21,369,594
Decreases:		
Capital Expenditures	\$	23,678,414
Ending Balance, April 30, 2020	\$	<u>69,619,221</u>



STATISTICAL SECTION INDEX

SCHEDULES 1-29





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 126

Schedules 1 through 6 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 132

Schedules 7 through 20 contain information to help the reader assess the factors affecting the Authority's ability to generate its user service charges.

Debt Capacity

Page 146

Schedules 21 and 22 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 148

Schedules 23 and 24 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 150

Schedules 25 through 29 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.

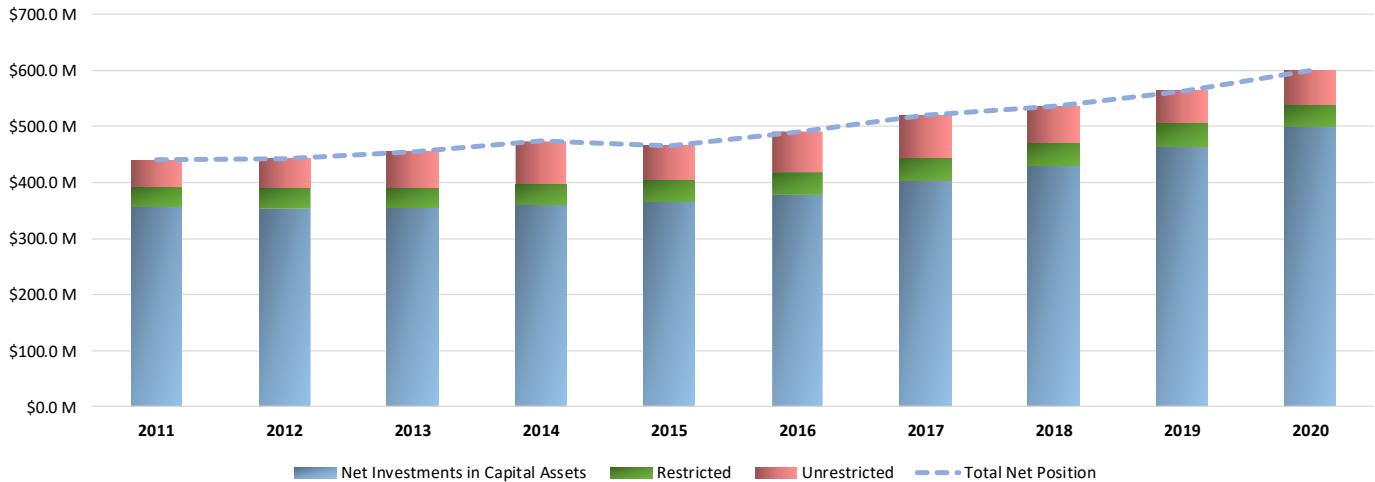
Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.



SCHEDULE 1: NET POSITION BY COMPONENT

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

Primary Government	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Net Investments in Capital Assets	\$ 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	\$ 499,145,358
Restricted	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	40,410,092
Unrestricted	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	61,083,235
Total Net Position	\$ 440,306,054	\$ 443,349,444	\$ 455,676,574	\$ 473,686,952	\$ 465,679,130	\$ 490,956,439	\$ 519,455,054	\$ 535,404,373	\$ 562,917,488	\$ 600,638,685



Notes:

¹ The Authority began providing Stormwater Utility Services in Fiscal Year 2008.

² 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.

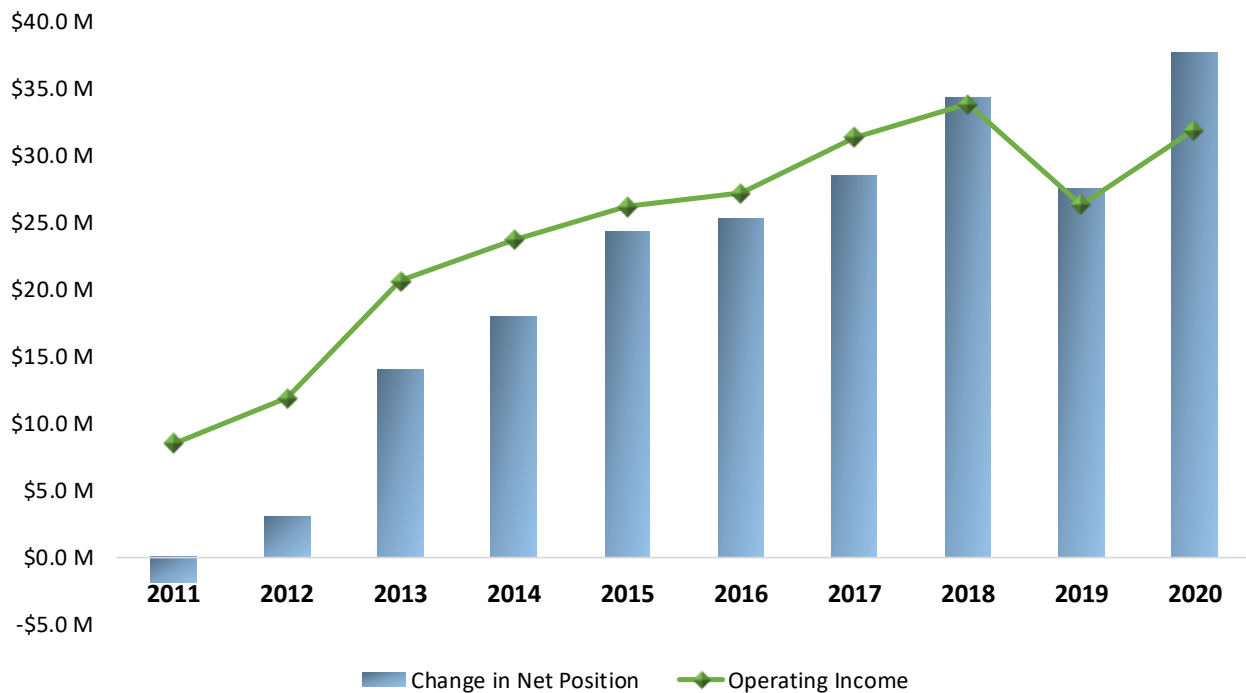
³ Net Position was restated in fiscal year 2018 due to the implementation of GASB Statement No. 75 Accounting and Financial Reporting for Post-employment Benefits Other Than Pensions – an amendment of GASB Statement No. 45 and 57. Unrestricted net position was reduced by \$18,425,639 for net OPEB liability.



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
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
2020	114,510,109	82,582,533	31,927,576	(2,590,522)	29,337,054	8,384,143	37,721,197



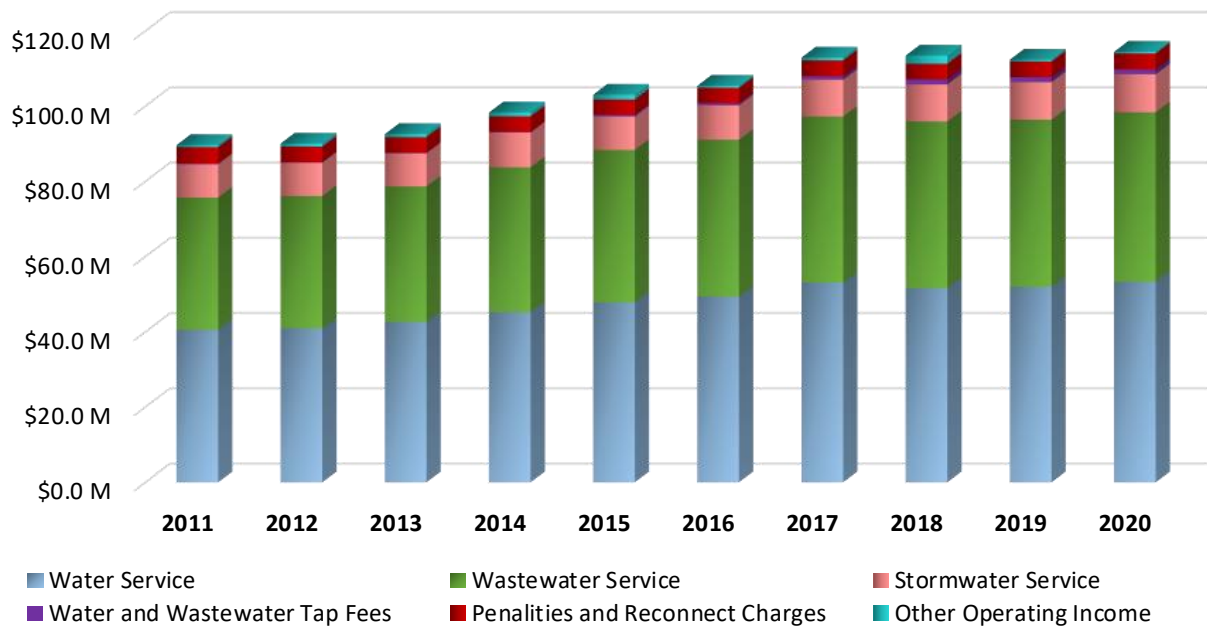
Source: CCWA Financial System and Operational Data



