



Clayton County, Georgia

Annual

Comprehensive

Financial

Report

For Fiscal Year Ended

April 30, 2021

Clayton County Water Authority

Clayton County, Georgia

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For The Fiscal Year Ended April 30, 2021

Prepared By:

Finance Department

Clayton County Water Authority

MISSION STATEMENT



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

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I. INTRODUCTORY SECTION

LETTER OF TRANSMITTAL

CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING

ORGANIZATIONAL CHART

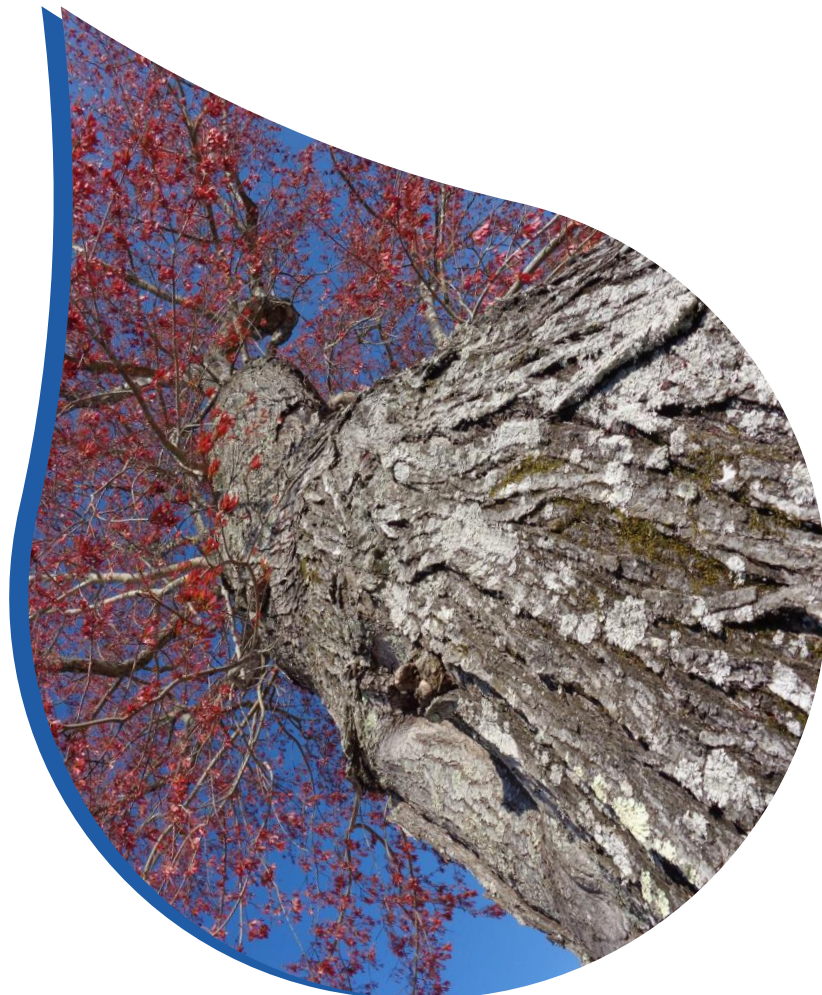
VICINITY MAP OF METRO ATLANTA AREA

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

August 18, 2022

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 Annual Comprehensive Financial Report (ACFR) of the Clayton County Water Authority for its fiscal year ended April 30, 2021.

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, 2021, 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 serves 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, 2021, the Authority served 86,738 water customers, 70,058 sewer customers and 84,344 stormwater customers.

Type of Customer	Water		Sewer		Stormwater	
	April 30, 2021	April 30, 2020	April 30, 2021	April 30, 2020	April 30, 2021	April 30, 2020
Residential	79,980	78,732	65,958	64,423	79,135	77,580
Multi-Family Residential	9	6	7	6	11	8
Total Residential	79,989	78,738	65,965	64,429	79,146	77,588
Commercial	4,691	3,760	2,916	2,843	3,799	3,805
Motel	99	60	51	51	49	49
Multi-Family	478	389	353	358	360	366
Mobile Homes	30	23	22	22	17	17
Total Commerical and Multi-Family	5,298	4,232	3,342	3,274	4,225	4,237
Industrial	76	55	46	39	47	47
Institutional	867	676	500	495	630	628
Government	315	245	158	157	232	232
Cities and Counties	11	7	3	3	1	1
CCWA/Other	182	182	44	44	63	63
Total Industrial and Municipal	1,451	1,165	751	738	973	971
Total Customers	86,738	84,135	70,058	68,441	84,344	82,796

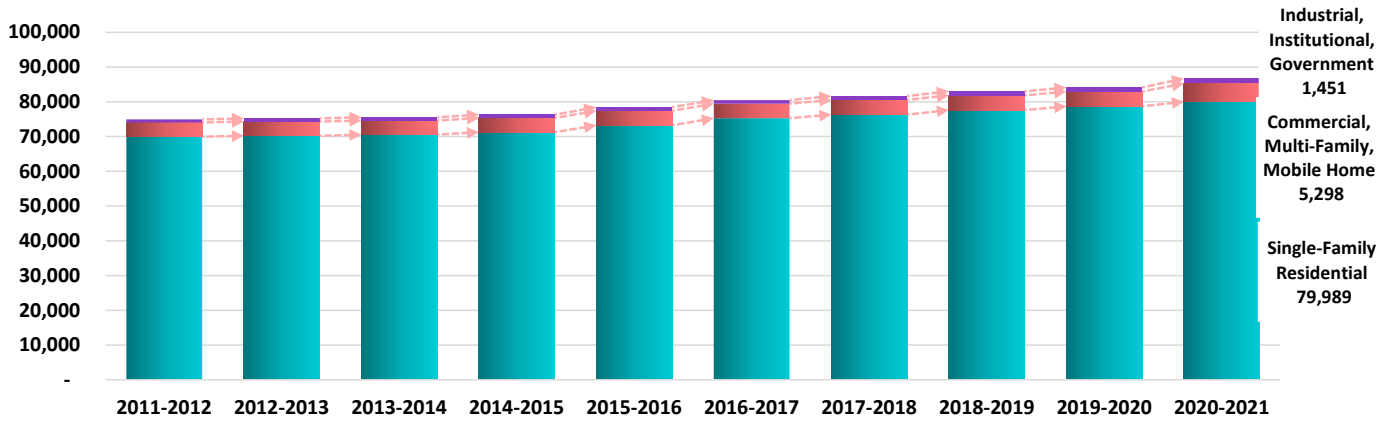




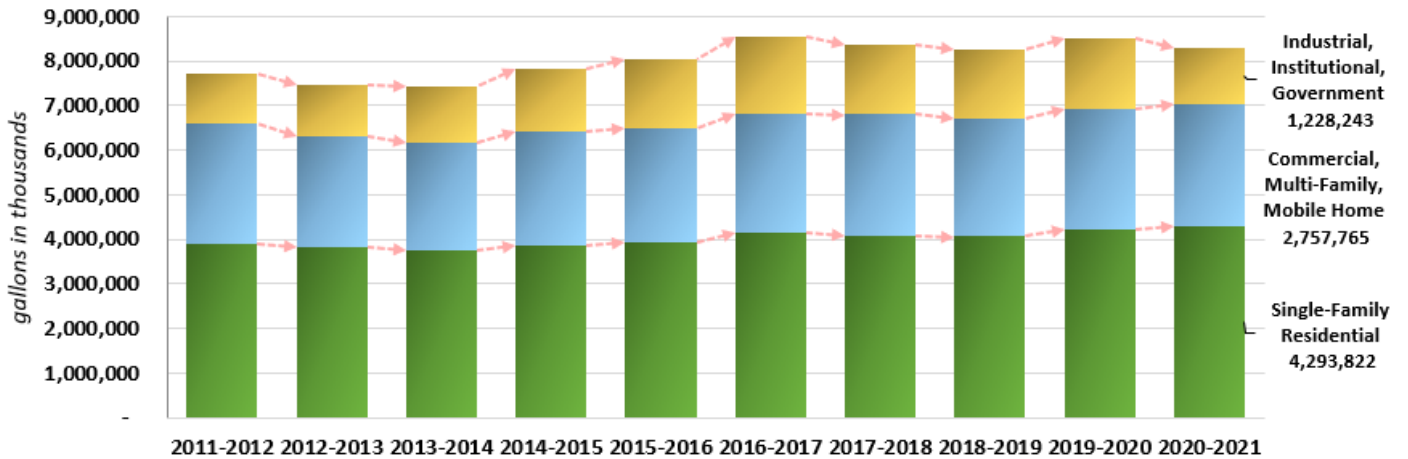
WATER CUSTOMERS AND USAGE

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

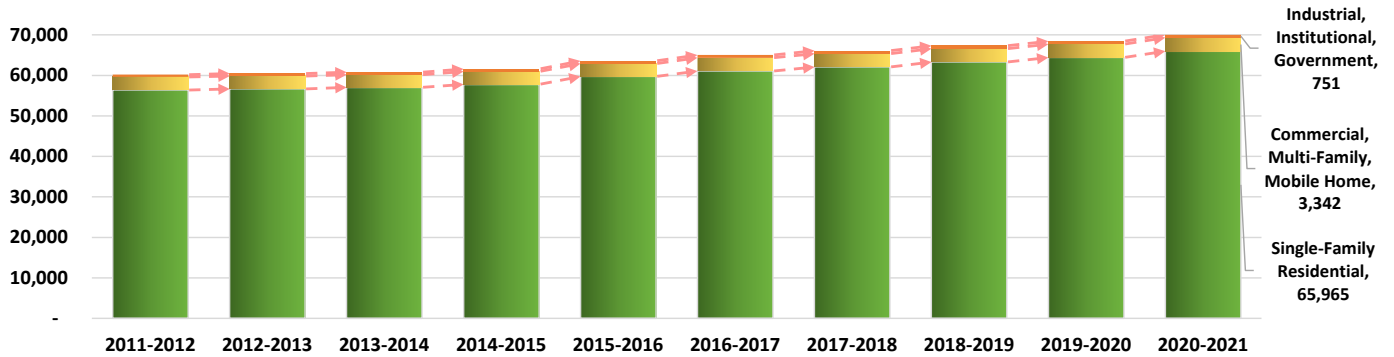




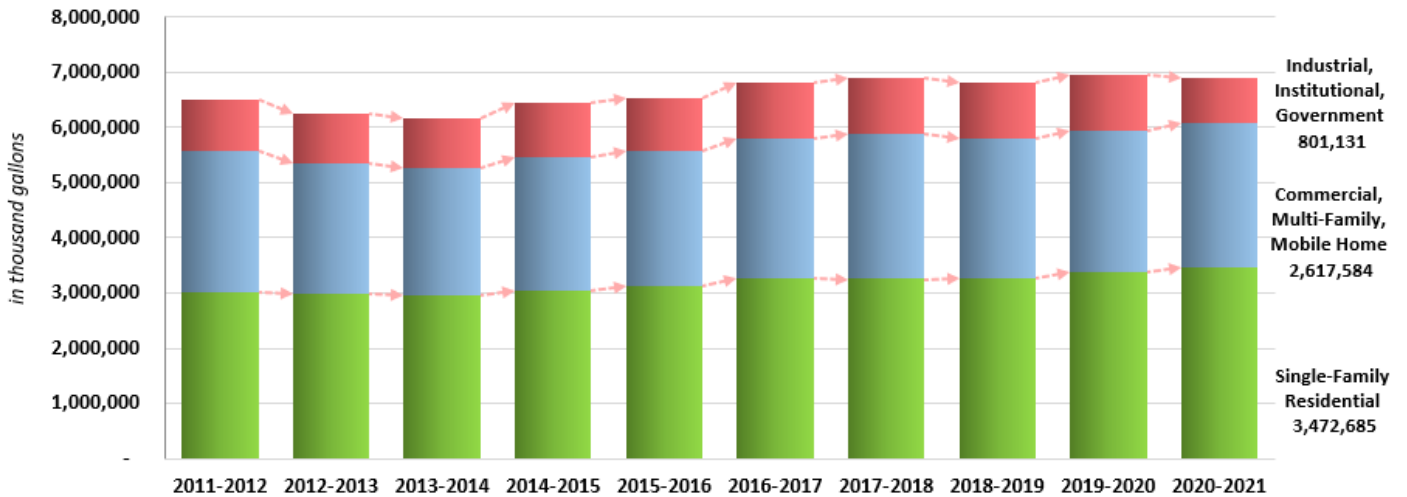
SEWER CUSTOMERS AND USAGE

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

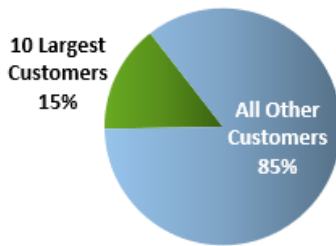




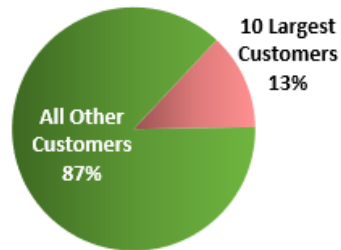
TOP TEN WATER AND SEWER CUSTOMERS BY REVENUE

Water			Wastewater		
Customer	Revenue	Percent	Customer	Revenue	Percent
City of College Park	\$ 1,792,705	3.34%	Fresh Express	\$ 2,071,445	4.50%
Fresh Express	1,614,941	3.01%	Clayton County Board of Commissione	752,894	1.64%
Clorox Co	1,248,815	2.33%	Hunter Ridge MHP LLC	647,808	1.41%
Clayton County Board of Commissione	831,543	1.55%	Anthos at Pinewood Manor LLC	376,825	0.82%
Hunter Ridge MHP LLC	610,040	1.14%	DMS Overlook LLC	372,844	0.81%
Clayton County Board of Education	504,434	0.94%	Marcre Sales Inc	355,777	0.77%
Anthos at Pinewood Manor LLC	354,169	0.66%	Clayton County Board of Education	341,813	0.74%
DMS Overlook LLC	351,030	0.65%	Deer Creek MHP LLC	332,134	0.72%
Deer Creek MHP LLC	312,676	0.58%	Club Chef Southeast LLC	325,162	0.71%
Southwood Realty Co	289,741	0.54%	DS Ashlar 2019 LLC	311,061	0.68%
10 Largest Customers	\$ 7,910,095	14.75%	10 Largest Customers	\$ 5,887,763	12.79%
All Other Customers	45,720,781	85.25%	All Other Customers	40,141,787	87.21%
Total	\$ 53,630,876	100.00%	Total	\$ 46,029,550	100.00%

Water Revenue



Wastewater Revenue



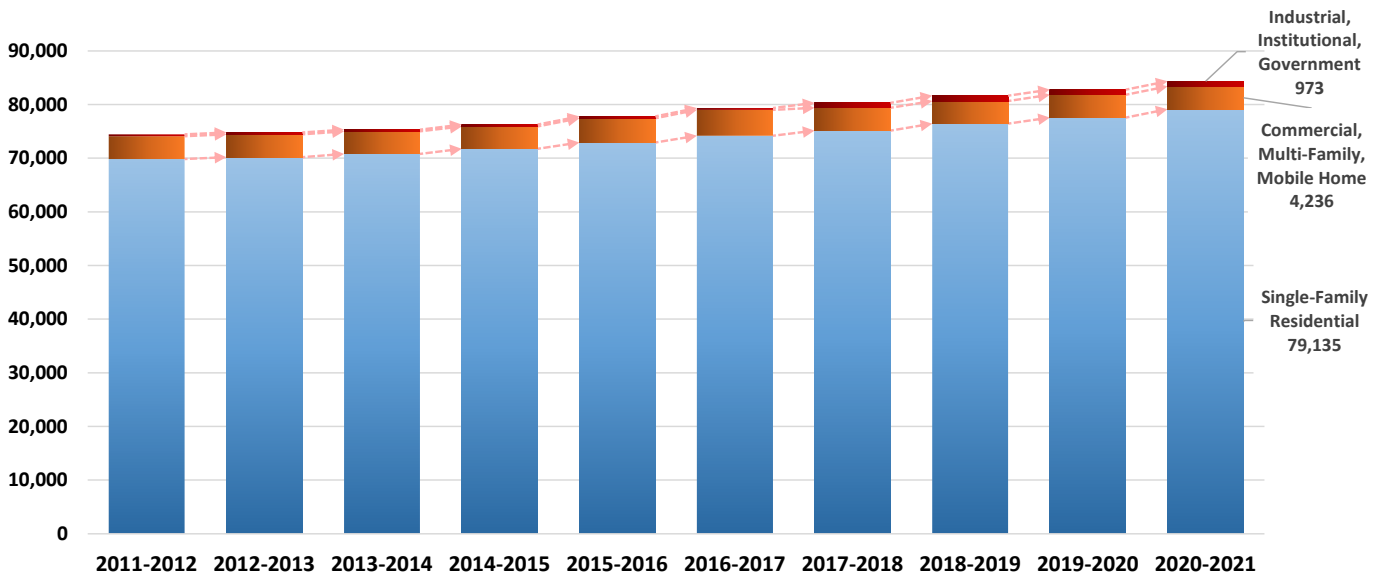
Additional information about the Authority’s customer base, usage and related revenue trends can be found in the **STATISTICAL SECTION** in beginning on Schedule 7 and through Schedule 20.