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
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
2020	53,307,263	45,118,031	10,090,477	1,300,050	4,232,414	461,874	114,510,109



Notes:

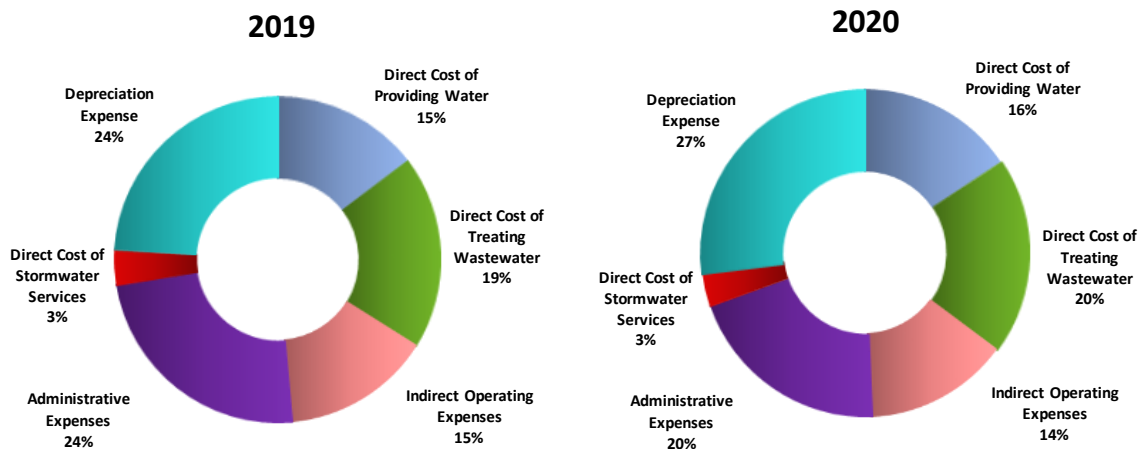
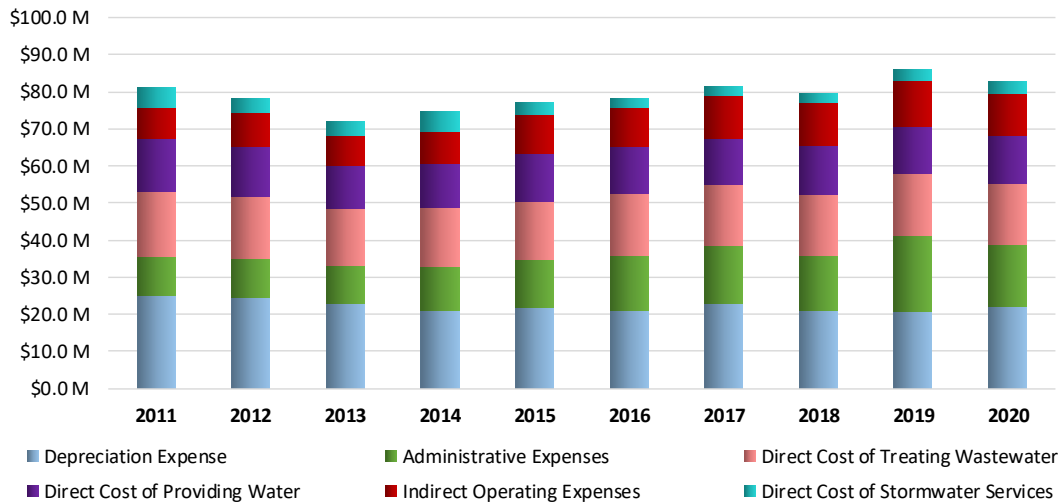
¹ Other Operating Income includes revenues from Sales of Pellets, Timber and Materials, System Damages, Property Rental and Miscellaneous Income.



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
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
2020	12,916,375	16,078,097	11,745,934	16,775,504	2,755,139	60,271,049	22,311,484	82,582,533



Notes:

¹ Expense detail of business units and their respective function for each category of operating expense can be found in Section IV: Supplementary Information.


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 and Other	Net Other Revenues (Expenses)	Total Nonoperating Revenues (Expenses)
2011	\$ (9,951,262)	\$ 90,008	\$ (723,065)	\$ (294,884)	\$ (10,879,203)
2012	(9,172,172)	39,334	(306,035)	(238,633)	(9,677,506)
2013	(8,008,878)	47,178	(46,539)	(16,729)	(8,024,968)
2014	(5,376,941)	35,181	(402,773)	(481,982)	(6,226,515)
2015	(5,188,543)	40,554	(713,394)	(13,185)	(5,874,568)
2016	(4,701,058)	119,358	(9,601)	(10,596)	(4,601,897)
2017	(4,250,920)	206,141	(1,093,078)	(9,614)	(5,147,471)
2018	(3,938,428)	465,865	(1,237,170)	(6,645)	(4,716,378)
2019	(3,519,088)	757,399	(875,711)	(6,040)	(3,643,440)
2020	(2,533,392)	585,595	(637,235)	(5,490)	(2,590,522)

Notes:

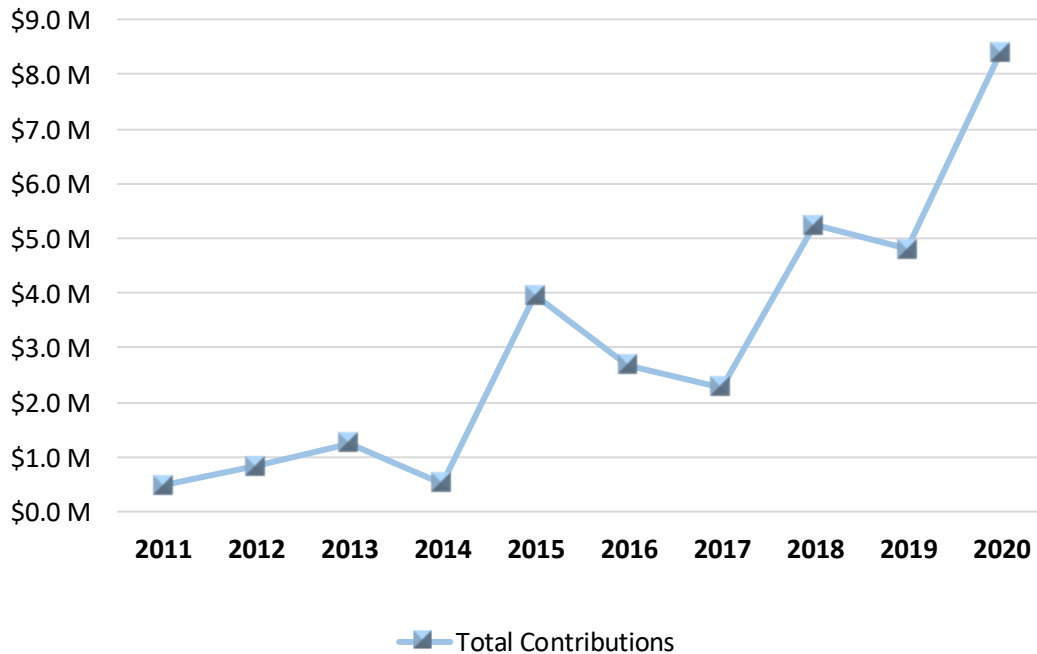
¹ Gain (Loss) on Disposal of Assets and Other includes gains and losses recognized from self-funded medical insurance.