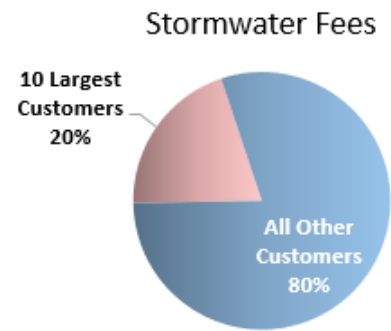
STORMWATER CUSTOMERS

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>)	\$ 809,909	7.81%
Clayton County Board of Education	444,192	4.28%
Clayton County Board of Commissioners	202,971	1.96%
Georgia Power Co	150,562	1.45%
Georgia Dept of Agriculture	112,767	1.09%
Kroger	87,410	0.84%
Weeks Robinson Properties	79,809	0.77%
J C Penney Catalog Division	78,529	0.76%
Site Manager	62,452	0.60%
Clayton State University	59,108	0.57%
10 Largest Customers	\$ 2,087,709	20.14%
All Other Customers	8,278,639	79.86%
Total	\$ 10,366,348	100.00%





OVERVIEW OF THE SYSTEM

<p>Water Production</p> <ul style="list-style-type: none"> • 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 	<p>Water Reclamation</p> <ul style="list-style-type: none"> • 3 Reclamation Facilities • 38.4 MGD Treatment Capacity • 21.2 MGD Treated • 2 Constructed Wetlands systems • 41 Lift Stations 	<p>Stormwater</p> <ul style="list-style-type: none"> • 6 City systems • 1 County system • 500 miles of piping

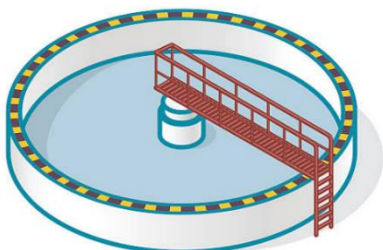
The Authority owns and operates five raw water reservoirs:

- **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. More 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.

As of April 30, 2021, the Authority had outstanding revenue bonds totaling \$56.2M. 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 leading 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.

CLAYTON COUNTY COVID-19 UPDATES

- \$1.5 million distributed in small business grants that assisted over 700 businesses and non-profits
- New business: Newrest Inflight Services - 600 employees/\$45 million investment
- Federal Funding for Clayton County:
 - American Rescue Plan Act (ARPA) - \$66.8M
 - CCWA - \$1.5M for utility bill relief
 - HUD Rent and Utility Relief Funds - \$5.6M
- Growth in existing companies in County are increasing production and expanding operations which created over 100 new jobs in Clayton County :
 - Clorox, Fresh Express, Chime Solutions, Kuehne & Nagel, Kroger, QuikTrip Kitchens

Source: Clayton County Office of Economic Development and Film



COVID-19 FACTORS INFLUENCING AREA

- Atlanta has had two “peaks” of COVID cases.
- The virus dictates the pace of the economic recovery -140,000 jobs were lost in December 2020 nationally.
- Employment levels in most industry sectors are below pre-pandemic levels.
- Metro Atlanta has suffered economically but not as much as other large metros.
- Only 10% of small businesses are indicating a return to normal.
- Economists revising forecasts to show a quicker immediate recovery in certain segments of the economy.
- Supply chain issues inhibiting broader recovery.
- Public health and economic crisis exposed structural weaknesses in economy.

Source: Atlanta Regional Commission; Atlanta Speaks

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 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 significant 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 and a bond sinking fund. One-twelfth of the annual interest and principal payments are deposited into the bond sinking fund 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 minus 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 75 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

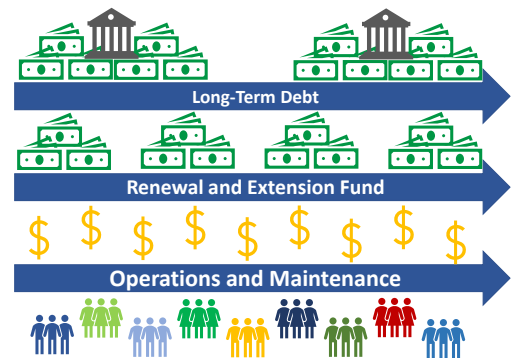
The table below lists the challenges that the Authority faces and management’s approach to addressing these issues, by the priority of its projects, in each year’s capital improvement program.

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 significant 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, 2021, the Authority had one revenue bond issue with an outstanding principal balance of \$56.2 million. The final bond payment on this remaining 2012 bond 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 \$25 million 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 percent with a repayment term of 15 years beginning when construction is complete. There is no prepayment penalty. As of April 30, 2021, all the funds have been drawn, and the loan will go into repayment in FY 2021 - 2022 with annual debt service of \$1.75 million. 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 \$25 million 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 percent 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 \$1.74 million dollars. As of April 30, 2021, the outstanding balance on this loan was \$2.4 million dollars.

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, 2021, the outstanding principal balance of this loan was \$2.1 million dollars, 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, 2021, it had an outstanding principal balance of \$1.2 million dollars 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 \$288 million dollars 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 \$5 million dollars 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 \$335 billion dollars. 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 \$800 million to \$1.6 billion dollars, 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 \$255 million dollars that are focused on the assessment, maintenance and replacement of stormwater, sewer and water pipe infrastructure, forty-five projects with total estimated costs of \$89 million dollars associated with the maintenance and replacement of facilities and other Authority assets, and twenty-six SAMP initiatives estimated at \$3.9 million dollars to develop procedures and practices to maintain and manage net capital assets of \$590 million dollars and growing.

Of these projects, GEFA loan disbursements will cover \$50 million dollars of Large Interceptor Rehabilitation project costs.





CURRENT YEAR CAPITAL INITIATIVES

As of April 30, 2021, there were 195 active construction projects accounting for \$76.6 million in construction in progress. There was an additional \$69 million dollars in restricted cash budgeted for current and future capital work.

Capital projects, included in the *FY 2021 - 2022 Budget* for the both the Water and Sewer and Stormwater Funds, are listed in the tables below.

WATER AND SEWER FUND - RENEWAL AND EXTENSION FUND

For the Fiscal Year Beginning May 1, 2021

Construction		Amount
Line	Project Description	Budgeted
[RE146]	Open Gov Budget Software	\$ 155,600
[RE146]	[SMP 20-131] Evaluation of Next Generation of Meter Technologies	150,000
[RE146]	Roof Addition to Outdoor Break Area	15,000
[RE146]	Break Room Renovation	10,000
[RE146]	Kitchen Area Upgrades	25,000
[RE146]	[SMP 20-303] Wetland Center Education Building Renovations	300,000
[RE180]	[SMP 20-617] DOT - Lake Jodeco at Carnes Road Roundabout	150,000
[RE180]	[SMP 20-617] DOT - Hwy 85 from County Line to Roberts Road	450,000
[RE199]	East Belt Pressing Rig	200,000
[RE219]	[SMP 20-910] London Court & Cristi Court Lift Station Rehabilitation	500,000
[RE227]	Water Meter Inspection	10,000
[RE228]	[SMP 20-615] Pressure Sewer Assessment and Rehab Program (<i>Force Main Replacement</i>)	1,000,000
[RE229]	[SMP 20-309] Single Points of Failure Elimination Study and Implementation	200,000
[RE229]	[SMP 20-311] Back Up Generator, VFD's and New Motors - Design	400,000
[RE229]	[SMP 20-300] Hicks Water Production Plant High-Rate Implementation – Filter	250,000
[RE229]	[SMP 20-301] Hicks Water Production Plant Liquid Lime Feed System	400,000
[RE229]	[SMP 20-307] Hicks Water Production Plant Blower Upgrades	600,000
[RE229]	[SMP 20-305] Hicks Water Production Plant High-Rate Analysis	175,000
[RE230]	Phone System Upgrades	37,000
[RE232]	[SMP 20-602] Large Meter Replacements	500,000
TBD	Huie Wetlands Valve Assessment	100,000
	Total Capital Projects	\$ 5,627,600

STORMWATER FUND - CONSTRUCTION FUND

For the Fiscal Year Beginning May 1, 2021

Construction		Amount
Line	Project Description	Budgeted
[SW004]	[SMP 20-207] Cured In Place Pipe (CIPP)	\$ 1,500,000
[SW005]	[SMP 20-207] Renewal and Replacement Pipe (Open-cut)	1,573,864
[SW010]	[SMP 20-206] Watershed Improvement Projects	500,000
	Total Capital Projects	\$ 3,573,864



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

In March 2021, Clayton County and Clayton County Water Authority were jointly designated as a WaterFirst Community for continued leadership in water resource management, innovation, and education.



INDUSTRY AWARDS

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

During the FY 2020 – 2021, CCWA was recognized with several awards by the Georgia Association of Water Professionals (GAWP).

2021

- GAWP Biosolids/Residuals Program of Excellence for Small Operating Systems – Less than 5 Dry Ton Category – Northeast Water Reclamation Facility
- GAWP Public Education Program of Excellence in Water – for Large Systems
- GAWP’s Denise Skinner – Hurst Pretreatment Award went to Environmental Compliance Manager Jennifer Brandon
- GAWP Production Plant Platinum Awards for 100 percent compliance in 2020 – J.W. Smith Water Production Plant (12 years), Terry R. Hicks Water Production Plant (20 years) and W.J. Hooper Water Production Plant (23 years)
- GAWP Water Reclamation Facility Platinum Award for 100 percent compliance in 2020 – Shoal Creek Water Reclamation Facility (23 years)



- Cityworks Innovate Conference Award for Excellence in Departmental Practice – Spatial Assets
- GAWP’s Alva T. Storey Award – D&C Conveyance Manager Cornell Sims
- Government Finance Officers Association’s (GFOA) Distinguished Budget Presentation Award
- GAWP Collection System Excellence Platinum Award (7 years)
- GAWP Distribution System Excellence Platinum Award (3 years)
- GAWP Laboratory QA/QC Gold Award – Municipal Wastewater Lab Serving Greater than 20 Million Gallons Per Day (MGD) – W.B. Casey Water Resource Recovery Lab (2 years)
- Georgia Member Association of the Water Environment Federations (GWEF) Burke Safety Award – Northeast Water Reclamation Facility
- GAWP Consumer Confidence Report Award (Annual Water Quality Report) – Large Surface Water Systems
- Conveyance Manager Cornell Sims was inducted into the Georgia Association of Water Professionals Golden Manhole Society
- CCWA’s Communications & Community Relations Department earned a Public Relations Society of America – Georgia Chapter – Phoenix Award in Community Relations – Associations/Government/Nonprofit Organizations for its I’m Invested! Rate Awareness Campaign

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)

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 annual comprehensive financial report (ACFR) for the fiscal year ended April 30, 2020. This was the thirty-fourth 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 ACFR 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, 2020. The Authority has received the Distinguished Budget Presentation award for a total of 15 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 annual comprehensive financial report for the fiscal year ended April 30, 2020.



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, 2020

Christopher P. Morrill

Executive Director/CEO

Certificate of Achievement is valid for a period of one year only. We believe that our current annual comprehensive 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

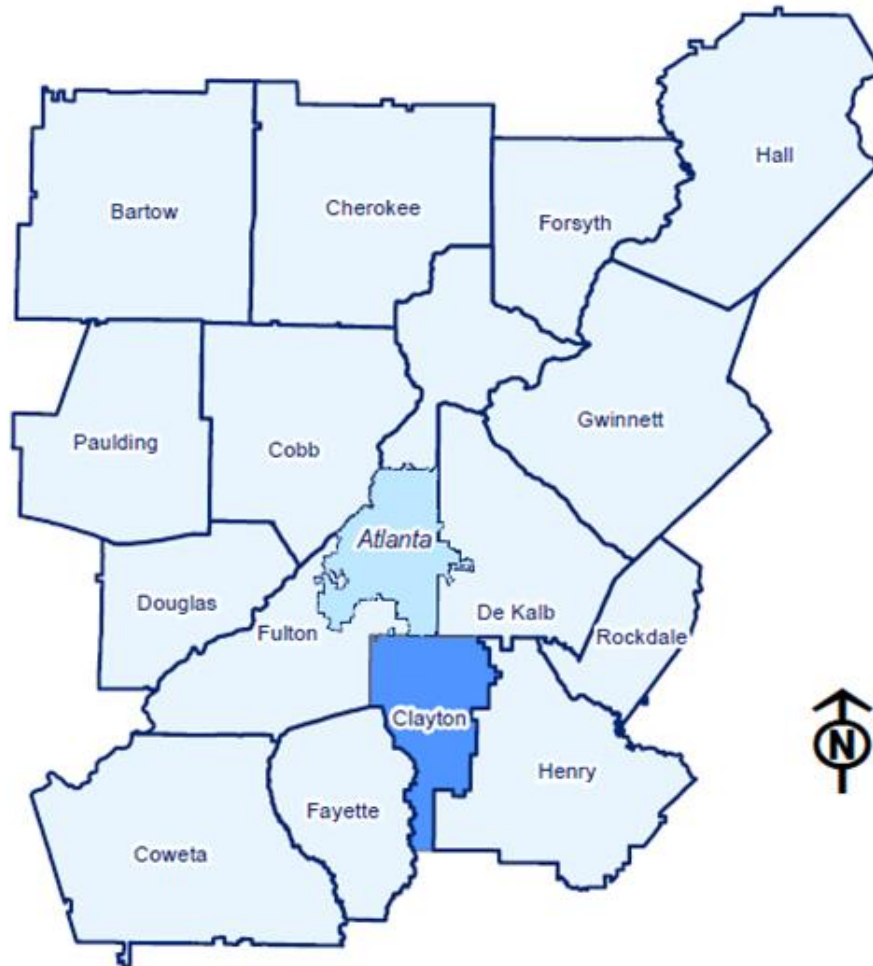
**Assistant General Manager
Operations**

**Assistant General Manager
Support Services**

Assistant General Manager Operations				Assistant General Manager Support Services							
<i>Water Production Director</i> FTE: 2.25	<i>Distribution and Conveyance Director</i> FTE: 4.00	<i>Water Reclamation Director</i> FTE: 2.25	<i>Stormwater Utility Director</i> FTE: 2.15	<i>Human Resource Director</i> FTE: 6.25	<i>Communications & Community Relations Manager</i> FTE: 2.75	<i>Information Technology Director</i> FTE: 14.50	<i>Finance Director</i> FTE: 13.00	<i>Risk Management Director</i> FTE: 3.50	<i>Customer Accounts Director</i> FTE: 3.00	<i>Program Management & Engineering Director</i> FTE: 5.00	<i>General Services Director</i> FTE: 2.00
W.J. Hooper Water Production Plant FTE: 8.50	Water Distribution Maint FTE: 25.00	W.B. Casey WRR Facility FTE: 12.00	Stormwater Engineering FTE: 3.00						Customer Service FTE: 36.49	Construction Services FTE: 12.00	Garage FTE: 5.00
J.W. Smith Water Production Plant FTE: 5.00	Wastewater Conveyance Maint FTE: 17.00	Lab & Environment Compliance FTE: 5.00	Stormwater Maint FTE: 18.00						Meter Services FTE: 24.00	Engineering FTE: 4.41	Grounds Maint. FTE: 7.00
Terry R. Hicks Water Production Complex FTE: 9.00	Meter Installation FTE: 4.00	Sludge Pelletizing FTE: 8.00							Customer Accounting FTE: 7.00	Geographic Information System FTE: 6.25	Equipment Maint. FTE: 13.00
Production O & M Support FTE: 2.00	Leak Detection & Repair FTE: 2.00	Northeast Water Reclamation Plant & Solids FTE: 9.00									Sewer Lift Stations FTE: 4.00
Water Quality Lab FTE: 4.00	Backflow Testing & Repair FTE: 5.00	Shoal Creek WR Plant & Solids FTE: 7.00									Building Maint & Projects FTE: 9.00
Reservoirs & Recreation Areas FTE: 4.25	Meter Testing & Repair FTE: 5.00	Natural Treatment Operations FTE: 10.00									
	Utility & Landscaping Services FTE: 7.00										
	Utility Locators FTE: 6.00										
	Conveyance System Inspections FTE: 22.00										