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	
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
2020	1,506,497	1,024,382	5,853,264	-	8,384,143



Notes:

¹ Grant Subsidy column includes grants and reimbursements from Other Governments.

² Donated Infrastructure and Donated Assets are contributed to the Authority by commercial and residential developers when construction is completed.

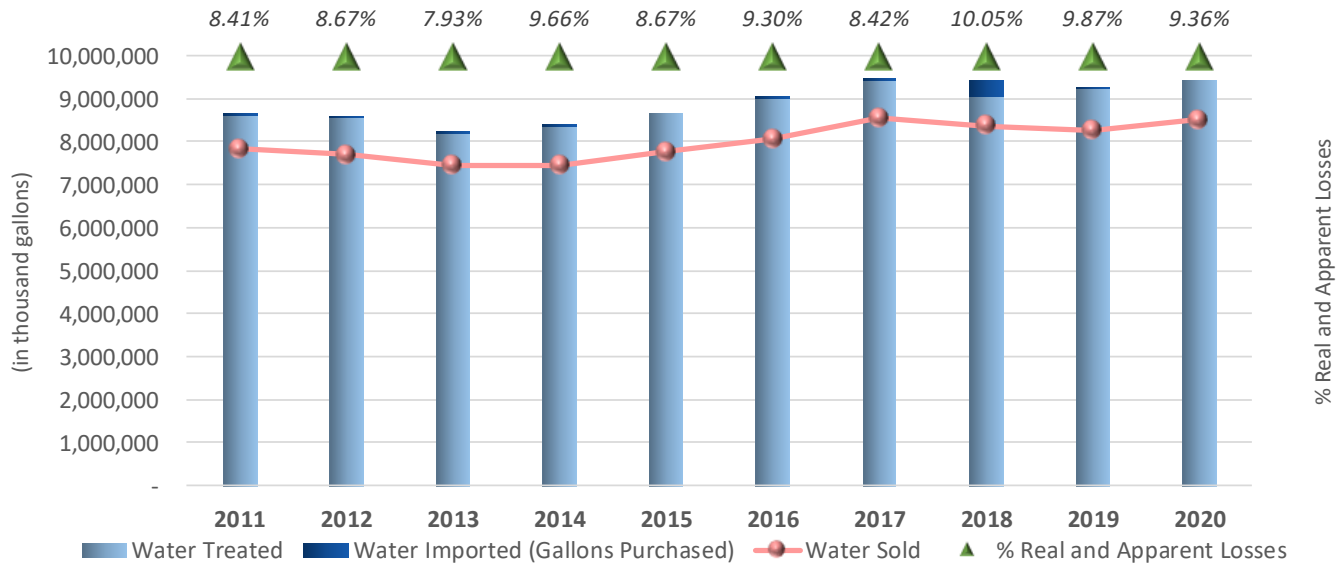


SCHEDULE 7: GALLONS OF WATER TREATED AND CONSUMED

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
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%
2020	9,443,910	-	9,443,910	8,503,072	940,838	9.96%	56,653	9.36%



Notes:

¹ Information is from customer billing records, meter reading records and water production records.

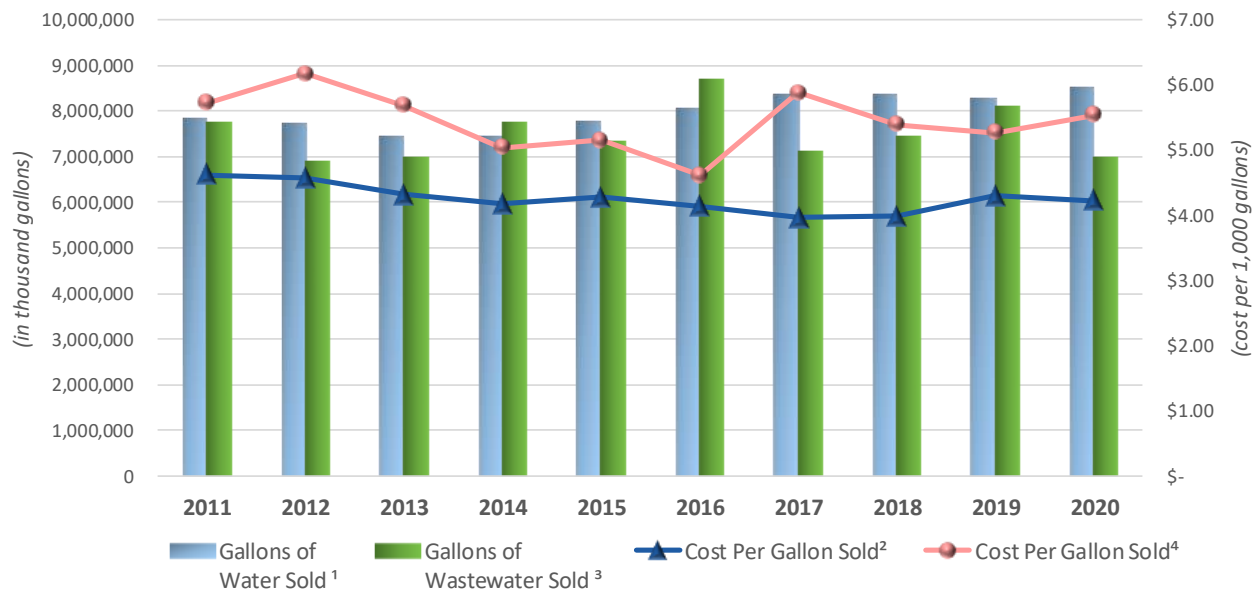


SCHEDULE 8: GALLONS OF WATER SOLD AND WASTEWATER TREATED

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

(in thousand gallons)

Fiscal Year	Gallons of Water Sold ¹	Cost Per Gallon Sold ²	Gallons of Wastewater Sold ³	Cost Per Gallon Sold ⁴
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
2020	8,503,072	4.22	6,961,837	5.53



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

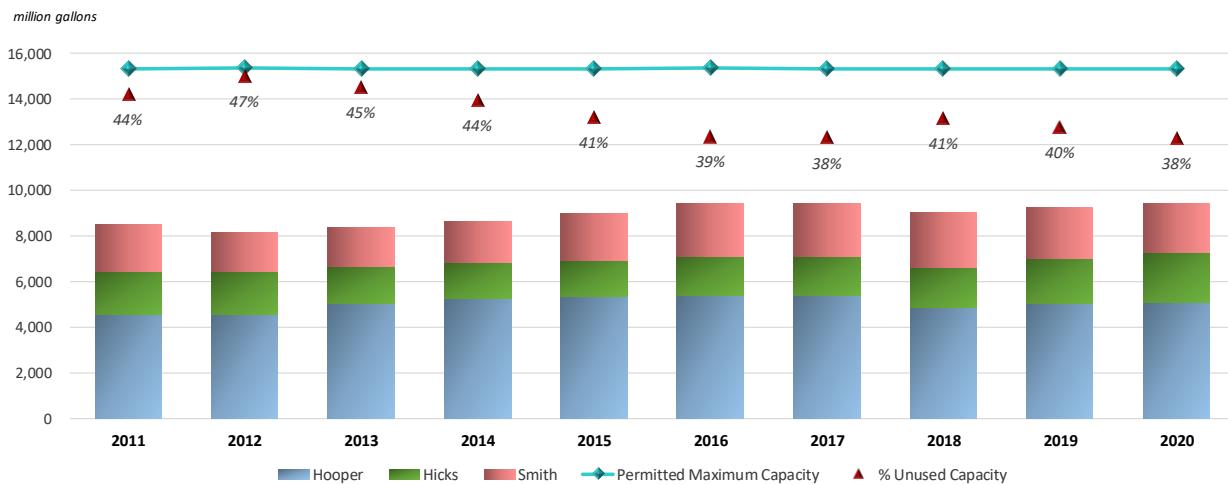


SCHEDULE 9: ANNUAL WATER PRODUCED BY PLANT

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

(in million gallons)