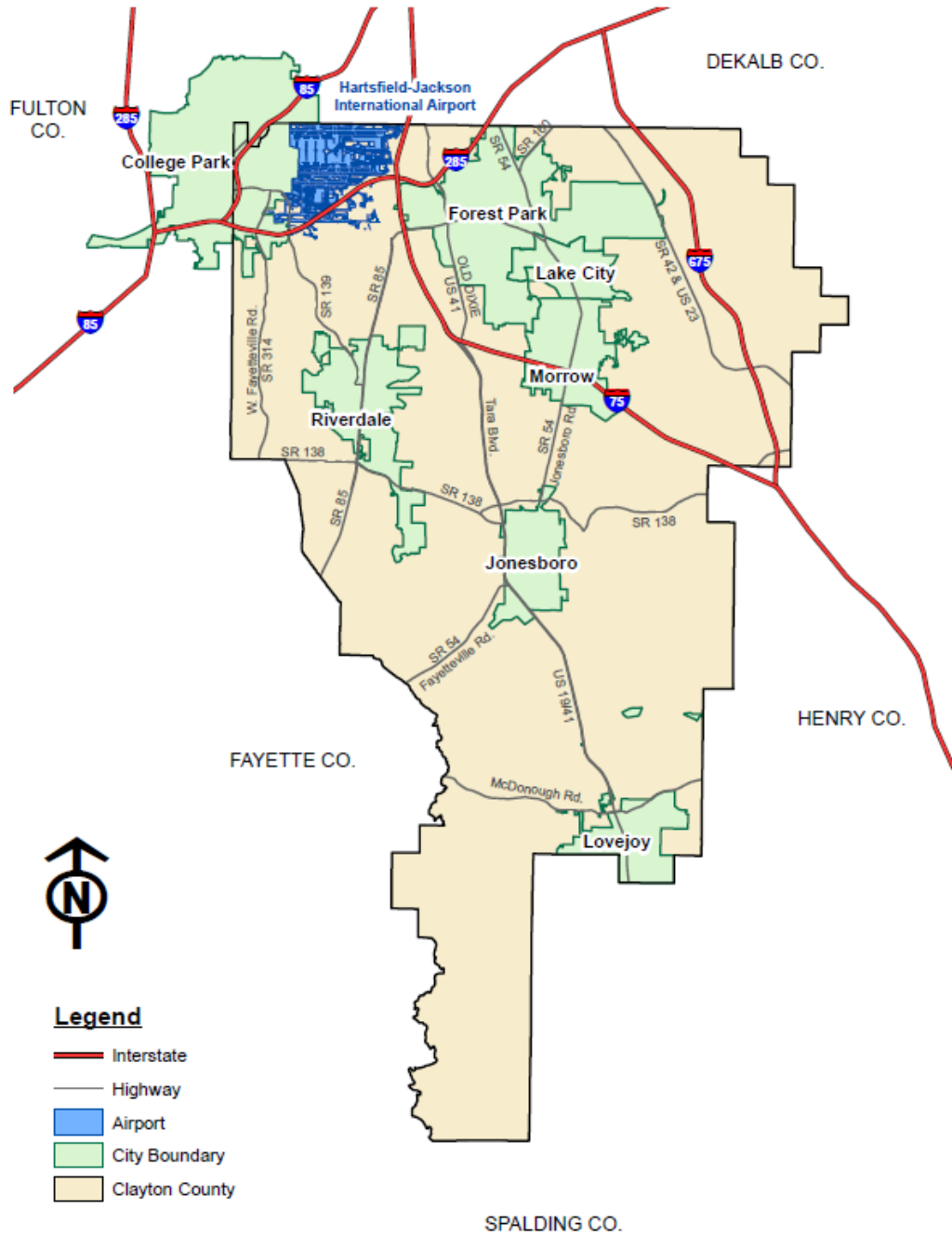


VICINITY MAP OF METRO ATLANTA AREA





MAP OF CLAYTON COUNTY





LISTING OF PRINCIPAL OFFICIALS AND CONSULTANTS

Board Members

Robin Malone, Chair

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

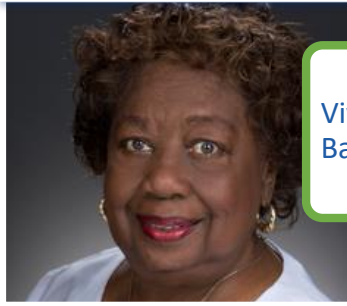
Auditors

Mauldin & Jenkins, Certified Public Accountants, LLC.



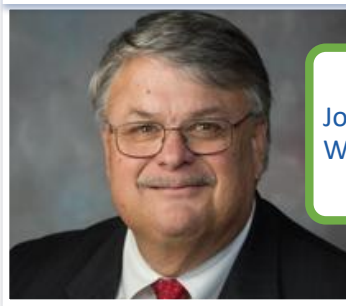
BOARD OF DIRECTORS

Member



Vivian
Baldwin

Member



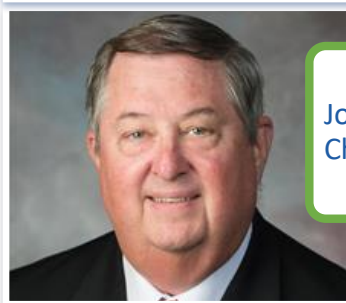
John L.
Westervelt

Member



Dr.
Cephus
Jackson

Member



John M.
Chafin

Vice Chair



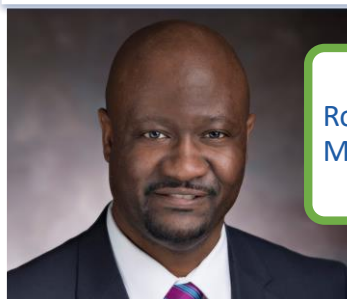
Marie
Barber

Secretary - Treasurer



Rodney
Givers

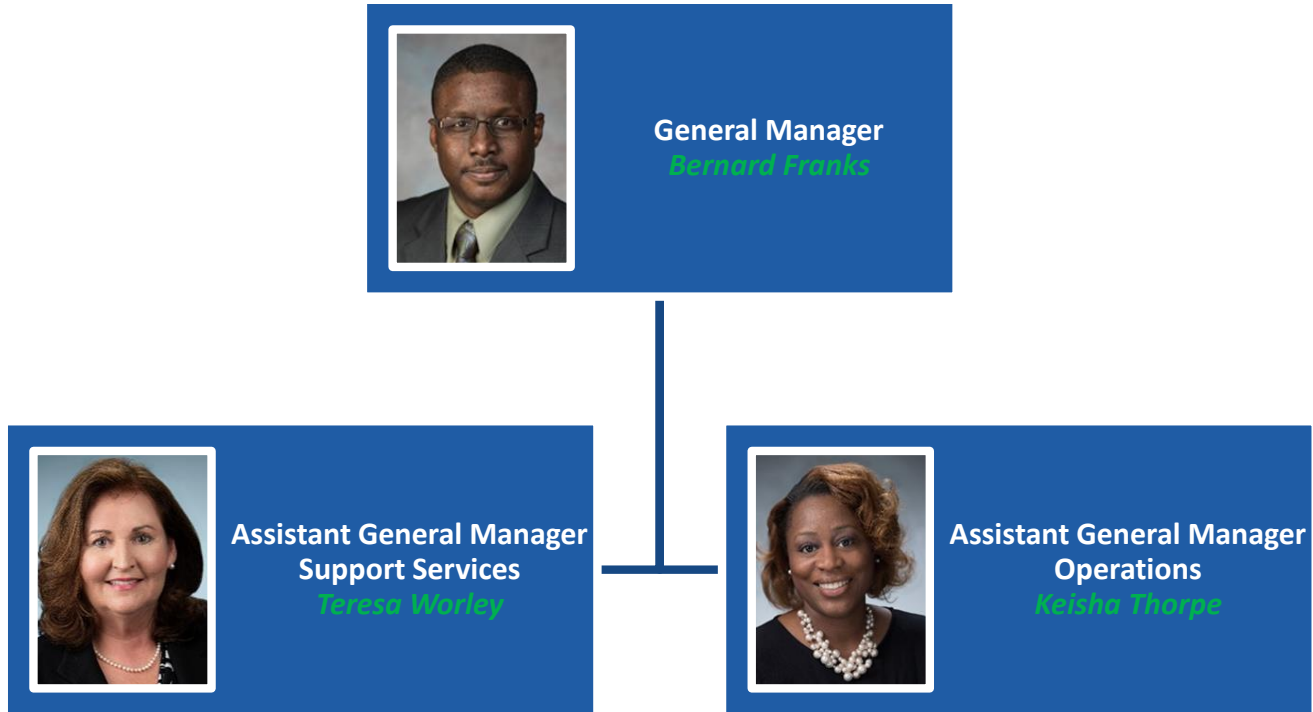
Chair



Robin
Malone



LEADERSHIP TEAM



Suzanne Brown
Anquilla Henderson
Allison Halron
Kendra Staniel
Tommy Higginbotham
Jeff Jones
Brent Taylor
Kevin Osbey
Karen Riser
Coty McDaniel
Kelly Taylor
Rodney Perkins

Communications & Community Relations Manager
Human Resources 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, 2021, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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



Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities, each major fund, and the remaining fund information of the Clayton County Water Authority, as of April 30, 2021, 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 37 through 68, 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 108 - 111 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 relate 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 August 18 2022, 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
August 18, 2022

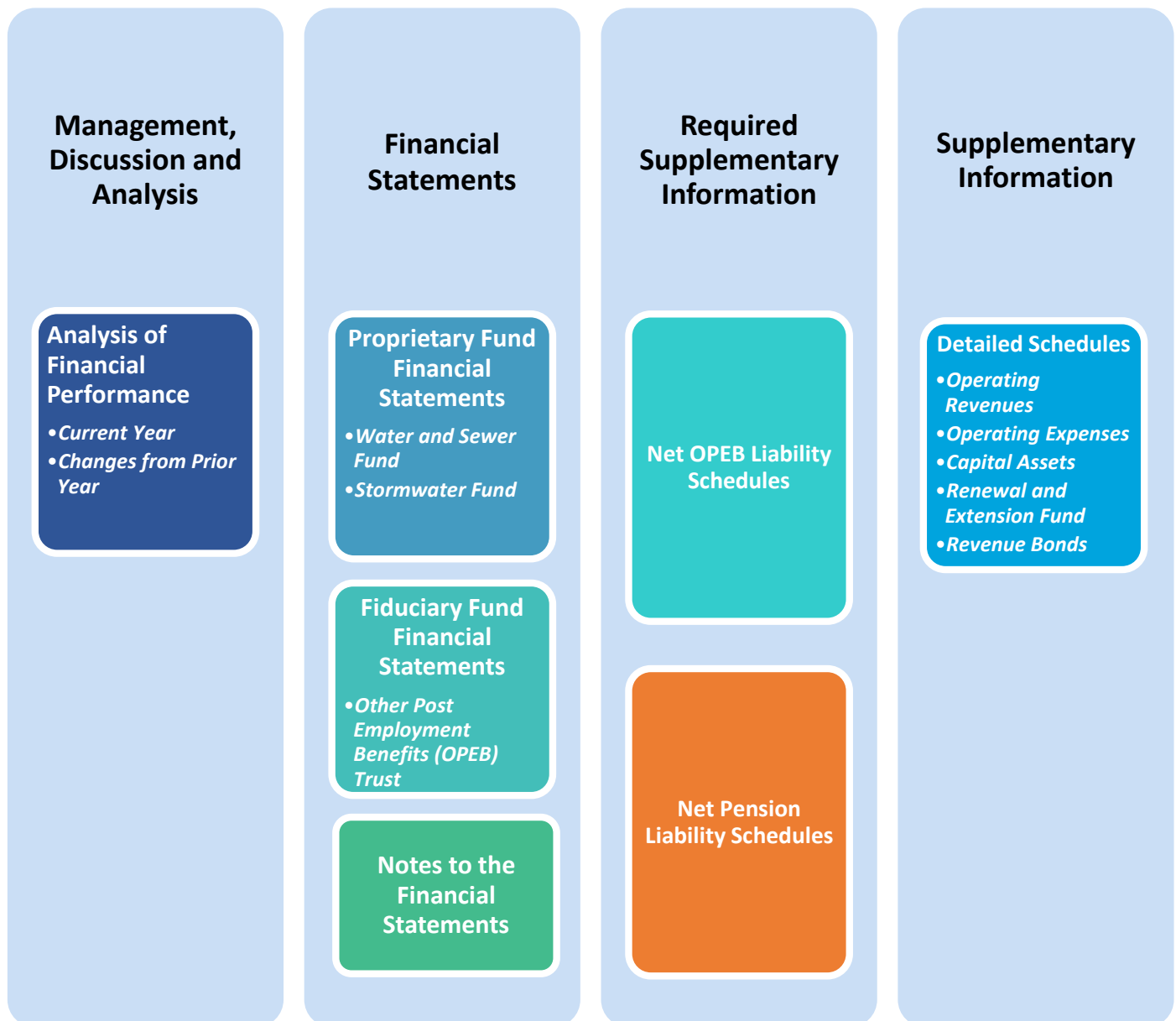


MANAGEMENT DISCUSSION AND ANALYSIS

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, 2021. 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 of 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 [Revenue Bonds](#) 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 2021 fiscal year by \$634,170,028 (*net position*). Of this amount, \$63,518,858 (*unrestricted net position*) may be used to meet the Authority's ongoing obligations to citizens and creditors.
- The Authority's total net position of \$634,170,028 on April 30, 2021 increased by \$33,531,343, or 5.6 percent, compared to the previous year's balance.
- On April 30, 2021, the Authority's total current assets of \$95,849,934 exceeded its total current liabilities of \$38,774,740 by \$57,075,194. 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 on April 30, 2021 decreased by \$15,905,000 when compared to the prior period. The bond premium decreased an additional \$1,118,403 reducing the *Revenue Bond Payable* liability a total of \$17,023,403 from the prior year.
- Total operating revenues for the fiscal year ended 2021 were \$116,839,678 an increase of \$2,329,569, or 2.0 percent, compared to the previous period.
- Total operating expenses for the fiscal year ended 2021 totaled \$88,265,716, which was \$5,683,183, or 6.9 percent higher than the previous year. The primary factors that influenced this increase in operating expenses for the fiscal year were increases in net pension expenses associated with net pension liability of \$2,741,889, in pension fund expense of \$1,187,570, and in depreciation expense of \$1,443,560.
- Capital contributions from all sources totaled \$7,035,239 for the 2021 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 innovative technologies.

The COVID-19 pandemic influenced the overall financial performance for the Authority. Shelter-in-place mandates and social distancing impacted operating revenues as overall water usage by customer category varied significantly from each category's historical trends. Commercial and Institutional usage dropped as Clayton County Schools opted for a virtual learning platform versus in person instruction and commercial businesses closed to avoid the spread of the virus. Industrial usage varied significantly based on their industry and products produced. There was an increase in usage from residential customers, such as single-family residences, multi-family apartment complexes and mobile home categories.



CONDENSED STATEMENTS OF NET POSITION

The Statement of Net Position, shown in condensed format below, represents information on all the Authority's assets, deferred outflows of resources, liabilities and deferred inflows of resources, and with the difference between the two reported as net position. The Authority's total net position of \$634,170,028 increased from the prior fiscal year by \$33,531,343 or 5.6 percent. This increase was the net effect of the increase in the number of construction projects completed, the increase in loans payable, the reduction of revenue bonds payable and the changes in net pension liability and net OPEB liability along with 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 \$29.4 million and \$2.4 million, respectively, along with an increase in *Restricted* net position of \$1.7 million.

	2021			2020			\$ Chg.	% Chg.
	Water and Sewer	Stormwater	Total	Water and Sewer	Stormwater	Total		
Current Assets	\$ 87,093,726	\$ 8,756,208	\$ 95,849,934	\$ 78,153,882	\$ 8,791,588	\$ 86,945,470	\$ 8,904,464	10.2%
Capital Assets, <i>net</i>	561,589,740	55,190,588	616,780,330	536,852,243	52,621,294	589,473,537	27,306,793	4.6%
Other Noncurrent Assets	89,713,997	126,827	89,840,824	89,216,175	126,653	89,342,828	497,996	0.6%
Total Assets	\$738,397,463	\$ 64,073,623	\$802,471,088	\$704,222,300	\$ 61,539,535	\$765,761,835	\$ 36,709,253	4.8%
Deferred Charges - Debt Refunding	\$ 1,045,054	\$ -	\$ 1,045,054	\$ 1,567,581	\$ -	\$ 1,567,581	\$ (522,527)	-33.3%
Deferred Charges - OPEB Liability	684,335	36,018	720,353	1,152,852	60,676	1,213,528	(493,175)	-40.6%
Deferred Charges - Pension Liability	16,894,479	969,448	17,863,927	10,056,107	609,534	10,665,641	7,198,286	67.5%
Deferred Outflows	\$ 18,623,868	\$ 1,005,466	\$ 19,629,334	\$ 12,776,540	\$ 670,210	\$ 13,446,750	\$ 6,182,584	46.0%
Current Liabilities Payable- <i>Unrestricted Assets</i>	\$ 10,680,045	\$ 656,761	\$ 11,336,806	\$ 7,342,675	\$ 338,037	\$ 7,680,712	\$ 3,656,094	47.6%
Current Liabilities Payable- <i>Restricted Assets</i>	27,437,934	-	27,437,934	23,986,294	-	23,986,294	3,451,640	14.4%
Compensated Absences- <i>Noncurrent</i>	924,862	51,927	976,789	686,679	24,495	711,174	265,615	37.3%
Loans Payable	28,754,657	-	28,754,657	15,719,218	-	15,719,218	13,035,439	82.9%
Revenue Bonds Payable, <i>net</i>	40,506,807	-	40,506,807	59,590,210	-	59,590,210	(19,083,403)	-32.0%
Net OPEB Liability	9,397,684	494,615	9,892,299	12,148,388	639,389	12,787,777	(2,895,478)	-22.6%
Net Pension Liability	52,918,998	3,216,217	56,135,215	40,440,507	2,559,454	42,999,961	13,135,254	30.5%
Total Liabilities	\$170,620,987	\$ 4,419,520	\$175,040,507	\$159,913,971	\$ 3,561,375	\$163,475,346	\$ 11,565,161	7.1%
Deferred Charges - OPEB Liability	\$ 9,020,015	\$ 474,738	\$ 9,494,753	\$ 8,557,456	\$ 450,392	\$ 9,007,848	\$ 486,905	5.4%
Deferred Charges - Pension Liability	3,225,375	169,757	3,395,132	5,782,371	304,335	6,086,706	(2,691,574)	-44.2%
Deferred Inflows	\$ 12,245,390	\$ 644,495	\$ 12,889,885	\$ 14,339,827	\$ 754,727	\$ 15,094,554	\$ (2,204,669)	-14.6%
Net Position:								
Net Investment in Capital Assets	\$473,377,130	\$ 55,190,588	\$528,567,718	\$446,524,064	\$ 52,621,294	\$499,145,358	\$ 29,422,360	5.9%
Restricted	41,956,625	126,827	42,083,452	40,283,439	126,653	40,410,092	1,673,360	4.1%
Unrestricted	58,821,199	4,697,659	63,518,858	55,937,539	5,145,696	61,083,235	2,435,623	4.0%
Total Net Position	\$574,154,954	\$ 60,015,074	\$634,170,028	\$542,745,042	\$ 57,893,643	\$600,638,685	\$ 33,531,343	5.6%

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, \$528,567,718, or 83.4 percent, is its *Net Investment in Capital Assets*, important in providing water, sewer, and stormwater services.

Net Position	2021	2020	\$ Chg	% Chg	% Net Position
Net Investment in Capital Assets	\$ 528,567,718	\$ 499,145,358	\$ 29,422,360	5.9%	83.4%
Restricted	42,083,452	40,410,092	1,673,360	4.1%	6.6%
Unrestricted	63,518,858	61,083,235	2,435,623	4.0%	10.0%
Total Net Position	\$ 634,170,028	\$ 600,638,685	\$ 33,531,343	5.6%	100.0%



For the 2021 fiscal year, *Net Investment in Capital Assets* increased by \$29,422,360, or 5.9 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 \$23.8 million in depreciation expense in the 2021 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 that exceeded the increase in loan principal.

Restricted Net Position increased \$1,673,360 or 4.1 percent over the previous fiscal year. This increase was due to changes in the amounts of current revenue bonds principal and interest between years totaling \$1,662,375 along with increases from interest accumulated in the debt service reserve and escrow accounts during the year.

Compared to the prior year's balance, there was also an increase in the *Unrestricted Net Position* category of \$2,435,623 or 4.0 percent. In 2021, the expenses accrued for the fiscal year end was \$2,057,299 more than the prior year end. A new Customer Information System (CIS) was implemented in September 2020, which changed the way customer over-payments were treated. The new system applies over-payments to unearned revenue versus as a credit to accounts receivable as the system it replaced had. This change between systems in the treatment of these payments increased unearned revenue by \$736,452 over the prior year.

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, 2021 and 2020 *Net Position* balances, by fund, are shown in the tables below.

WATER AND SEWER FUND

Net Position	2021	2020	\$ Chg	% Chg	% Net Position
Net Investment in Capital Assets	\$ 473,377,130	\$446,524,064	\$ 26,853,066	6.0%	82.4%
Restricted	41,956,625	40,283,439	1,673,186	4.2%	7.3%
Unrestricted	58,821,199	55,937,539	2,883,660	5.2%	10.2%
Total Net Position	\$ 574,154,954	\$542,745,042	\$ 31,409,912	5.8%	100.0%

For the 2021 fiscal year, *Net Investment in Capital Assets* in the Water and Sewer Fund increased by \$26,853,066, or 6.0 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 \$20.0 million in depreciation expense in the 2021 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 that exceeded the increase in loans principal.

Restricted Net Position increased during the fiscal year by \$1,673,186 or 4.2 percent due to a variance of \$1,662,375 in the amounts of current revenue bond principal interest payable between years combined with an increase in the debt service reserve account from interest accumulated during the fiscal year.



Compared to the prior year's balance, the Water and Sewer Fund showed an increase in the *Unrestricted Net Position* category of \$2,883,660 or 5.2 percent. The change in this component of Net Position was primarily due to the growth in current assets outpacing the growth of current liabilities between years.

STORMWATER FUND

Net Position	2021	2020	\$ Chg	% Chg	% Net Position
Net Investment in Capital Assets	\$ 55,190,588	\$ 52,621,294	\$ 2,569,294	4.9%	92.0%
Restricted	126,827	126,653	174	0.1%	0.2%
Unrestricted	4,697,659	5,145,696	(448,037)	-8.7%	7.8%
Total Net Position	\$ 60,015,074	\$ 57,893,643	\$ 2,121,431	3.7%	100.0%

For the 2021 fiscal year, *Net Investment in Capital Assets* in the Stormwater Fund increased by \$2,569,294, or 4.9 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 \$3.7 million in depreciation expense in the 2021 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 \$174 or 0.1 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 \$448,037 or negative 8.7 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 a key 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	2021	2020	\$ Chg	% Chg	% Current Assets
Unrestricted:					
Cash and Cash Equivalents	\$ 43,550,180	\$ 39,192,364	\$ 4,357,816	11.1%	45.4%
Accounts Receivable, <i>net</i>	16,490,493	16,565,182	(74,689)	-0.5%	17.2%
Other Receivables	3,607,571	1,718,408	1,889,163	109.9%	3.8%
Inventories	1,919,009	2,229,302	(310,293)	-13.9%	2.0%
Prepaid Expenses and Deposits	89,727	91,959	(2,232)	-2.4%	0.1%
Total Unrestricted	\$ 65,656,980	\$ 59,797,215	\$ 5,859,765	9.8%	68.5%
Restricted:					
Cash and Cash Equivalents	30,192,954	27,148,255	3,044,699	11.2%	31.5%
Total Current Assets	\$ 95,849,934	\$ 86,945,470	\$ 8,904,464	10.2%	100.0%

Total *Current Assets* of the Authority increased by \$8,904,464 or 10.2 percent compared to the previous period driven by both unrestricted and restricted cash accounts with increases of \$4,357,816 and \$3,044,699, respectively. Other Receivables were up \$1,889,193 due to the change in requested construction reimbursements from GEFA between years. Inventories, accounts receivable, and prepaid expenses had a combined decrease of \$387,214.



The timing of inventory purchases between years resulted in a decrease of \$310,293 between years and slight changes in insurance payments and postage equipment deposits made up the \$2,232 decrease in *Prepaid Expenses and Deposits* in 2021.

Restricted cash and equivalents in the current asset section of \$30,192,954, increased \$3,044,699 from the prior year. Restricted cash consists 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 2021 accounted for a combined increase of \$1.7 million while an increase in retainage payable accounted for another \$1.4 million. Changes in customer deposits between years and internal funds held for construction projects combined to make up the change between years.

A comparison of the April 30, 2021 and 2020 balances, by fund and asset classification, are shown in the tables below.

WATER AND SEWER FUND

Current Asset Classification	2021	2020	\$ Chg	% Chg	% Current Assets
Unrestricted:					
Cash and Cash Equivalents	\$ 35,602,854	\$ 31,112,054	\$ 4,490,800	14.4%	40.9%
Accounts Receivable, <i>net</i>	15,812,659	15,855,329	(42,670)	-0.3%	18.2%
Other Receivables	3,476,523	1,716,983	1,759,540	102.5%	4.0%
Inventories	1,919,009	2,229,302	(310,293)	-13.9%	2.2%
Prepaid Expenses and Deposits	89,727	91,959	(2,232)	-2.4%	0.1%
Total Unrestricted	\$ 56,900,772	\$ 51,005,627	\$ 5,895,145	11.6%	65.3%
Restricted:					
Cash and Cash Equivalents	30,192,954	27,148,255	3,044,699	11.2%	34.7%
Total Current Assets	\$ 87,093,726	\$ 78,153,882	\$ 8,939,844	11.4%	100.0%

STORMWATER FUND

Current Asset Classification	2021	2020	\$ Chg	% Chg	% Current Assets
Unrestricted:					
Cash and Cash Equivalents	\$ 7,947,326	\$ 8,080,310	\$ (132,984)	-1.6%	90.8%
Accounts Receivable, <i>net</i>	677,834	709,853	(32,019)	-4.5%	7.7%
Other Receivables	131,048	1,425	129,623	9096.4%	1.5%
Inventories	-	-	-	0.0%	0.0%
Prepaid Expenses and Deposits	-	-	-	0.0%	0.0%
Total Unrestricted	\$ 8,756,208	\$ 8,791,588	\$ (35,380)	-0.4%	100.0%
Restricted:					
Cash and Cash Equivalents	-	-	-	0.0%	0.0%
Total Current Assets	\$ 8,756,208	\$ 8,791,588	\$ (35,380)	-0.4%	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, 2021 and 2020 are compared by major classification. Total noncurrent assets increased by \$27,804,789 or 4.1 percent during the 2021 fiscal year. This growth was fueled by the increase in capital projects between years.

Noncurrent Assets	2021	2020	\$ Chg	% Chg	% Noncurrent Assets
Unrestricted Cash Assets	\$ 20,400	\$ 14,625	\$ 5,775	39.5%	0.0%
Restricted Assets	89,820,424	89,328,203	492,221	0.6%	12.7%
Capital Assets (Net)	616,780,330	589,473,537	27,306,793	4.6%	87.3%
Total Noncurrent Assets	\$ 706,621,154	\$ 678,816,365	\$ 27,804,789	4.1%	100.0%

Restricted Assets consist of cash in the Water and Sewer Fund's Renewal and Extension account and its Debt Service Reserve of \$69.0 million and \$20.7 million, respectively, along with the Stormwater Fund's escrow account of \$127 thousand. This classification increased by \$492 thousand dollars primarily due to the increase in funding transferred to the renewal and extension account to self-fund capital projects.

At the end of the 2021 fiscal year, the Authority had *Net Capital Assets* of \$616,780,330 representing 87.3 percent of total noncurrent assets and an increase of \$27,306,793 or 4.6 percent over the prior year. This increase is due to the completion of large capital projects focused on the renewal and replacement of pipe infrastructure and improvements to both water production and reclamation facilities. One of the larger projects completed in the fiscal year ended April 30, 2021 was the General Service Maintenance facility for \$5.7 million dollars. The second phase of company-wide security projects was also completed totaling \$1.8 million. In addition, another \$14.0 million in various pipe and meter infrastructure projects were completed during the year. 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 2021 fiscal year, \$32.1 million in new assets were added and \$19.1 million was added to Construction in Progress. Completed capital projects accounted for \$28.7 million of the new assets added which included \$5.2 million from donated infrastructure. Five residential subdivisions accounted for \$4.6 million of those contributions and included stormwater, water, and sewer pipelines. A new gas station, gym, and meter, sewer and line extensions at the Fort Gillem industrial site added \$660 thousand in additional donated assets, and additional sewer lines made of the remainder of the donated infrastructure. Capital equipment and other capital purchases accounted for approximately \$2.1 million.

As offsetting entries to those additions, depreciation expense for the year totaled \$23.8 million and capital assets having a net book value of approximately \$164 thousand were disposed.



A comparison of the April 30, 2021 and 2020 *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	2021	2020	\$ Chg	% Chg	% Noncurrent Assets
Unrestricted Cash Assets	\$ 20,400	\$ 14,625	\$ 5,775	39.5%	0.0%
Restricted Assets	89,693,597	89,201,550	492,047	0.6%	13.8%
Capital Assets (Net)	561,589,740	536,852,243	24,737,497	4.6%	86.2%
Total Noncurrent Assets	\$ 651,303,737	\$ 626,068,418	\$ 25,235,319	4.0%	100.0%

Noncurrent Assets in the Water and Sewer Fund increased \$25,235,319 or 4.0 percent during fiscal year 2021. *Net Capital Assets* of \$561,589,740 increased by \$24,737,497 or 4.6 percent. This increase is due to the completion of large capital projects that replaced pipe infrastructure and improvements made to water production and reclamation facilities. During the 2021 fiscal year, \$27.0 million in new assets were added and Construction in Progress increased \$17.8 million between 2020 and 2021. Completed capital projects accounted for \$24.0 million of the new assets added which included \$4.4 million from donated infrastructure. As offsetting entries to those additions, depreciation expense for the year totaled \$20.0 million and capital assets having a net book value of approximately \$6,700 were disposed.

Restricted Assets consist of cash in the Renewal and Extension account of \$69.0 million and in the debt service reserve of \$20.7 million. This classification increased by \$492 thousand dollars as the Authority increased the amount transferred into the renewal and extension account to self-fund capital projects in fiscal year 2021.

STORMWATER FUND

Noncurrent Assets	2021	2020	\$ Chg	% Chg	% Noncurrent Assets
Unrestricted Cash Assets	\$ -	\$ -	\$ -	0.0%	0.0%
Restricted Assets	126,827	126,653	174	0.1%	0.2%
Capital Assets (Net)	55,190,588	52,621,294	2,569,294	4.9%	99.8%
Total Noncurrent Assets	\$ 55,317,415	\$ 52,747,947	\$ 2,569,468	4.9%	100.0%

Noncurrent Assets in the Stormwater Fund increased \$2,569,468 or 4.9 percent during fiscal year 2021. 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 \$174 was interest earned on the account during the year.