Water Production Plant	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Daily Plant Capacity (MGD)	Annual Permitted Capacity	Annual Unused Capacity	% Unused Capacity
Hooper	4,535	4,561	5,059	5,242	5,344	5,400	5,400	4,846	5,063	5,082	20	7,300	2,218	30%
Hicks	1,905	1,870	1,579	1,605	1,577	1,698	1,698	1,758	1,938	2,186	12	4,380	2,195	50%
Smith	2,060	1,692	1,714	1,788	2,073	2,325	2,325	2,424	2,214	2,173	10	3,650	1,477	40%
Wells	11	31	26	9	8	10	13	3	2	2	1	331	329	99%
Total Water Produced	8,511	8,154	8,378	8,643	9,001	9,433	9,436	9,031	9,217	9,443	42.0	15,330	5,889	38%



Additional Supply	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Daily Plant Capacity (MGD)	Annual Permitted Capacity	Annual Unused Capacity	% Unused Capacity
Imported Water (Interconnects)	37	10	0	4	0	15	1	407	24	0	15	5,428	5,428	100%

Source: CCWA Operational Data



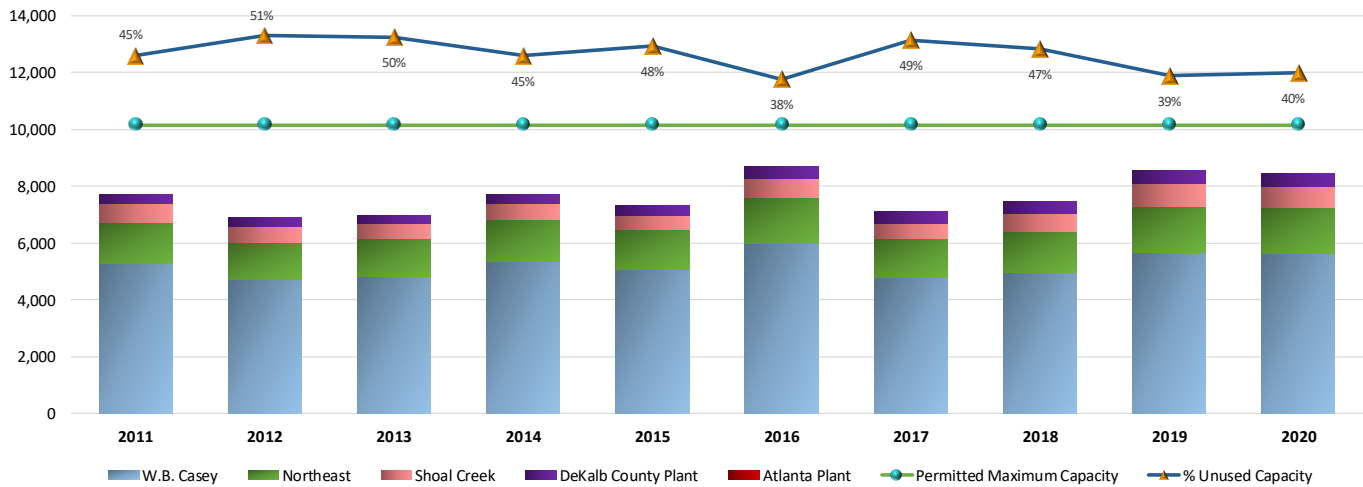
SCHEDULE 10: ANNUAL WASTEWATER TREATED BY PLANT

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

(in million gallons)

Water Reclamation Plant	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Daily Plant Capacity (MGD)	Annual Permitted Capacity	Annual Unused Capacity	% Unused Capacity
W.B. Casey	5,256	4,724	4,841	5,333	5,060	5,976	4,798	4,955	5,661	5,639	24.0	6,351	712	11%
Northeast	1,458	1,278	1,298	1,475	1,404	1,601	1,341	1,460	1,636	1,616	10.0	2,190	574	26%
Shoal Creek	654	578	541	587	531	681	544	616	806	739	4.4	1,606	867	54%
DeKalb County Plant	367	310	290	333	334	447	417	420	453	437	1.0	N/A	N/A	N/A
Atlanta Plant	0	0	0	0	0	0	0	0	0	0	0	N/A	N/A	N/A
Total Wastewater Treated	7,735	6,890	6,970	7,728	7,329	8,704	7,101	7,451	8,556	8,431	39.4	10,147	2,153	21%

million gallons



Source: CCWA Operational Data

Notes:

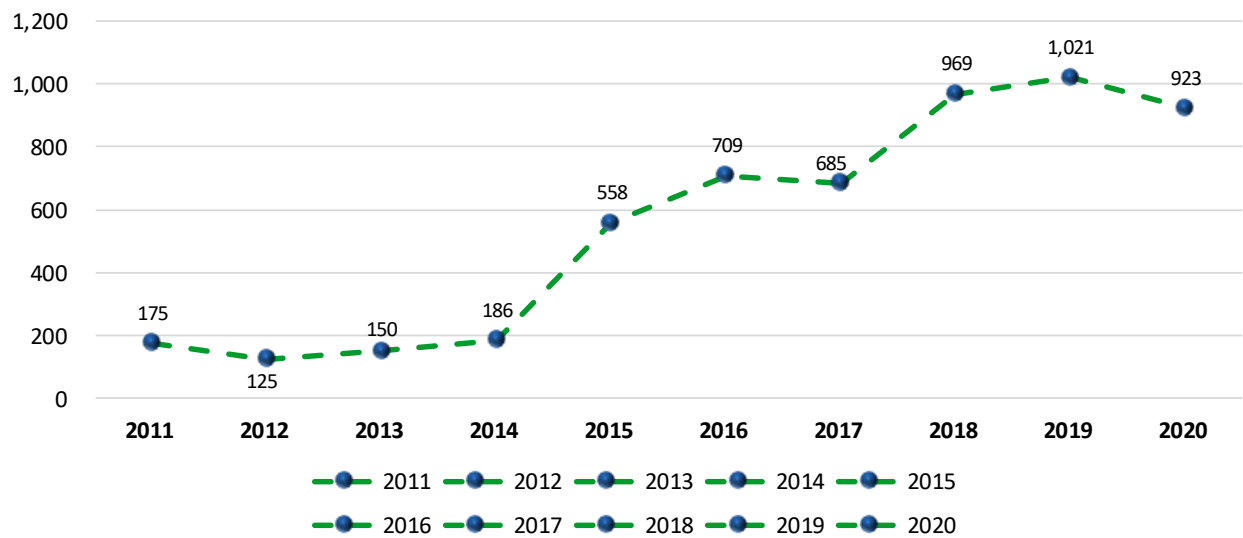
¹ CCWA's new Atlanta Lift Station became operational in FY 2010 and the flows previously going to the Atlanta Plant were redirected to Casey.



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" +
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
2020	923	350	279	269	4	14	2	1	2	2



Source: CCWA Operational Data



SCHEDULE 12: MINIMUM MONTHLY WATER CHARGES AND BASE CHARGES

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

Corresponding Minimum Usage (In Thousand Gallons) Minimum Monthly Water Charge:			Size of Customer Meter									
			5/8"	3/4"	1"	1 1/2"	2"	3"	4"	6"	8"	10"
			3	4	8	25	56	111	167	222	333	444
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
Corresponding Minimum Usage (In Thousand Gallons)			3	4	6	20	45	89	134	178	266	355
			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
Base Charge Dependent on Meter Size			5/8"	3/4"	1"	1 1/2"	2"	3"	4"	6"	8"	10"
			5/8"	3/4"	1"	1 1/2"	2"	3"	4"	6"	8"	10"
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

Notes:

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.