Net Capital Assets of \$55,190,588 increased by \$2,569,294 or 4.9 percent. This increase is due to the completion of large capital projects that replaced stormwater infrastructure. During the 2021 fiscal year, \$5.1 million in new assets were added and Construction in Progress increased \$1.3 million. Completed capital projects accounted for \$4.7 million of the new assets added which included \$775 million from donated infrastructure. As offsetting entries to those additions, depreciation expense for the year totaled \$3.7 million and capital assets having a net book value of approximately \$157 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	2021	2020	\$ Chg	% Chg
Deferred Charges Related to Debt Refunding	\$ 1,045,054	\$ 1,567,581	\$ (522,527)	-33.3%
Deferred Charges Related to OPEB Liability	720,353	1,213,528	(493,175)	-40.6%
Deferred Charges Related to Pension Liability	17,863,927	10,665,641	7,198,286	67.5%
Total Deferred Outflows of Resources	\$ 19,629,334	\$ 13,446,750	\$ 6,182,584	46.0%

Deferred Outflows of Resources increased by \$6,182,584 or 46.0 percent between April 30, 2021 and 2020 due to an increase of \$7,198,286 related to net pension liability and combined changes related to experience differences, assumption changes, investment earnings and changes in proportion and contributions. This increase was offset by a decrease in net OPEB liability and combined changes in related experience differences, assumption changes and investment earnings of \$493,175 and in *Deferred Charges Related to Debt Refunding* related to the amortization of bond premiums between years of \$522,527. 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, 2021 and 2020 *Deferred Outflows of Resources* balances, by fund, are shown in the tables below.

WATER AND SEWER FUND

Deferred Outflows of Resources	2021	2020	\$ Chg	% Chg
Deferred Charges Related to Debt Refunding	\$ 1,045,054	\$ 1,567,581	\$ (522,527)	-33.3%
Deferred Charges Related to OPEB Liability	684,335	1,152,852	(468,517)	-40.6%
Deferred Charges Related to Pension Liability	16,894,479	10,056,107	6,838,372	68.0%
Total Deferred Outflows of Resources	\$ 18,623,868	\$ 12,776,540	\$ 5,847,328	45.8%

STORMWATER FUND

Deferred Outflows of Resources	2021	2020	\$ Chg	% Chg
Deferred Charges Related to Debt Refunding	\$ -	\$ -	\$ -	0.0%
Deferred Charges Related to OPEB Liability	36,018	60,676	(24,658)	-40.6%
Deferred Charges Related to Pension Liability	969,448	609,534	359,914	59.0%
Total Deferred Outflows of Resources	\$ 1,005,466	\$ 670,210	\$ 335,256	50.0%

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	2021	2020	\$ Chg	% Chg
Accounts Payable	\$ 6,430,329	\$ 4,373,030	\$ 2,057,299	47.0%
Accrued Payroll and Withholdings	537,650	1,144,017	(606,367)	-53.0%
Accrued Pension Contribution	355,453	166,521	188,932	113.5%
Compensated Absences	1,011,979	1,108,077	(96,098)	-8.7%
Loans Payable - Due Within One Year	2,031,200	681,332	1,349,868	198.1%
Accrued Loan Interest	20,440	14,992	5,448	36.3%
Unearned Revenue	949,755	192,743	757,012	392.8%
Total Current Liabilities Payable From Unrestricted Assets	\$ 11,336,806	\$ 7,680,712	\$ 3,656,094	47.6%

Current Liabilities Payable from Restricted Assets	2021	2020	\$ Chg	% Chg
Accounts Payable	\$ 2,459,334	\$ 1,108,760	\$ 1,350,574	121.8%
Accrued Revenue Bond Interest	1,289,725	1,687,350	(397,625)	-23.6%
Customer Deposits	5,723,875	5,285,184	438,691	8.3%
Revenue Bonds Payable - Due Within One Year	17,965,000	15,905,000	2,060,000	13.0%
Total Current Liabilities Payable From Restricted Assets	\$ 27,437,934	\$ 23,986,294	\$ 3,451,640	14.4%

As indicated in the table, *Current Liabilities Payable from Unrestricted Assets* had a net increase of \$3,656,094 from the previous fiscal year’s balances. *Accounts Payable* increased \$2,057,299 due to the timing differences of payments to vendors between years with higher amounts accrued in the current year than in the previous year. *Loans Payable – Due Within One Year* increased \$1,349,868 as a \$25 million GEFA loan went into repayment adding \$1,325,885 in outstanding principal due in the upcoming year. *Unearned Revenue* increased by \$757,012. Prior to 2021, this liability predominately consisted of lift stations donated by residential developers. Each lift station is valued at \$50,000 or less, depending on size, and the Authority recognizes revenue per year for each of ten years once operations begin. New lift stations were added during the year resulting in an increase of \$20,800 between April 30, 2020 and 2021. In September 2020, a new Customer Information System (CIS), which changed the way over-payments made by customers were treated. The new system treats these over-payments as unearned revenue versus netting the over-payments against accounts receivable as the replaced system had treated the excess payments. This change increased *Unearned Revenue* by \$736,452.

On April 30, 2021, *Accrued Payroll and Withholdings* was \$537,650, a decrease of \$606,367 from 2020. This decrease was due to the difference in the number of payroll days accrued between years. *Accrued Pension Contribution* of \$355,453 was \$188,932 higher in 2021 because a higher supplemental pension contribution was made.

Current Liabilities Payable from Restricted Assets of \$27,437,934 was \$3,451,640 or 14.4 percent higher 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. *Revenue Bonds Payable* increased \$2,060,000 due to the variations of bond principal payments from year to year. *Accounts Payable* from restricted assets are retainage payable funds. This



account increased by \$1,350,574 due to changes in retainage for construction projects between years. *Customer Deposits* increased by \$438,691 as the number of customers grew by 2,603 or 3 percent between years. These increases were offset by a decrease in *Accrued Revenue Bond Interest* of \$397,625 due to changes in annual debt service requirements from year to year. The Stormwater Fund carries no *Current Liabilities Payable from Restricted Assets*.

The tables below show a comparison of the April 30, 2021 and 2020 *Current Liabilities Payable* balances by fund and whether payable from unrestricted or restricted assets.

WATER AND SEWER FUND

Current Liabilities Payable from Unrestricted Assets	2021	2020	\$ Chg	% Chg
Accounts Payable	\$ 5,886,631	\$ 4,166,184	\$ 1,720,447	41.3%
Accrued Payroll and Withholdings	504,512	1,080,498	(575,986)	-53.3%
Accrued Pension Contribution	333,688	157,750	175,938	111.5%
Compensated Absences	953,819	1,049,176	(95,357)	-9.1%
Loans Payable - Due Within One Year	2,031,200	681,332	1,349,868	198.1%
Accrued Loan Interest	20,440	14,992	5,448	36.3%
Unearned Revenue	949,755	192,743	757,012	392.8%
Total Current Liabilities Payable From Unrestricted Assets	\$ 10,680,045	\$ 7,342,675	\$ 3,337,370	45.5%

Current Liabilities Payable from Restricted Assets	2021	2020	\$ Chg	% Chg
Accounts Payable	\$ 2,459,334	\$ 1,108,760	\$ 1,350,574	121.8%
Accrued Revenue Bond Interest	1,289,725	1,687,350	(397,625)	-23.6%
Customer Deposits	5,723,875	5,285,184	438,691	8.3%
Revenue Bonds Payable - Due Within One Year	17,965,000	15,905,000	2,060,000	13.0%
Total Current Liabilities Payable From Restricted Assets	\$ 27,437,934	\$ 23,986,294	\$ 3,451,640	14.4%

As indicated in the table, *Current Liabilities Payable from Unrestricted Assets* had a net increase of \$3,337,370 from the previous fiscal year's balances. *Accounts Payable* increased \$1,720,447 due to the timing differences of payments to vendors between years with higher amounts accrued in the current year than in the previous year. *Loans Payable – Due Within One Year* increased \$1,349,868 as a \$25 million GEFA loan went into repayment adding \$1,325,885 in outstanding principal due in the upcoming year.

Unearned Revenue increased by \$757,012. Prior to 2021, this liability predominately consisted of lift stations donated by residential developers. Each lift station is valued at \$50,000 or less, depending on size, and the Authority recognizes revenue per year for each of ten years once operations begin. New lift stations were added during the year resulting in an increase of \$20,800 between April 30, 2020 and 2021. In September 2020, a new Customer Information System (CIS), which changed the way over-payments made by customers were treated. This system treated these over-payments as unearned revenue versus netting the over-payments against accounts receivable as the replaced system had treated excess payments. The change in treatment of over-payments increased *Unearned Revenue* by \$736,452.

Current Liabilities Payable from Restricted Assets of \$27,437,934 was \$3,451,640 or 14.4 percent higher 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. *Revenue Bonds Payable* increased \$2,060,000 due to the variations of bond principal payments from year to year. *Accounts Payable* from restricted assets are retainage payable funds. This



account increased by \$1,350,574 due to changes in retainage for construction projects between years. *Customer Deposits* increased by \$438,691 as the number of customers grew by 2,603 or 3 percent between years. These increases were offset by a decrease in *Accrued Revenue Bond Interest* of \$397,625 due to changes in annual debt service requirements from year to year.

STORMWATER FUND

Current Liabilities Payable from Unrestricted Assets	2021	2020	\$ Chg	% Chg
Accounts Payable	\$ 543,698	\$ 206,846	\$ 336,852	162.9%
Accrued Payroll and Withholdings	33,138	63,519	(30,381)	-47.8%
Accrued Pension Contribution	21,765	8,771	12,994	148.1%
Compensated Absences	58,160	58,901	(741)	-1.3%
Loans Payable - Due Within One Year	-	-	-	0.0%
Accrued Loan Interest	-	-	-	0.0%
Unearned Revenue	-	-	-	0.0%
Total Current Liabilities Payable From Unrestricted Assets	\$ 656,761	\$ 338,037	\$ 318,724	94.3%

Current Liabilities Payable from Restricted Assets	2021	2020	\$ 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 \$318,724 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 \$136,265,767 increased by \$4,457,427 or 3.4 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 four Georgia Environmental Finance Authority (GEFA) loans that is not due within the next twelve-month period. The increase in this item of \$13,035,439 is the net impact of the reduction of principal paid of the Authority's loans in repayment of \$797,552 coupled with \$15,182,859 in disbursements requested from the GEFA construction loans during the fiscal year. Interest only payments will be made on the outstanding principal balance of the construction loans until the projects funded by those proceeds are completed, and the loans goes into repayment.

Other changes in this category were the reduction in *Revenue Bonds Payable* of \$19,083,403 with the repayment of bond principal and amortized issuance premium, the increase in *Net Pension Liability* of \$13,135,254 and the reduction in *Net OPEB liability* of \$2,895,478. 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	2021	2020	\$ Chg	% Chg
Compensated Absences	\$ 976,789	\$ 711,174	\$ 265,615	37.3%
Loans Payable	28,754,657	15,719,218	13,035,439	82.9%
Revenue Bonds Payable (<i>Net of Bond Premium</i>)	40,506,807	59,590,210	(19,083,403)	-32.0%
Net OPEB Liability	9,892,299	12,787,777	(2,895,478)	-22.6%
Net Pension Liability	56,135,215	42,999,961	13,135,254	30.5%
Total Noncurrent Liabilities	\$ 136,265,767	\$131,808,340	4,457,427	3.4%

The tables below show a comparison of *Noncurrent Liabilities* balances by Fund on April 30, 2021 and 2020.

WATER AND SEWER FUND

Noncurrent Liabilities	2021	2020	\$ Chg	% Chg
Compensated Absences	\$ 924,862	\$ 686,679	\$ 238,183	34.7%
Loans Payable	28,754,657	15,719,218	13,035,439	82.9%
Revenue Bonds Payable (<i>Net of Bond Premium</i>)	40,506,807	59,590,210	(19,083,403)	-32.0%
Net OPEB Liability	9,397,684	12,148,388	(2,750,704)	-22.6%
Net Pension Liability	52,918,998	40,440,507	12,478,491	30.9%
Total Noncurrent Liabilities	\$ 132,503,008	\$128,585,002	3,918,006	3.0%

STORMWATER FUND

Noncurrent Liabilities	2021	2020	\$ Chg	% Chg
Compensated Absences	\$ 51,927	\$ 24,495	\$ 27,432	112.0%
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	494,615	639,389	(144,774)	-22.6%
Net Pension Liability	3,216,217	2,559,454	656,763	25.7%
Total Noncurrent Liabilities	\$ 3,762,759	\$ 3,223,338	539,421	16.7%



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 \$12,889,885 decreased \$2,204,669 or negative 14.6 percent between April 30, 2021 and 2020. *Deferred Charges Related to Pension Liability* decreased \$2.7 million due to changes between years in actuarial assumptions and proportion related to net pension liability. *Deferred Charges Related to OPEB Liability* increased \$487 thousand 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	2021	2020	\$ Chg	% Chg
Deferred Charges Related to OPEB Liability	\$ 9,494,753	\$ 9,007,848	\$ 486,905	5.4%
Deferred Charges Related to Pension Liability	3,395,132	6,086,706	(2,691,574)	-44.2%
Total Deferred Inflows of Resources	\$ 12,889,885	\$ 15,094,554	\$ (2,204,669)	-14.6%

The tables below show a comparison of *Deferred Inflows of Resources* balances by Fund on April 30, 2021 and 2020.

WATER AND SEWER FUND

Deferred Inflows of Resources	2021	2020	\$ Chg	% Chg
Deferred Charges Related to OPEB Liability	\$ 9,020,015	\$ 8,557,456	\$ 462,559	5.4%
Deferred Charges Related to Pension Liability	3,225,375	5,782,371	(2,556,996)	-44.2%
Total Deferred Inflows of Resources	\$ 12,245,390	\$ 14,339,827	\$ (2,094,437)	-14.6%

STORMWATER FUND

Deferred Inflows of Resources	2021	2020	\$ Chg	% Chg
Deferred Charges Related to OPEB Liability	\$ 474,738	\$ 450,392	\$ 24,346	5.4%
Deferred Charges Related to Pension Liability	169,757	304,335	(134,578)	-44.2%
Total Deferred Inflows of Resources	\$ 644,495	\$ 754,727	\$ (110,232)	-14.6%





CONDENSED STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

The decrease in the *Change in Net Position* between the two fiscal years is due to the increase in operating expenses outpacing in the growth in both operating and nonoperating revenues of \$2.3 million and \$513 thousand respectively, coupled with a decrease in *Capital Contributions* between years of \$1.3 million, or negative 16.1 percent. The increase in revenues is due to both a 10 percent rate increase for water and sewer services that went into effect January 1, 2021 and an increase in the overall customer base of approximately 3.0 percent in 2021. The increase in operating expenses was driven by increases in both employer pension contributions and in net pension expense. Additional analysis of the various components is provided in the following discussion.

Changes in Net Position	2021	2020	\$ Chg	% Chg
Operating Revenues:				
Charges for Sales and Services:				
Sale of Water	\$ 53,630,876	\$ 53,307,263	\$ 323,613	0.6%
Sewer Service	46,029,550	45,118,031	911,519	2.0%
Stormwater Fees	10,366,348	10,090,477	275,871	2.7%
Tapping Fees	1,429,959	1,300,050	129,909	10.0%
Penalties and Reconnect Charges	4,200,415	4,232,414	(31,999)	-0.8%
Sale of Pellets, Timber and Materials	72,052	54,519	17,533	32.2%
Other Operating Revenues	1,110,478	407,355	703,123	172.6%
Total Operating Revenues	\$116,839,678	\$114,510,109	\$ 2,329,569	2.0%
Operating Expenses:				
Water	\$ 13,103,103	\$ 12,916,375	\$ 186,728	1.4%
Sewer	17,206,904	16,078,097	1,128,807	7.0%
Stormwater	2,424,562	2,755,139	(330,577)	-12.0%
Indirect	14,369,197	11,745,934	2,623,263	22.3%
Administrative	17,406,906	16,775,504	631,402	3.8%
Depreciation	23,755,044	22,311,484	1,443,560	6.5%
Total Operating Expenses	\$ 88,265,716	\$ 82,582,533	\$ 5,683,183	6.9%
Operating Income	\$ 28,573,962	\$ 31,927,576	\$ (3,353,614)	-10.5%
Nonoperating Revenues (Expenses):				
Interest Income	\$ 131,842	\$ 585,595	\$ (453,753)	-77.5%
Interest Expense	(2,100,296)	(2,533,392)	433,096	-17.1%
Gain (Loss) of Disposal of Capital Assets	(108,184)	(637,235)	529,051	-83.0%
Other (Net)	(1,220)	(5,490)	4,270	-77.8%
Total Nonoperating Revenues (Expenses)	\$ (2,077,858)	\$ (2,590,522)	\$ 512,664	19.8%
Income Before Contributions and Transfers	\$ 26,496,104	\$ 29,337,054	\$ (2,840,950)	-9.7%
Capital Contributions:				
Impact Fees	\$ 1,765,123	\$ 1,506,497	\$ 258,626	17.2%
Subdividers	5,219,890	5,853,264	(633,374)	-10.8%
Other Governments	50,226	1,024,382	(974,156)	-95.1%
Transfers In	1,219,663	1,271,151	(51,488)	-4.1%
Transfers Out	(1,219,663)	(1,271,151)	51,488	4.1%
Change in Net Position	\$ 33,531,343	\$ 37,721,197	\$ (4,189,854)	-11.1%



WATER AND SEWER FUND

As indicated in the table that follows, the *Change in Net Position* of \$31,409,912 for the fiscal year ended April 30, 2021, was \$2.7 million or negative 7.8 percent lower than the *Change in Net Position* of the prior fiscal year.

Changes in Net Position	2021	2020	\$ Chg	% Chg
Operating Revenues:				
Charges for Sales and Services:				
Sale of Water	\$ 53,630,876	\$ 53,307,263	\$ 323,613	0.6%
Sewer Service	46,029,550	45,118,031	911,519	2.0%
Stormwater Fees	-	-	-	0.0%
Tapping Fees	1,429,959	1,300,050	129,909	10.0%
Penalties and Reconnect Charges	3,978,710	4,059,150	(80,440)	-2.0%
Sale of Pellets, Timber and Materials	71,394	52,801	18,593	35.2%
Other Operating Revenues	1,110,478	407,355	703,123	172.6%
Total Operating Revenues	\$ 106,250,967	\$ 104,244,650	\$ 2,006,317	1.9%
Operating Expenses:				
Water	\$ 13,103,103	\$ 12,916,375	\$ 186,728	1.4%
Sewer	17,206,904	16,078,097	1,128,807	7.0%
Stormwater	-	-	-	0.0%
Indirect	12,162,072	10,546,186	1,615,886	15.3%
Administrative	17,406,906	16,775,504	631,402	3.8%
Depreciation	20,012,022	18,744,323	1,267,699	6.8%
Total Operating Expenses	\$ 79,891,007	\$ 75,060,485	\$ 4,830,522	6.4%
Operating Income	\$ 26,359,960	\$ 29,184,165	\$ (2,824,205)	-9.7%
Nonoperating Revenues (Expenses):				
Interest Income	\$ 124,135	\$ 576,225	\$ (452,090)	-78.5%
Interest Expense	(2,100,296)	(2,533,392)	433,096	-17.1%
Gain (Loss) of Disposal of Capital Assets	(452,230)	(558,161)	105,931	-19.0%
Other (Net)	(1,220)	(2,990)	1,770	-59.2%
Total Nonoperating Revenues (Expenses)	\$ (2,429,611)	\$ (2,518,318)	\$ 88,707	3.5%
Income Before Contributions and Transfers	\$ 23,930,349	\$ 26,665,847	\$ (2,735,498)	-10.3%
Capital Contributions:				
Impact Fees	\$ 1,765,123	\$ 1,506,497	\$ 258,626	17.2%
Subdividers	4,444,551	3,607,116	837,435	23.2%
Other Governments	50,226	1,024,382	(974,156)	-95.1%
Transfers In	1,219,663	1,271,151	(51,488)	-4.1%
Transfers Out	-	-	-	0.0%
Change in Net Position	\$ 31,409,912	\$ 34,074,993	\$ (2,665,081)	-7.8%



STORMWATER FUND

As indicated in the table that follows, the *Change in Net Position* of \$2,121, 431 for the fiscal year ended April 30, 2021, was \$1.5 million or negative 41.8 percent lower than the *Change in Net Position* from the prior fiscal year.

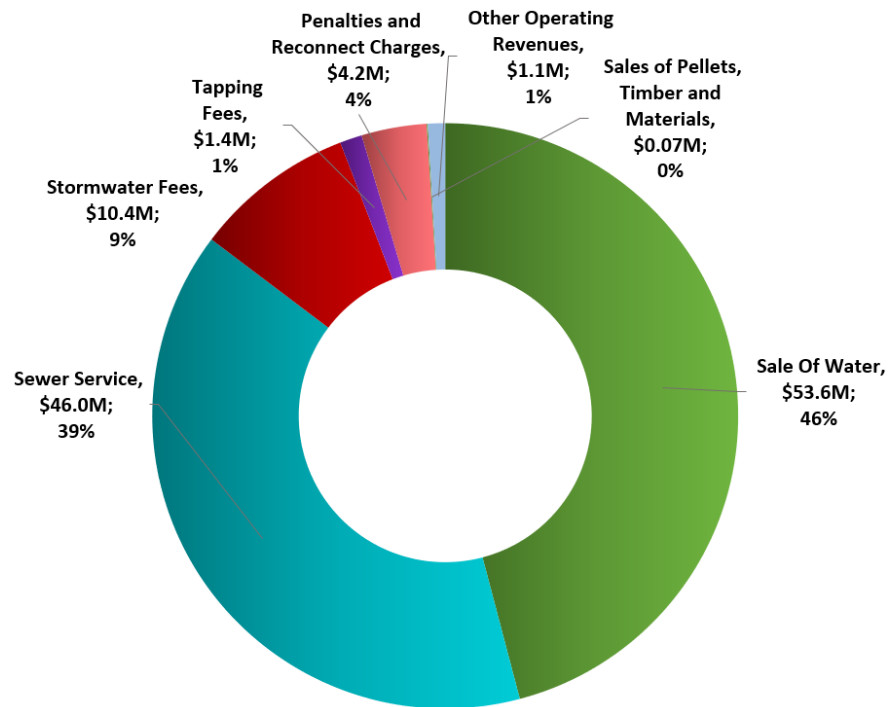
Changes in Net Position	2021	2020	\$ Chg	% Chg
Operating Revenues:				
Charges for Sales and Services:				
Sale of Water	\$ -	\$ -	\$ -	0.0%
Sewer Service	-	-	-	0.0%
Stormwater Fees	10,366,348	10,090,477	275,871	2.7%
Tapping Fees	-	-	-	0.0%
Penalties and Reconnect Charges	221,705	173,264	48,441	28.0%
Sale of Pellets, Timber and Materials	658	1,718	(1,060)	-61.7%
Other Operating Revenues	-	-	-	0.0%
Total Operating Revenues	\$ 10,588,711	\$ 10,265,459	\$ 323,252	3.1%
Operating Expenses:				
Water	\$ -	\$ -	\$ -	0.0%
Sewer	-	-	-	0.0%
Stormwater	2,424,562	2,755,139	(330,577)	-12.0%
Indirect	2,207,125	1,199,748	1,007,377	84.0%
Administrative	-	-	-	0.0%
Depreciation	3,743,022	3,567,161	175,861	4.9%
Total Operating Expenses	\$ 8,374,709	\$ 7,522,048	\$ 852,661	11.3%
Operating Income	\$ 2,214,002	\$ 2,743,411	\$ (529,409)	-19.3%
Nonoperating Revenues (Expenses):				
Interest Income	\$ 7,707	\$ 9,370	\$ (1,663)	-17.7%
Interest Expense	-	-	-	0.0%
Gain (Loss) of Disposal of Capital Assets	344,046	(79,074)	423,120	-535.1%
Other (Net)	-	(2,500)	2,500	-100.0%
Total Nonoperating Revenues (Expenses)	\$ 351,753	\$ (72,204)	\$ 423,957	-587.2%
Income Before Contributions and Transfers	\$ 2,565,755	\$ 2,671,207	\$ (105,452)	-3.9%
Capital Contributions:				
Impact Fees	\$ -	\$ -	\$ -	0.0%
Subdividers	775,339	2,246,148	(1,470,809)	-65.5%
Other Governments	-	-	-	0.0%
Transfers In	-	-	-	0.0%
Transfers Out	(1,219,663)	(1,271,151)	51,488	-4.1%
Change in Net Position	\$ 2,121,431	\$ 3,646,204	\$ (1,524,773)	-41.8%



ANALYSIS OF REVENUES

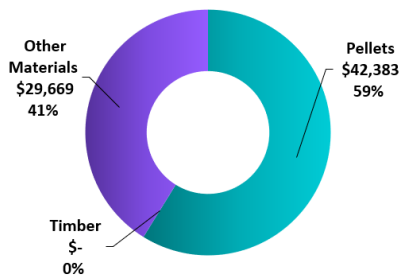
For the 2021 fiscal year, the *Operating Revenues* of the Authority totaled \$116,839,678. This amount represented an increase of \$2,329,569, or 2.0 percent higher than the previous year total of \$114,510,109. The operating revenues have been broken down by their major categories in the chart below. Each revenue class is shown by amount and its relative percentage of this fiscal year’s total.

OPERATING REVENUES BY MAJOR CATEGORY

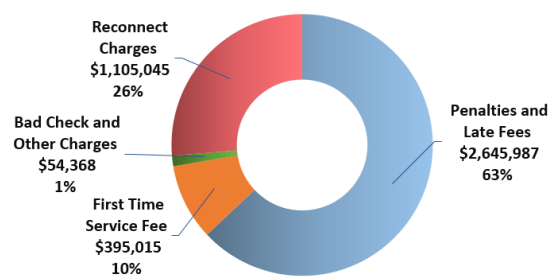


OPERATING REVENUES BY DETAIL

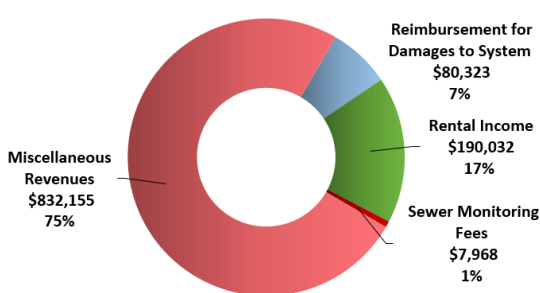
Sales of Pellets, Timber and Materials



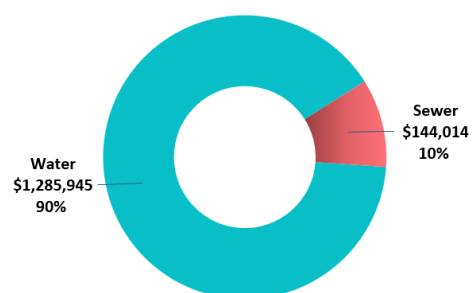
Penalties and Reconnect Charges



Other Operating Revenues



Tapping Fees





The table below provides a side-by-side comparison of Operating Revenues for the 2021 and 2020 fiscal years.

Operating Revenues	2021	2020	\$ Chg	% Chg	% Operating Revenues
Sale of Water	\$ 53,630,876	\$ 53,307,263	\$ 323,613	0.6%	45.8%
Sewer Service	46,029,550	45,118,031	911,519	2.0%	39.4%
Stormwater Fees	10,366,348	10,090,477	275,871	2.7%	8.9%
Tapping Fees	1,429,959	1,300,050	129,909	10.0%	1.2%
Penalties and Reconnect Charges	4,200,415	4,232,414	(31,999)	-0.8%	3.6%
Sale of Pellets, Timber and Materials	72,052	54,519	17,533	32.2%	0.1%
Other Operating Revenues	1,110,478	407,355	703,123	172.6%	1.0%
Total Operating Revenues	\$ 116,839,678	\$ 114,510,109	\$ 2,329,569	2.0%	100.0%

Operating Revenues of \$116,839,678 increased \$2,329,569 or 2.0 percent in 2021. The sale of water, sewer service, and stormwater fees all increased predominately due to the overall growth of 3.1 percent in the Authority's customer base coupled with a 10 percent rate adjustment on tier and base rates for both water and sewer customers that went into effect on January 1, 2021.

The COVID-19 pandemic influenced the overall financial performance for the Authority. Shelter-in-place mandates and social distancing impacted operating revenues as overall water usage by customer category varied significantly from each category's historical trends. Commercial and Institutional usage dropped as Clayton County Schools opted for a virtual learning platform versus in person instruction and commercial businesses closed to avoid the spread of the virus. Industrial usage varied significantly based on their industry and products produced. There was an increase in usage from residential customers, such as single-family residences, multi-family apartment complexes and mobile home categories as children studied from home and businesses closed.

Penalties and Reconnect Charges of \$4,200,415 dropped \$31,999 from the prior year. The primary cause in the drop in this category of revenue was due to reductions in both *First Time Service Fees* and *Bad Check Charges*. The Authority did not disconnect customers from May through July 2020, following the lead of other major utility companies. When disconnections were reinstated, they were done at much higher past due amounts, but working back to the normal, lower amount of \$49.99 by December 31, 2020. Revenue received for reconnections was \$426,005 lower in 2021 than in 2020. Even though the Authority was not disconnecting, *Penalties and Late Fees* were charged. For 2021, these fees increased by \$468,721 over the prior year, offsetting the reduction in reconnection charges.

Tapping fees, or installation charges, of \$1,429,959 increased by \$129,909 over the prior year. These fees 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 \$72,052 rose \$17,533 in 2021. 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. Scrap metal, generated mostly from the replacement of pipe infrastructure, is sold annually. The Authority harvests and sells timber every few years based on tree maturity and market price. A smaller harvest in this fiscal year generated \$19,393 which was responsible for the increase in this revenue category between years as no harvesting was done in the previous fiscal year.

Other Operating Revenue increased \$703 thousand in 2021. 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. A sale of easements to Georgia Power for \$137,095 along with a portion of an insurance recovery of \$500,000 for damages caused by a lightning strike at one of the water reclamation facilities were the primary drivers of the increase in this revenue category between fiscal years. Operating revenue detail can be found in the [Schedule of Operating Revenues](#) in the Supplementary Information section of this document.

COMPARISON OF OPERATING REVENUES

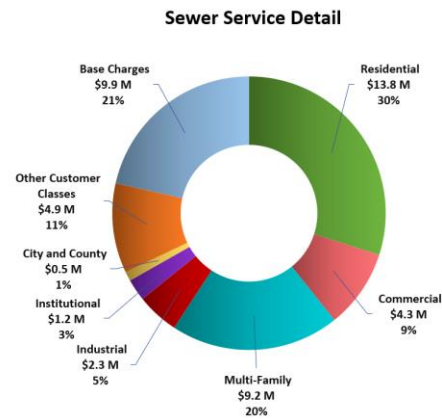
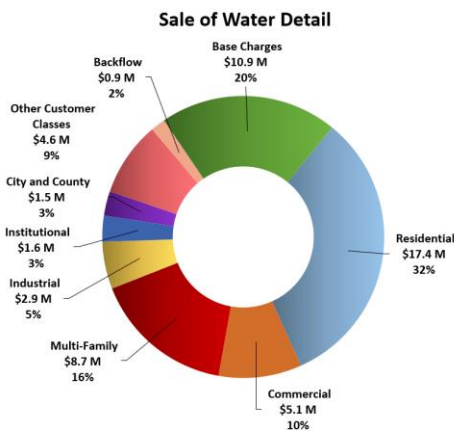




The tables below provide a side-by-side comparison of *Operating Revenues* by fund for the 2021 and 2020 fiscal years. The graphs provide additional detail of each the operating revenue categories.