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

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

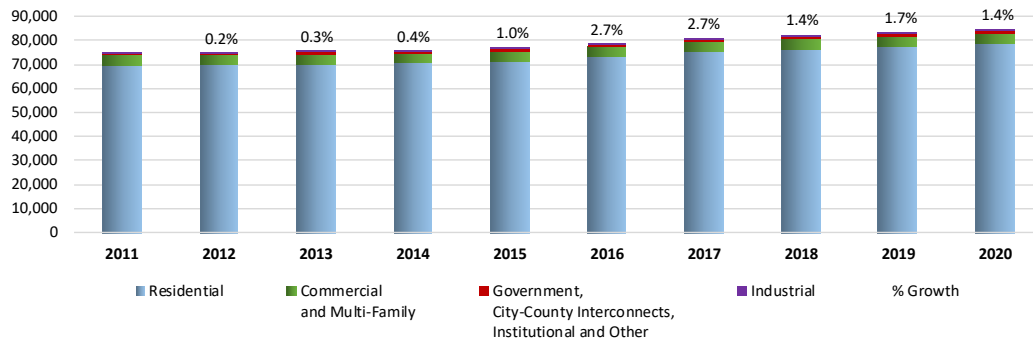
³ On September 1, 2010, a base charge dependent on the size of the customer's meter was implemented.



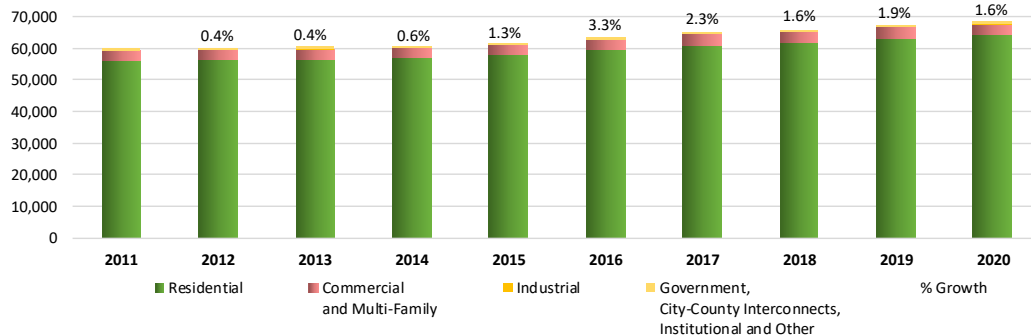
SCHEDULE 13: NUMBER OF WATER AND WASTEWATER CUSTOMERS BY TYPE

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

Fiscal Year	Residential	Commercial and Multi-Family	Industrial	Government, City-County Interconnects, Institutional and Other	Total Water Customers	% Growth
2011	69,720	4,212	47	819	74,798	
2012	69,929	4,141	48	847	74,965	0.2%
2013	70,233	4,079	46	862	75,220	0.3%
2014	70,536	4,080	46	879	75,541	0.4%
2015	71,272	4,093	48	902	76,315	1.0%
2016	73,263	4,138	51	958	78,410	2.7%
2017	75,254	4,180	53	1,010	80,497	2.7%
2018	76,342	4,216	53	1,036	81,647	1.4%
2019	77,633	4,200	56	1,108	82,997	1.7%
2020	78,738	4,232	55	1,110	84,135	1.4%



Fiscal Year	Residential	Commercial and Multi-Family	Industrial	Government, City-County Interconnects, Institutional and Other	Total Sewer Customers	% Growth
2011	56,134	3,286	32	513	59,965	
2012	56,387	3,241	34	526	60,188	0.4%
2013	56,681	3,171	31	542	60,425	0.4%
2014	57,022	3,163	31	561	60,777	0.6%
2015	57,750	3,188	32	582	61,552	1.3%
2016	59,744	3,181	29	602	63,556	3.3%
2017	61,090	3,240	37	661	65,028	2.3%
2018	62,070	3,274	37	676	66,057	1.6%
2019	63,316	3,251	39	733	67,339	1.9%
2020	64,429	3,274	39	699	68,441	1.6%



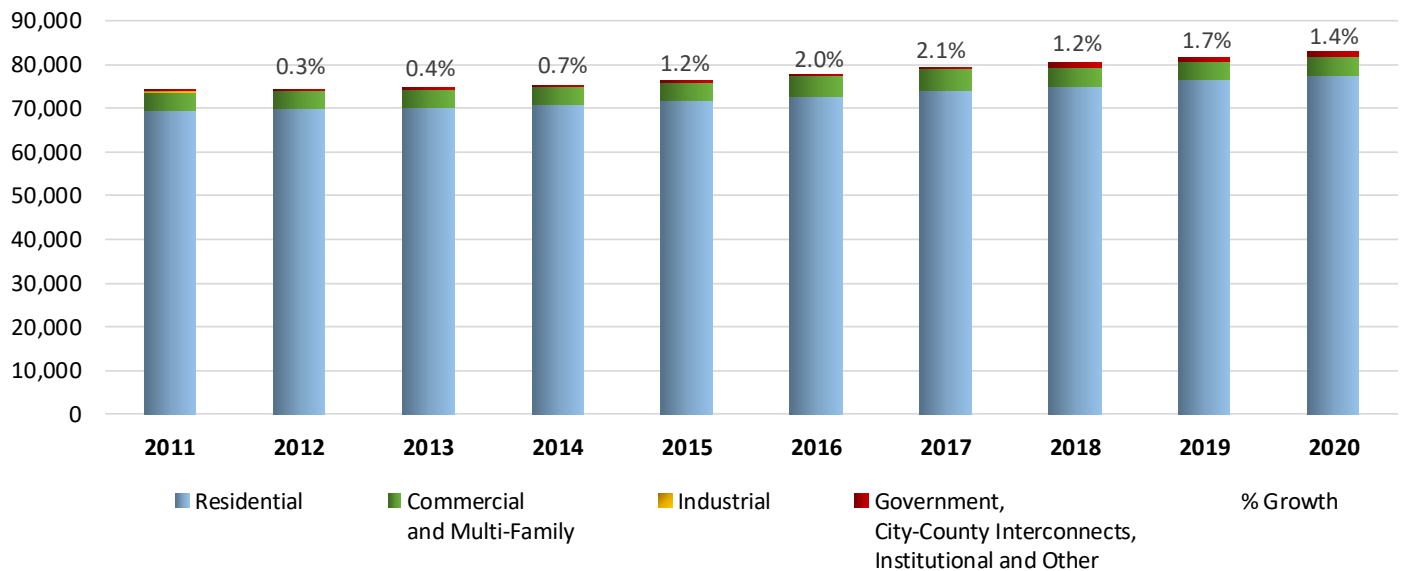
Source: CCWA Operational Data



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 and Multi-Family	Industrial	Government, City-County Interconnects, Institutional and Other	Total Stormwater Customers	% Growth
2011	69,517	4,382	43	284	74,226	
2012	69,831	4,286	47	284	74,448	0.3%
2013	70,206	4,231	46	288	74,771	0.4%
2014	70,809	4,191	46	285	75,331	0.7%
2015	71,738	4,181	47	286	76,252	1.2%
2016	72,909	4,519	47	299	77,774	2.0%
2017	74,194	4,829	48	302	79,373	2.1%
2018	75,140	4,273	48	863	80,324	1.2%
2019	76,457	4,202	48	943	81,650	1.7%
2020	77,588	4,235	47	926	82,796	1.4%