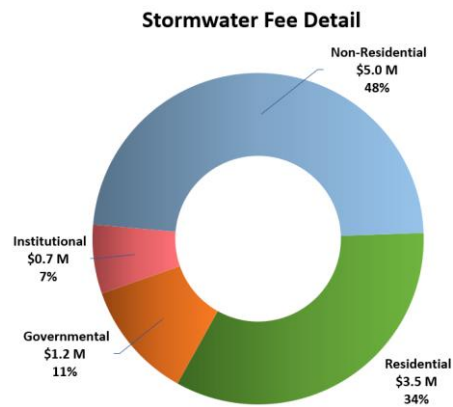
WATER AND SEWER FUND

Operating Revenues	2021	2020	\$ Chg	% Chg	% Operating Revenues
Sale of Water	\$ 53,630,876	\$ 53,307,263	\$ 323,613	0.6%	45.8%
Sewer Service	46,029,550	45,118,031	911,519	2.0%	39.4%
Stormwater Fees	-	-	-	0.0%	0.0%
Tapping Fees	1,429,959	1,300,050	129,909	10.0%	1.2%
Penalties and Reconnect Charges	3,978,710	4,059,150	(80,440)	-2.0%	3.4%
Sale of Pellets, Timber and Materials	71,394	52,801	18,593	35.2%	0.1%
Other Operating Revenues	1,110,478	407,355	703,123	172.6%	1.0%
Total Operating Revenues	\$ 106,250,967	\$ 104,244,650	\$ 2,006,317	1.9%	100.0%



STORMWATER FUND

Operating Revenues	2021	2020	\$ Chg	% Chg	% Operating Revenues
Sale of Water	\$ -	\$ -	\$ -	0.0%	-0.1%
Sewer Service	-	-	-	0.0%	0.0%
Stormwater Fees	10,366,348	10,090,477	275,871	2.7%	8.9%
Tapping Fees	-	-	-	0.0%	0.0%
Penalties and Reconnect Charges	221,705	173,264	48,441	28.0%	0.2%
Sale of Pellets, Timber and Materials	658	1,718	(1,060)	-61.7%	0.0%
Other Operating Revenues	-	-	-	0.0%	0.0%
Total Operating Revenues	\$ 10,588,711	\$ 10,265,459	\$ 323,252	3.1%	100.0%

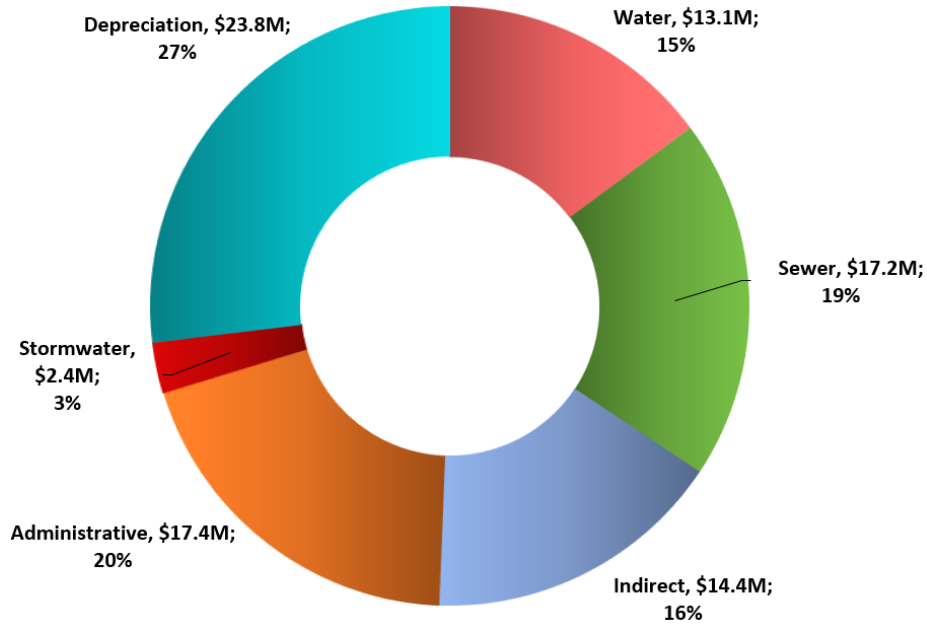




ANALYSIS OF EXPENSES

Total Operating Expenses for FY 2021 were \$88,265,716. That amount represents an increase of \$5,683,183, or 6.9 percent less than the prior fiscal year total of \$82,582,533. 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 2021 and 2020 fiscal years.

Operating Expenses	2021	2020	\$ Chg	% Chg	% Operating Expenses
Water	\$ 13,103,103	\$ 12,916,375	\$ 186,728	1.4%	14.8%
Sewer	17,206,904	16,078,097	1,128,807	7.0%	19.5%
Indirect	14,369,197	11,745,934	2,623,263	22.3%	16.3%
Administrative	17,406,906	16,775,504	631,402	3.8%	19.7%
Stormwater	2,424,562	2,755,139	(330,577)	-12.0%	2.7%
Depreciation	23,755,044	22,311,484	1,443,560	6.5%	26.9%
Total Operating Expenses	\$ 88,265,716	\$ 82,582,533	\$ 5,683,183	6.9%	100.0%

For the 2021 fiscal year, operating expenses of \$88,265,716 increased \$5,683,183 or 6.9 percent. The primary factors that influenced this increase in operating expenses for the fiscal year were increases in net pension expenses associated with net pension liability of \$2,741,889, in pension fund expense of \$1,187,570, and in depreciation expense of \$1,443,560. Within the Operating Expense types listed, the increase was driven by changes in *Indirect* expense which increased \$2.6 million, or 22.3 percent from the prior year, *Depreciation* expense which increased \$1.4 million or 6.5 percent, and *Sewer* expense which increased \$1.1 million or 7 percent.

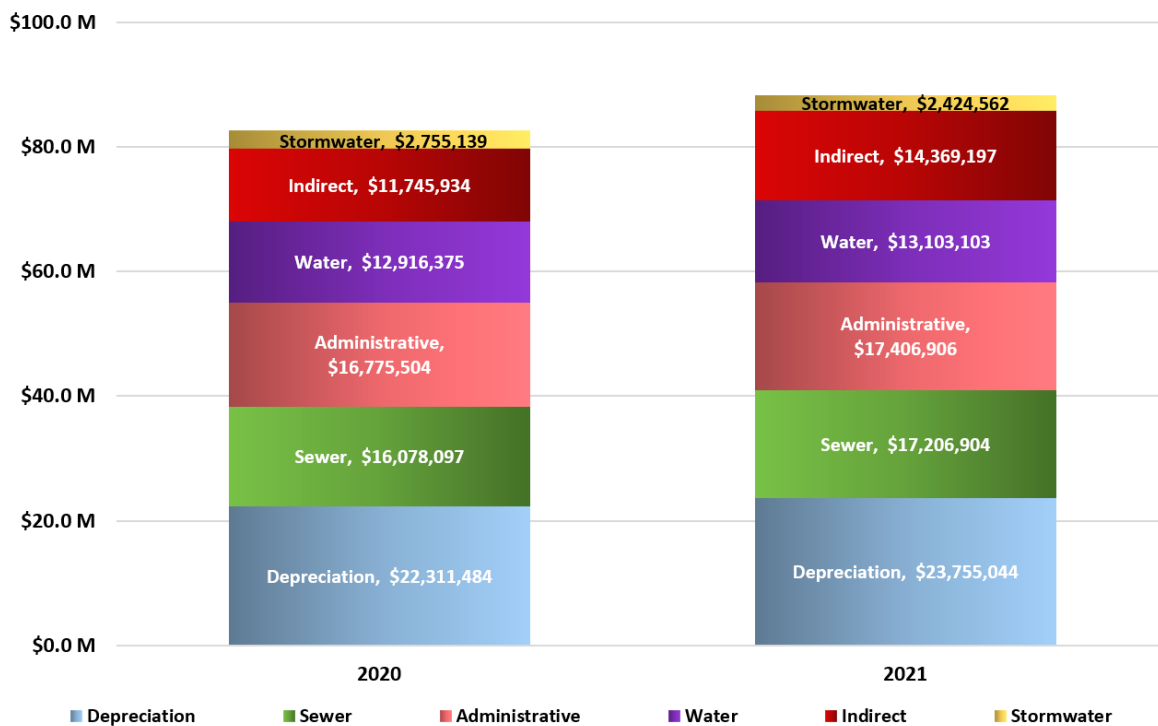
Indirect Expense of \$14,369,197 increased \$2.6 million over last year. The amount accrued for fiscal year ended April 30, 2019 to settle a pending lawsuit of \$1,485,614 and the amount of the actual settlement of \$500,000 resulted in a negative \$985,614. This negative expense reduced expenses in fiscal year 2020. A major warehouse improvement initiative accounted for about \$247 thousand in additional consulting fees in 2021. Changes in major operating



initiatives included in *Consulting Fees* and outside services for *Maintenance on Collection Systems, Outfalls, and Supply Mains* between years made up the remainder of the increase. *Water Expense* increased \$187 thousand or 1.4 percent over the prior year due to additional maintenance done on the water distribution infrastructure. *Sewer Expense* of \$17,206,904 increased \$1.1 million over the prior year due to additional maintenance completed at water reclamation facilities than was required in 2020. *Depreciation Expense* of \$23,755,044 increased by \$1.4 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 2021 and 2020 fiscal years.

WATER AND SEWER FUND

Operating Expenses	2021	2020	\$ Chg	% Chg	% Operating Expenses
Water	\$ 13,103,103	\$ 12,916,375	\$ 186,728	1.4%	16.4%
Sewer	17,206,904	16,078,097	1,128,807	7.0%	21.5%
Indirect	12,162,072	10,546,186	1,615,886	15.3%	15.2%
Administrative	17,406,906	16,775,504	631,402	3.8%	21.8%
Stormwater	-	-	-	0.0%	0.0%
Depreciation	20,012,022	18,744,323	1,267,699	6.8%	25.0%
Total Operating Expenses	\$ 79,891,007	\$ 75,060,485	\$ 4,830,522	6.4%	100.0%



STORMWATER FUND

Operating Expenses	2021	2020	\$ Chg	% Chg	% Operating Expenses
Water	\$ -	\$ -	\$ -	0.0%	0.0%
Sewer	-	-	-	0.0%	0.0%
Indirect	2,207,125	1,199,748	1,007,377	84.0%	26.4%
Administrative	-	-	-	0.0%	0.0%
Stormwater	2,424,562	2,755,139	(330,577)	-12.0%	29.0%
Depreciation	3,743,022	3,567,161	175,861	4.9%	44.7%
Total Operating Expenses	\$ 8,374,709	\$ 7,522,048	\$ 852,661	11.3%	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	2021	2020	\$ Chg	% Chg
Impact Fees	\$ 1,765,123	\$ 1,506,497	\$ 258,626	17.2%
Subdividers	5,219,890	5,853,264	(633,374)	-10.8%
Intergovernmental	50,226	1,024,382	(974,156)	-95.1%
Total Capital Contributions	\$ 7,035,239	\$ 8,384,143	\$ (1,348,904)	-16.1%

During periods of strong economic development, commercial and residential developers contribute the piping and meter infrastructure they install when their construction is completed. In 2021, *Capital Contributions* from *Subdividers* totaled \$5,219,890 with \$4,444,551 in donated water and sewer infrastructure and \$775,339 in donated stormwater infrastructure. The annual average donated capital infrastructure from subdividers over the previous five fiscal years has been \$1.8 million for water and sewer infrastructure and \$715 thousand for stormwater infrastructure. In 2020, the Stormwater Fund received \$2.2 million in infrastructure due to four large subdivisions that were completed in the County.

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 increase in *Impact Fees* of \$259 thousand but the decrease of \$633 thousand in *Subdivider* infrastructure in 2021. Five residential subdivisions accounted for \$4.6 million of those contributions and included stormwater, water, and sewer pipelines. A new gas station, gym, and meter, sewer and line extensions at the Fort Gillem industrial site added \$660 thousand in additional donated assets, and additional sewer lines made of the remainder of the donated infrastructure.



In 2021, *Intergovernmental* contributions of \$50,226 were \$974,156 lower than the prior year. In 2020, the Clayton County Board of Commissioners made a \$123,440 reimbursement of the meter installation costs the Authority incurred to change a 70-unit apartment complex from larger meters to individual apartment meters and a \$743,883 reimbursement for land and cost to cure for a road widening project at the Authority’s headquarters building. 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. For 2021, *Intergovernmental* contributions consisted of a final reimbursement from the County for the apartment complex meters of \$48,770, motor fuel tax refund from the State of \$183, and lab testing fees of \$1,008.

The tables that follow show a comparison of *Capital Contributions* by Fund on April 30, 2021 and 2020.

WATER AND SEWER FUND

Capital Contributions	2021	2020	\$ Chg	% Chg
Impact Fees	\$ 1,765,123	\$ 1,506,497	\$ 258,626	17.2%
Subdividers	4,444,551	3,607,116	837,435	23.2%
Intergovernmental	50,226	1,024,382	(974,156)	-95.1%
Total Capital Contributions	\$ 6,259,900	\$ 6,137,995	\$ 121,905	2.0%

STORMWATER FUND

Capital Contributions	2021	2020	\$ Chg	% Chg
Impact Fees	\$ -	\$ -	\$ -	0.0%
Subdividers	775,339	2,246,148	(1,470,809)	-65.5%
Intergovernmental	-	-	-	0.0%
Total Capital Contributions	\$ 775,339	\$ 2,246,148	\$ (1,470,809)	-65.5%





CAPITAL ASSETS AND DEBT

CAPITAL ASSETS

On April 30, 2021, the Clayton County Water Authority had an investment of \$616.8 million in capital assets, net of depreciation and amortization. This amount represents a net increase, including additions and disposals, of \$27.3 million, or 4.6 percent more than last year. Of that total investment in plant, property, equipment and construction-in-progress on April 30, 2021, the Water and Sewer Fund had \$561,589,740 in net capital assets, and the Stormwater Fund had \$55,190,588. 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](#).

WATER AND SEWER FUND

Capital Asset Classification	2021	2020	\$ Chg	% Chg	% Capital Assets
Land and Easements	\$ 30,225,576	\$ 30,223,686	1,890	0.0%	5.4%
Building and Structures	94,176,445	94,699,215	(522,770)	-0.6%	16.8%
Operating and Maintenance Equipment	44,793,025	44,967,971	(174,946)	-0.4%	8.0%
Field Equipment	12,240,501	12,123,251	117,250	1.0%	2.2%
Road Equipment	1,541,739	2,006,104	(464,365)	-23.1%	0.3%
Piping	258,761,207	251,982,064	6,779,143	2.7%	46.1%
Technology and Office Equipment	3,383,841	3,242,608	141,233	4.4%	0.6%
Furniture and Fixtures	417,538	286,673	130,865	45.6%	0.1%
System Franchises and Engineering Studies	41,341,701	40,373,354	968,347	2.4%	7.4%
Construction in Progress	74,708,167	56,947,317	17,760,850	31.2%	13.3%
Total Capital Assets, net of accumulated depreciation	\$ 561,589,740	\$ 536,852,243	\$ 24,737,497	4.6%	100.0%

STORMWATER FUND

Capital Asset Classification	2021	2020	\$ Chg	% Chg	% Capital Assets
Land and Easements	\$ 1,960,683	\$ 1,773,110	187,573	10.6%	3.6%
Building and Structures	505,438	525,437	(19,999)	-3.8%	0.9%
Operating and Maintenance Equipment	22,762	23,978	(1,216)	-5.1%	0.0%
Field Equipment	483,273	573,189	(89,916)	-15.7%	0.9%
Road Equipment	621,561	572,559	49,002	8.6%	1.1%
Piping	49,149,181	47,904,201	1,244,980	2.6%	89.1%
Technology and Office Equipment	76,024	59,402	16,622	28.0%	0.1%
Furniture and Fixtures	37,725	45,605	(7,880)	-17.3%	0.1%
System Franchises and Engineering Studies	434,956	592,374	(157,418)	-26.6%	0.8%
Construction in Progress	1,898,985	551,439	1,347,546	244.4%	3.4%
Total Capital Assets, net of accumulated depreciation	\$ 55,190,588	\$ 52,621,294	\$ 2,569,294	4.9%	100.0%



DEBT

On April 30, 2021, the Clayton County Water Authority had \$89,257,664 in debt obligation, a net decrease of \$2,638,096 or 2.9 percent less than the previous fiscal year. The Authority's debt is comprised solely of various series of revenue bonds and four loans from the Georgia Environmental Finance Authority (GEFA), three 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 2021 and 2020 are shown in the tables below.

WATER AND SEWER FUND

Type of Debt	2021	2020	\$ Chg	% Chg
Revenue Bonds - Outstanding Principal	\$ 56,235,000	\$ 72,140,000	\$ (15,905,000)	-22.0%
Unamortized Bond Premium	2,236,807	3,355,210	(1,118,403)	-33.3%
GEFA Loans	30,785,857	16,400,550	14,385,307	87.7%
Total Debt	\$ 89,257,664	\$ 91,895,760	\$ (2,638,096)	-2.9%

For April 30, 2021, 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 \$15,182,859 in disbursements requested from two GEFA construction loans coupled with complete year of principal payments of \$797,552 for the GEFA loans that are in repayment.

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	2021	2020	\$ 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.