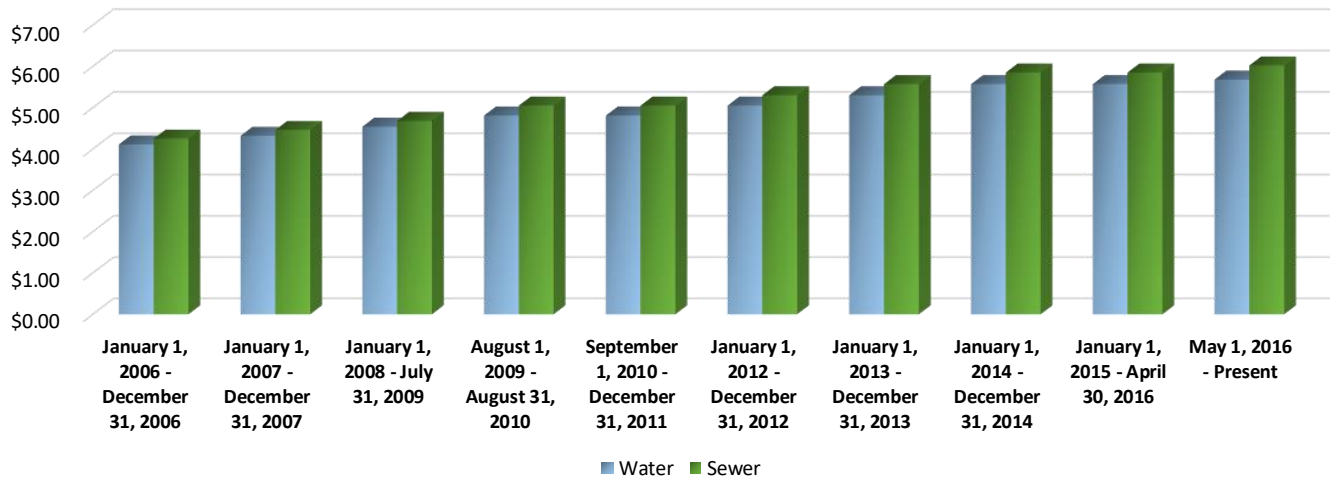
Source: CCWA Operational Data



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
¹ January 1, 2008 - July 31, 2009	\$4.54	\$4.68
August 1, 2009 - August 31, 2010	\$4.81	\$5.05
² September 1, 2010 - December 31, 2011	\$4.81	\$5.05
³ January 1, 2012 - December 31, 2012	\$5.05	\$5.30
⁴ January 1, 2013 - December 31, 2013	\$5.30	\$5.57
⁵ January 1, 2014 - December 31, 2014	\$5.57	\$5.85
⁶ January 1, 2015 - April 30, 2016	\$5.57	\$5.85
⁷ 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.

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

¹ As a means of implementing conservation measures, the rate structure was changed to reflect a tiered approach for residential customers.

² 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.

³ 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.

⁴ 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.

⁵ 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.

⁶ 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.

⁷ 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.*

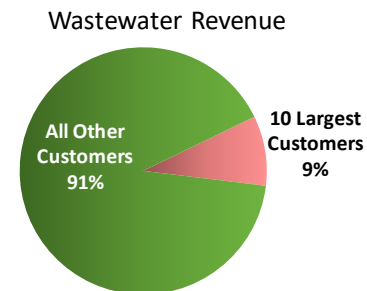
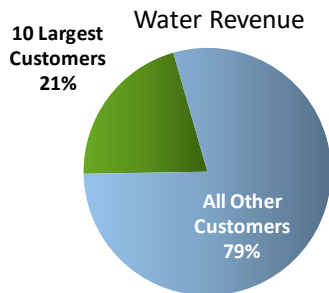
³ *For ease of administration, there is a standard rate for residential lots.*



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, 2020

Customer	Water Revenue	Percent	Customer	Wastewater Revenue	Percent
Fresh Express	\$ 2,674,473	5.02%	Fresh Express	\$ 1,699,893	3.77%
Clayton County Board of Education	1,560,615	2.93%	Marcres Sales Inc	381,928	0.85%
City of College Park	1,542,749	2.89%	Clayton County Board of Commissioners	361,045	0.80%
Clayton County Board of Commissioners	1,325,561	2.49%	Deer Creek MHP LLC	288,155	0.64%
Clorox Company	1,092,707	2.05%	DMS Overlook LLC	271,191	0.60%
Marcres Sales Inc	695,001	1.30%	Hunter Ridge MHP LLC	265,935	0.59%
Deer Creek MHP LLC	572,979	1.07%	Club Chef Southeast LLC	263,828	0.58%
Club Chef Southeast LLC	565,694	1.06%	Toto USA Inc	249,182	0.55%
Hunter Ridge MHP LLC	541,262	1.02%	5890 Riverdale LLC	181,829	0.40%
DMS Overlook LLC	534,985	1.00%	Fulton County Public Works Department	169,042	0.37%
10 Largest Customers	\$ 11,106,026	20.83%	10 Largest Customers	\$ 4,132,028	9.16%
All Other Customers	42,201,237	79.17%	All Other Customers	40,986,003	90.84%
Total	\$ 53,307,263	100.00%	Total	\$45,118,031	100.00%



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.

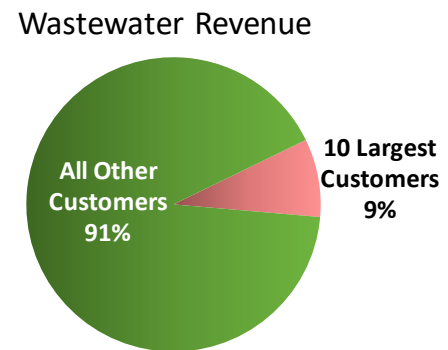
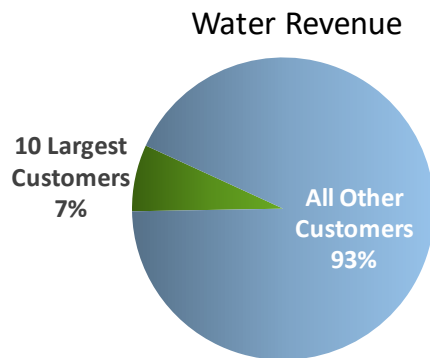


**SCHEDULE 18: TEN LARGEST WATER AND WASTEWATER CUSTOMERS MEASURED BY CONSUMPTION
IN GALLONS AND WATER AND WASTEWATER REVENUES (TEN YEARS AGO)**

**TEN LARGEST WATER AND WASTEWATER CUSTOMERS
MEASURED BY WATER AND WASTEWATER REVENUES**

For the Fiscal Year Ended April 30, 2011 (Ten Years Ago)

Name of Company or Customer	Water		Wastewater	
	Revenue	Percent	Revenue	Percent
Fresh Express	\$ 701,284	1.73%	\$ 1,196,450	3.40%
Clorox Company	553,273	1.36%	188,570	0.54%
Hunters Ridge Mobile Home Park	248,182	0.61%	260,918	0.74%
Southern Regional Hospital	225,257	0.56%	150,631	0.43%
Southwest Partners LP	223,490	0.55%	235,046	0.67%
Clayton County Commissioners	220,715	0.54%	231,744	0.66%
ToTo USA, Inc.	187,522	0.46%	196,894	0.56%
Deer Creek Estates	181,323	0.45%	190,723	0.54%
Miles Properties	177,521	0.44%	186,719	0.53%
Hunters Bay Apartments LLC	174,369	0.43%	183,964	0.52%
10 Largest Customers	\$ 2,892,936	7.13%	\$ 3,021,659	8.60%
All Other Customers	37,689,818	92.87%	32,126,578	91.40%
Total	\$40,582,754	100.00%	\$35,148,237	100.00%



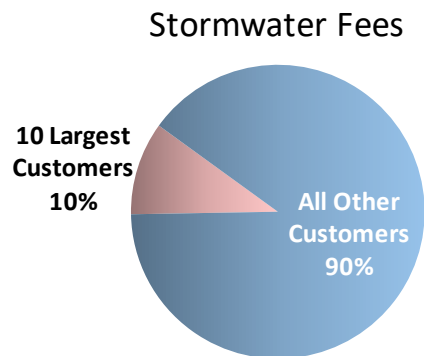
Source: CCWA Operational Data



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, 2020

Customer	Stormwater Fees	Percent
Department of Aviation (<i>Hartsfield-Jackson Airport</i>)	\$ 613,976	6.08%
Georgia Department of Agriculture	86,438	0.86%
J C Penney Catalog Division	62,823	0.62%
Kroger	52,875	0.52%
Federal Express	49,641	0.49%
Fort Gillem - Site Manager	46,839	0.46%
HD Supply Facilities Maintenance LTD	33,642	0.33%
Georgia Power Company	31,016	0.31%
Urban Redevelopment Agency	30,568	0.30%
Tindall Corporation - GA Division	26,490	0.26%
10 Largest Customers	\$ 1,034,307	10.25%
All Other Customers	9,056,171	89.75%
Total	\$ 10,090,477	100.00%



Notes:

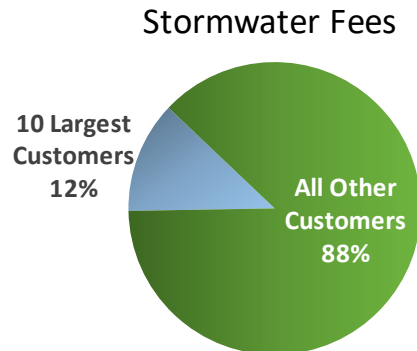
¹ FY 2007 - 2008 was the first year of the Stormwater Utility.



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

Clayton County Water Authority
Ten Largest Stormwater Customers
 For The Fiscal Year Ended April 30, 2011 *(Ten years Ago)*

Customer	Stormwater Fees	%
Department of Aviation (Hartsfield-Jackson Airport)	\$ 567,972	6.41%
Director of Resource Management (Ft. Gillem)	231,434	2.61%
Georgia Department of Agriculture	83,098	0.94%
AMB Industrial Income Fund	34,524	0.39%
Salvage Disposal of Georgia	31,926	0.36%
J C Penney Catalog Division	31,092	0.35%
J C Penney Company, Inc.	31,092	0.35%
Georgia Power Company Lake Mirror Road	28,547	0.32%
Georgia Power Company Mundys Mill Road	28,292	0.32%
Federal Express	25,875	0.29%
10 Largest Customers	\$ 1,093,852	12.35%
All Other Customers	7,765,244	87.65%
Total	\$ 8,859,096	100%



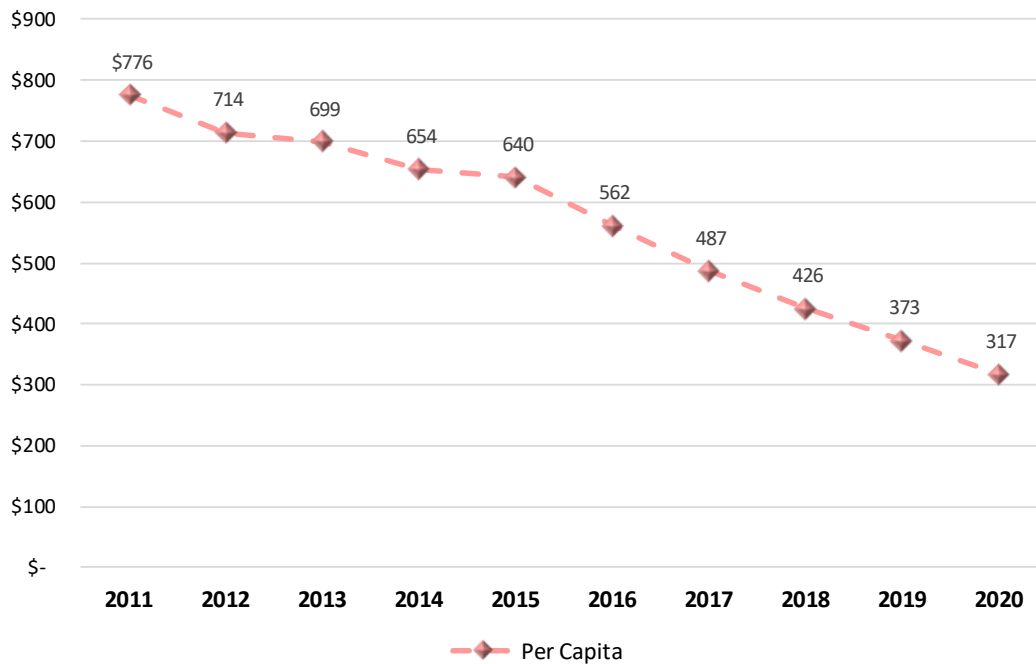
Source: CCWA Operational Data



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	% of Per Capita Personal Income
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%
2020	75,495,210	16,400,550	91,895,760	317	1.13%



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).

³ 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 2018

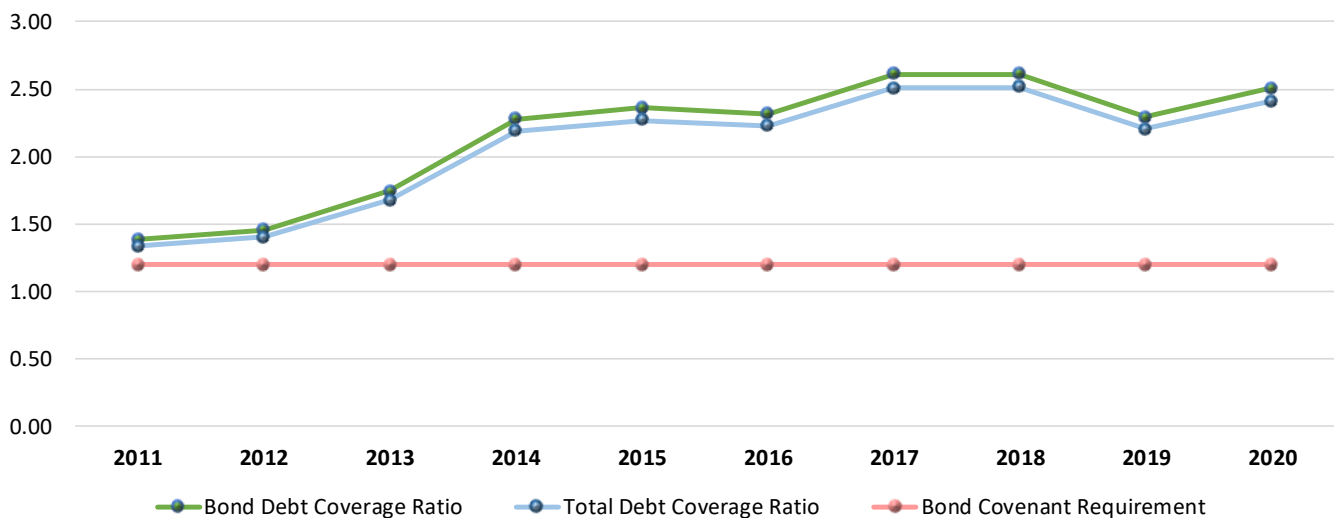
⁴ Population and Per Capital Income on Schedule 23-Demographics.



SCHEDULE 22: DEBT SERVICE COVERAGE

Clayton County Water Authority DEBT SERVICE COVERAGE Last Ten Fiscal Years

Fiscal Year	Gross Revenues	Operating Expenses (excludes Deprec)	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
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
2020	108,622,905	56,316,162	52,306,743	20,852,850	2.51	845,026	2.41	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 and beginning 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

							Average Unemployment Rate			Total Housing Units
Calendar Year	Population	Personal Income (in thousands)	Per Capita Personal Income	Total Full-Time and Part-Time Employment	Average Annual Pay	Labor Force	Clayton County	State of Georgia	United States	
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
2018	289,615	8,115,041	28,020	129,814	57,839	136,502	4.90%	3.90%	3.90%	105,859

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 2018



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%
Subtotal (10 Largest Employers)		21,817	13.98%

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%
Subtotal (10 Largest Employers)		19,921	16.11%

Source:

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

Notes:

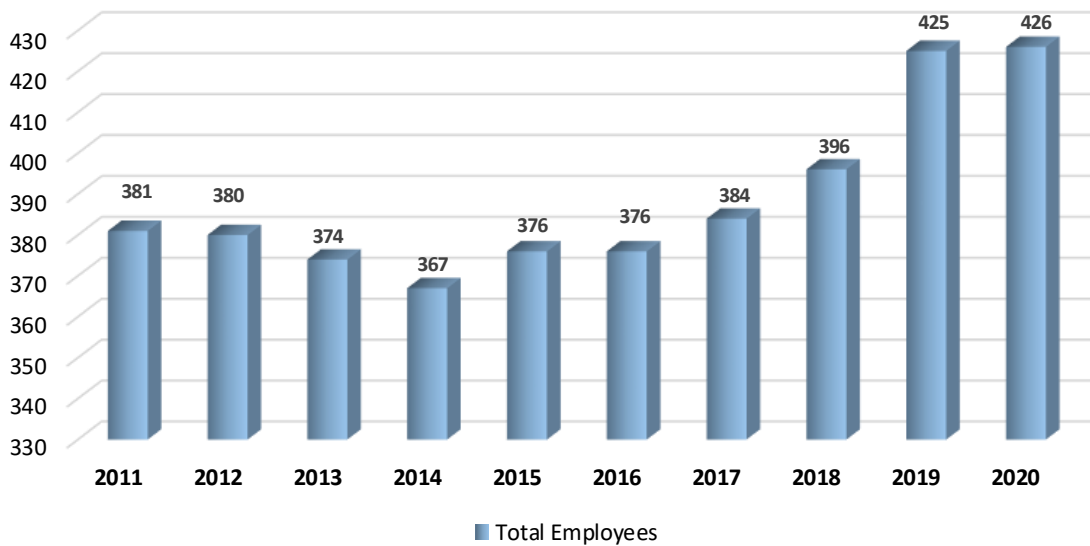
¹ Data has not been updated according to source.



SCHEDULE 25: NUMBER OF EMPLOYEES BY JOB CLASS

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

General Classification	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Managers	8	8	7	8	9	9	9	14	14	3
Office	106	104	105	106	110	112	117	98	124	133
Meter Readers	17	15	12	12	12	13	13	14	14	13
Warehouse	6	6	6	6	6	6	6	5	6	6
Garage (Vehicle Maintenance)	4	4	4	4	3	4	4	5	4	4
Building and Grounds Maintenance	21	30	31	29	27	16	30	22	19	19
Water Line Maintenance and Construction	73	69	66	62	67	68	64	77	70	70
Wastewater Operator	40	40	40	39	39	40	40	43	43	43
Water Plant Operator	26	24	24	24	24	24	23	23	25	27
Forestry	0	0	0	0	0	0	0	0	14	14
Laboratory	5	5	6	6	6	5	5	9	6	6
Plant and Equipment Maintenance	12	13	13	13	13	13	13	15	14	14
Sewer Line Maintenance	34	33	31	30	32	32	29	38	34	34
Inspectors	9	9	10	9	9	14	13	11	18	18
Draftsman and Surveyors	9	9	8	8	8	9	7	11	8	8
Field Service	11	11	11	11	11	11	11	12	12	14
Total Employees	381	380	374	367	376	376	384	396	425	426



Source: Human Resources Department files

Notes:

¹ Employee count is by position only and does not represent Full-Time Equivalent Employees (FTEs)

² 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	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
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	32.2	32.1	32.1	32.1	32.1	32.1	32.1
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	15,372	15,330	15,330	15,330	15,372	15,330	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	9,031	9,217	9,444
Unused Capacity (Million Gallons)	6,819	7,218	6,952	6,687	6,329	5,939	5,894	6,299	6,113	5,886
Percentage of Unused Capacity	44.5%	47.0%	45.3%	43.6%	41.3%	38.6%	38.4%	41.1%	39.9%	38.4%

Water Reclamation	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
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	40	39	39	39	38	38	40	40	41	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	14,054	14,016	14,016	14,016	14,054	14,016	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	8,556	8,431
Unused Capacity (Million Gallons)	6,281	7,126	7,084	6,288	6,687	5,312	6,954	6,565	5,460	5,585
Percentage of Unused Capacity	44.8%	50.8%	50.4%	44.9%	47.7%	37.9%	49.5%	46.8%	39.0%	39.8%

Source: CCWA Operational Data

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



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, 2020 and 2019

Cost To Produce Water	Fiscal Year Ended April 30, 2020	Fiscal Year Ended April 30, 2019
Direct Costs	\$ 12,916,375	\$ 12,669,453
Direct Depreciation (<i>Schedule 29</i>)	6,650,781	6,124,385
Less:		
Tapping Fees Charged	(1,285,945)	(1,308,290)
Net Direct Costs	\$ 18,281,211	\$ 17,485,548
Indirect and Administrative Costs (<i>Schedule 29</i>)	14,109,005	16,393,162
Net Interest Expense (<i>Schedule 29</i>)	727,307	1,047,092
Indirect Depreciation Expense (<i>Schedule 29</i>)	2,763,367	677,313
Total Cost of Water Produced	\$ 35,880,890	\$ 35,603,115
Total Gallons Billed (<i>Thousands</i>)	8,503,072	8,271,269
Cost Per Thousand Gallons	\$ 4.22	\$ 4.30

Source: CCWA Financial System and Operational Data



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, 2020 and 2019

Cost To Treat Wastewater	Fiscal Year Ended April 30, 2020	Fiscal Year Ended April 30, 2019
Direct Costs	\$ 16,078,097	\$ 16,521,214
Direct Depreciation (<i>Schedule 29</i>)	4,657,381	9,393,266
Less:		
Tapping Fees Charged	(14,105)	(26,155)
Sale of Pellets	(42,383)	(24,557)
Net Direct Costs	\$ 20,678,990	\$ 25,863,768
Indirect and Administrative Costs (<i>Schedule 29</i>)	\$ 11,941,534	\$ 14,009,898
Net Interest Expense (<i>Schedule 29</i>)	1,229,860	1,725,273
Indirect Depreciation Expense (<i>Schedule 29</i>)	4,672,794	1,115,997
Total Cost of Sewer Treated	\$ 38,523,178	\$ 42,714,936
Total Gallons Billed (<i>Thousands</i>)	6,961,837	8,102,896
Cost Per Thousand Gallons	\$ 5.53	\$ 5.27

Source: CCWA Financial System and Operational Data



SCHEDULE 29: ALLOCATION OF CERTAIN EXPENSES

Clayton County Water Authority ALLOCATION OF CERTAIN EXPENSES For The Fiscal Year Ended April 30, 2020

ALLOCATION OF INDIRECT AND ADMINISTRATIVE COSTS

Indirect Expenses	\$ 10,546,186
Administration Expenses	16,775,504
Less:	
Stormwater Transfers for Overhead Costs	(1,271,151)
Net Indirect and Administrative Costs	\$26,050,539

Allocated on Basis of Revenues

	Amount	Percent	
Sale of Water	\$ 53,307,263	54.16%	\$ 14,109,005
Sewer Service Charges	45,118,031	45.84%	11,941,534
Total Allocated Indirect and Administrative Costs	\$ 98,425,294	100.00%	\$26,050,539

ALLOCATION OF NET INTEREST EXPENSE

Total Interest Expense	\$ 2,533,392
Less:	
Interest Earned on Investments	576,225
Net Interest Expense	\$ 1,957,167

Allocated on Basis of Net Capital Assets

Water Distribution System	\$ 168,834,310	37.16%	\$ 727,307
Sewer Distribution System	285,495,245	62.84%	1,229,860
Total Allocated Net Interest Expense	\$454,329,555	100.00%	\$ 1,957,167

ALLOCATION OF INDIRECT DEPRECIATION EXPENSE

Total Depreciation Expense	\$ 18,744,323
Less:	
Direct Depreciation Expense - Water	(6,650,781)
Direct Depreciation Expense - Sewer	(4,657,381)
Total Indirect Depreciation Expense	\$ 7,436,161

Allocated on Basis of Net Capital Assets

Water Distribution System	\$ 168,834,310	37.16%	\$ 2,763,367
Sewer Distribution System	285,495,245	62.84%	4,672,794
Total Allocated Indirect Depreciation	\$454,329,555	100.00%	\$ 7,436,161

Source: CCWA Financial System



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 157
Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance	Page 159
Schedule of Expenditures of Federal Awards	Page 161
Notes to Schedule of Expenditures of Federal Awards	Page 161
Schedule of Findings and Questioned Costs	Page 162
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, 2020, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated November 16, 2020.

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) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Mauldin & Jenkins, LLC

Atlanta, Georgia
November 16, 2020



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, 2020. 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, 2020.



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

Atlanta, Georgia
November 16, 2020



SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the fiscal year ended April 30, 2020, the Clayton County Water Authority received loan disbursements of \$5,222,016 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, 2020 was \$12,205,661.

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	\$ 5,222,016	\$ -

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, 2020.

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, 2020.



SCHEDULE OF FINDINGS AND QUESTIONED COSTS

CLAYTON COUNTY WATER AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED APRIL 30, 2020

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:

CFDA Number

66.548

Name of Federal Program or Cluster

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



SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS

CLAYTON COUNTY WATER AUTHORITY

**SUMMARY OF PRIOR YEAR FINDINGS
FOR THE FISCAL YEAR ENDED APRIL 30, 2020**

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

None reported.

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

None reported.