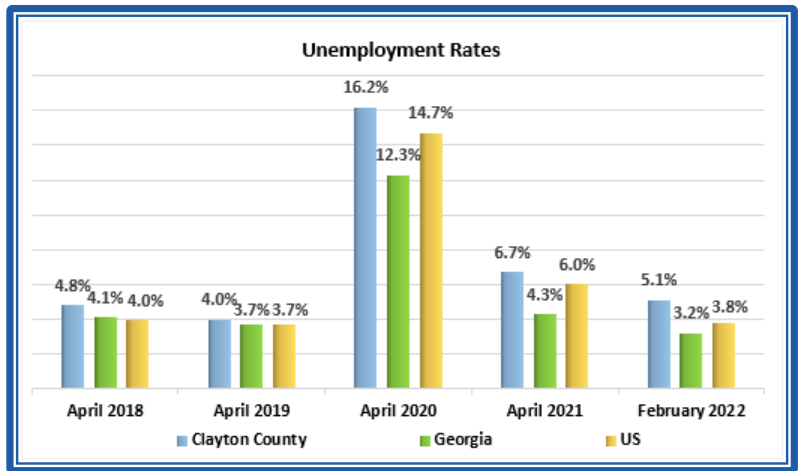
The 2020 – 2021 budget was developed with forecasted revenues that were discounted to attempt to anticipate the impact the pandemic would have on the Authority's revenue. The budget for expenses were also increased for employee healthcare (+15%), accounting write-offs (+25%), and an increase in contingency (+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.

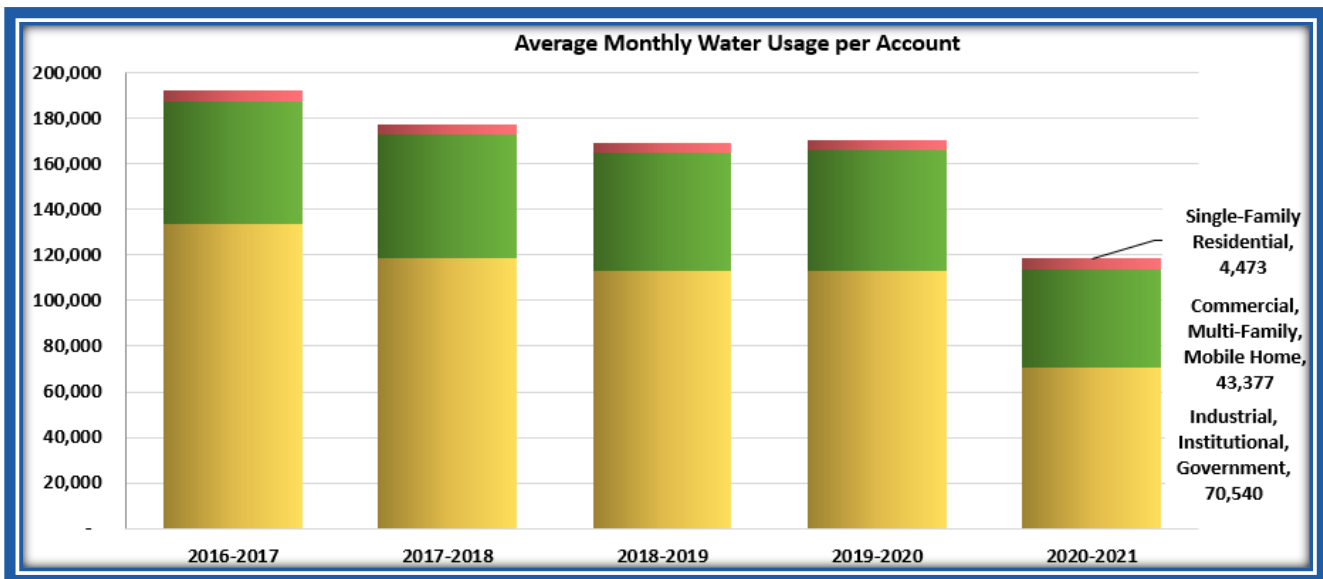
During the 2021 fiscal year, residential homebuilding and sales remained strong but water usage for the Commercial and Institutional categories decreased as restaurants and business closed and schools in Clayton County opted for virtual learning for the entire school year.

Unemployment Rates in Clayton County have decreased from 16.2 percent in April 2020 to 6.7 percent in April 2021 and are higher than the metro-Atlanta area, the State, and the US. As of February 2022, unemployment rates are close to those in April 2018.



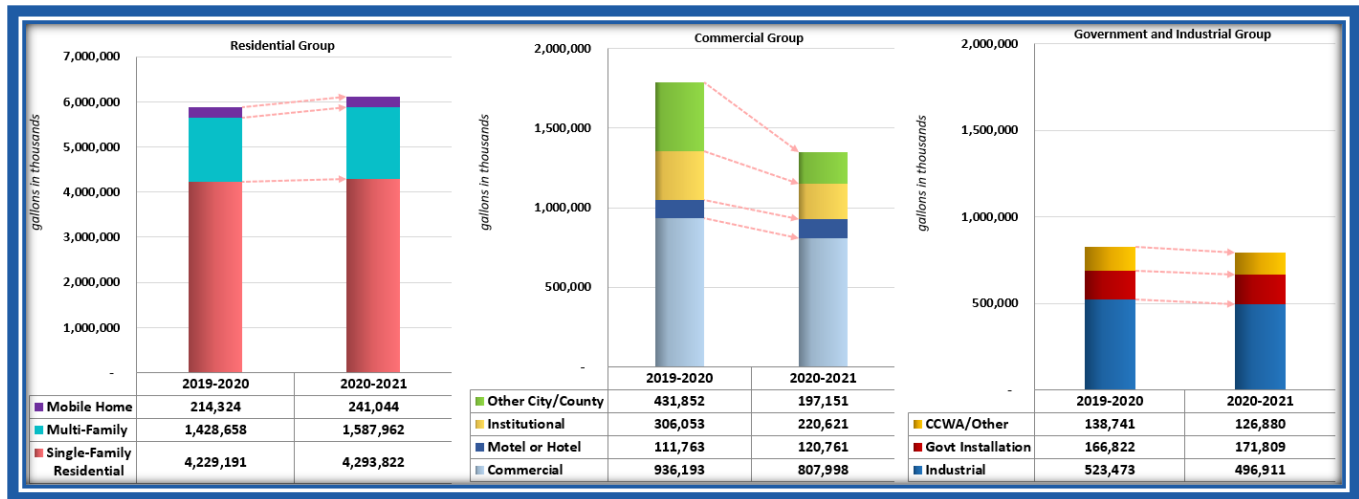
The provision of water and sewer services represents a necessary purchase for the residents and industries of Clayton County. Based on historical trend information, the average residential customer in the County uses about 4,000 gallons a month.

Average water usage per account for the fiscal year 2020-2021 and the previous year three years are displayed in the graph below.





The comparison of water usage between fiscal year 2019 – 2020 and 2020 – 2021 are shown below for the three customer groups with similar behavioral patterns.



The usage for Residential-type customers went up during the pandemic as schools in Clayton County chose virtual learning versus in person for almost the entire 2020 – 2021 academic year. Water usage for commercial-type customers declined significantly during the year. This customer group included restaurants, stores, schools, churches, motels, and the city of College Park which supported the same type of customer categories. The government and industrial customer group showed slight decline in usage from industrial customers. Even though Clorox increased production of disinfecting products to combat the spread of the COVID-19 virus production from other customers within this category declined.





NEXT YEAR'S BUDGET

The Authority's operating budget for 2021 - 2022 took into consideration the anticipated impact of the economic factors cited above. The revenue projections include a water and sewer rate adjustment of five percent on base and tiers, effective January 1, 2022. 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 2021 - 2022 Budget is in the table below.

CONSOLIDATED BUDGET - FY 2021 - 2022

	Water and Sewer Fund	Stormwater Fund	Total FY 2021 - 2022
Revenues			
Water Sales	\$ 57,260,454	\$ -	\$ 57,260,454
Sewer Sales	48,587,318	-	48,587,318
Stormwater Fees	-	9,918,789	9,918,789
Installation Charges	751,638	-	751,638
Account Servicing Charge	3,915,382	157,205	4,072,587
Miscellaneous Income	518,658	454	519,112
Interest Income	34,244	5,193	39,437
Impact Fees	1,173,239	-	1,173,239
Interfund Transfer: from SW	1,194,698	-	1,194,698
Total Revenues	\$ 113,435,631	\$ 10,081,641	\$ 123,517,272
Expenses			
Personal Services	\$ 36,841,385	\$ 2,016,152	\$ 38,857,537
Operating Expenses	44,858,430	3,150,189	48,008,619
Debt Service	22,876,908	4,500	22,881,408
Interfund Transfers: to W&S	-	1,194,698	1,194,698
Capital Expenditures	3,231,308	142,238	3,373,546
Capital Projects	5,627,600	3,573,864	9,201,464
Total Expenses	\$ 113,435,631	\$ 10,081,641	\$ 123,517,272

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, 2021

	Water and Sewer	Stormwater	Total
ASSETS			
Current Assets:			
Cash and Cash Equivalents:			
Unrestricted	\$ 35,602,854	\$ 7,947,326	\$ 43,550,180
Restricted	30,192,954	-	30,192,954
Accounts Receivable <i>(Net of Allowance for Uncollectible)</i>	15,812,659	677,834	16,490,493
Other Receivables	3,476,523	131,048	3,607,571
Inventories	1,919,009	-	1,919,009
Prepaid Expenses and Deposits	89,727	-	89,727
Total Current Assets	\$ 87,093,726	\$ 8,756,208	\$ 95,849,934
Noncurrent Assets:			
Unrestricted Assets:			
Cash and Cash Equivalents	\$ 20,400	\$ -	\$ 20,400
Total Unrestricted Assets	\$ 20,400	\$ -	\$ 20,400
Restricted Assets:			
Cash and Cash Equivalents:			
Debt Service	\$ 20,701,900	\$ -	\$ 20,701,900
Renewal and Extension	68,991,697	-	68,991,697
Escrow Agreement	-	126,827	126,827
Total Restricted Assets	\$ 89,693,597	\$ 126,827	\$ 89,820,424
Capital Assets:			
Land and Easements	\$ 30,225,576	\$ 1,960,683	\$ 32,186,259
Buildings and Structures	187,073,460	750,973	187,824,432
Operating and Maintenance Equipment	86,720,453	136,335	86,856,788
Field Equipment	55,250,958	1,243,544	56,494,502
Road Equipment	8,007,983	1,624,430	9,632,413
Piping	382,560,825	149,723,819	532,284,645
Technology and Office Equipment	14,434,001	176,455	14,610,457
Furniture and Fixtures	2,543,416	101,891	2,645,307
System Franchise and Engineering Studies	80,371,496	489,789	80,861,285
Construction in Process	74,708,167	1,898,985	76,607,152
Less: Accumulated Depreciation	(360,306,595)	(102,916,316)	(463,222,910)
Total Capital Assets <i>(Net of Accumulated Depreciation)</i>	\$ 561,589,740	\$ 55,190,588	\$ 616,780,330
Total Noncurrent Assets	\$ 651,303,737	\$ 55,317,415	\$ 706,621,154
Total Assets	\$ 738,397,463	\$ 64,073,623	\$ 802,471,088
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Charges Related to Debt Refunding	\$ 1,045,054	\$ -	\$ 1,045,054
Deferred Charges Related to OPEB Liability	684,335	36,018	720,353
Deferred Charges Related to Pension Liability	16,894,479	969,448	17,863,927
Total Deferred Outflows of Resources	\$ 18,623,868	\$ 1,005,466	\$ 19,629,334

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, 2021

	Water and Sewer	Stormwater	Total
LIABILITIES			
Current Liabilities Payable From Unrestricted Assets:			
Accounts Payable	\$ 5,886,631	\$ 543,698	\$ 6,430,329
Accrued Payroll Withholdings	504,512	33,138	537,650
Accrued Pension Contribution	333,688	21,765	355,453
Compensated Absences	953,819	58,160	1,011,979
Loans Payable - Due Within One Year	2,031,200	-	2,031,200
Accrued Loan Interest	20,440	-	20,440
Unearned Revenue	949,755	-	949,755
Total Current Liabilities Payable From Unrestricted Assets	\$ 10,680,045	\$ 656,761	\$ 11,336,806
Current Liabilities Payable From Restricted Assets:			
Accounts Payable	\$ 2,459,334	\$ -	\$ 2,459,334
Accrued Revenue Bond Interest	1,289,725	-	1,289,725
Customer Deposits	5,723,875	-	5,723,875
Revenue Bonds Payable - Due Within One Year	17,965,000	-	17,965,000
Total Current Liabilities Payable From Restricted Assets	\$ 27,437,934	\$ -	\$ 27,437,934
Total Current Liabilities	\$ 38,117,979	\$ 656,761	\$ 38,774,740
Noncurrent Liabilities:			
Compensated Absences	\$ 924,862	\$ 51,927	\$ 976,789
Loans Payable	28,754,657	-	28,754,657
Revenue Bonds Payable (Net of Bond Premium)	40,506,807	-	40,506,807
Net OPEB Liability	9,397,684	494,615	9,892,299
Net Pension Liability	52,918,998	3,216,217	56,135,215
Total Noncurrent Liabilities	\$ 132,503,008	\$ 3,762,759	\$ 136,265,767
Total Liabilities	\$ 170,620,987	\$ 4,419,520	\$ 175,040,507
DEFERRED INFLOWS OF RESOURCES			
Deferred Charges Related to OPEB Liability	\$ 9,020,015	\$ 474,738	\$ 9,494,753
Deferred Charges Related to Pension Liability	3,225,375	169,757	3,395,132
Total Deferred Inflows of Resources	\$ 12,245,390	\$ 644,495	\$ 12,889,885
NET POSITION			
Net Investment in Capital Assets	\$ 473,377,130	\$ 55,190,588	\$ 528,567,718
Restricted for:			
Debt Service	39,956,625	-	39,956,625
Renewal and Extension	1,500,000	-	1,500,000
Working Capital	500,000	-	500,000
Escrow Agreement	-	126,827	126,827
Unrestricted	58,821,199	4,697,659	63,518,858
Total Net Position	\$ 574,154,954	\$ 60,015,074	\$ 634,170,028

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, 2021

	Water and Sewer	Stormwater	Total
Operating Revenues:			
Charges for Sales and Services:			
Sale of Water	\$ 53,630,876	\$ -	\$ 53,630,876
Sewer Service	46,029,550	-	46,029,550
Stormwater Fees	-	10,366,348	10,366,348
Tapping Fees	1,429,959	-	1,429,959
Penalties and Reconnect Charges	3,978,710	221,705	4,200,415
Sale of Pellets, Timber and Materials	71,394	658	72,052
Other Operating Revenues	1,110,478	-	1,110,478
Total Operating Revenues	\$ 106,250,967	\$ 10,588,711	\$ 116,839,678
Operating Expenses:			
Water	\$ 13,103,103	\$ -	\$ 13,103,103
Sewer	17,206,904	-	17,206,904
Stormwater	-	2,424,562	2,424,562
Indirect	12,162,072	2,207,125	14,369,197
Administrative	17,406,906	-	17,406,906
Depreciation	20,012,022	3,743,022	23,755,044
Total Operating Expenses	\$ 79,891,007	\$ 8,374,709	\$ 88,265,716
Operating Income	\$ 26,359,960	\$ 2,214,002	\$ 28,573,962
Nonoperating Revenues (Expenses):			
Interest Income	\$ 124,135	\$ 7,707	\$ 131,842
Interest Expense	(2,100,296)	-	(2,100,296)
Gain (Loss) of Disposal of Capital Assets and Other	(452,230)	344,046	(108,184)
Other (Net)	(1,220)	-	(1,220)
Total Nonoperating Revenues (Expenses)	\$ (2,429,611)	\$ 351,753	\$ (2,077,858)
Income Before Contributions and Transfers	\$ 23,930,349	\$ 2,565,755	\$ 26,496,104
Capital Contributions:			
Impact Fees	\$ 1,765,123	\$ -	\$ 1,765,123
Subdividers and Developers	4,444,551	775,339	5,219,890
Other Governments	50,226	-	50,226
Transfers In	1,219,663	-	1,219,663
Transfers Out	-	(1,219,663)	(1,219,663)
Change in Net Position	\$ 31,409,912	\$ 2,121,431	\$ 33,531,343
Net Position - Beginning	\$ 542,745,042	\$ 57,893,643	\$ 600,638,685
Net Position - Ending	\$ 574,154,954	\$ 60,015,074	\$ 634,170,028

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, 2021

	Water and Sewer	Stormwater	Total
Cash Flows from Operating Activities:			
Cash Received from Customers	\$ 105,729,800	\$ 10,491,107	\$ 116,220,907
Cash Paid to Suppliers	(26,821,283)	(2,447,520)	(29,268,803)
Cash Paid to Employees	(29,309,481)	(1,688,884)	(30,998,365)
Net Cash Provided by Operating Activities	<u>\$ 49,599,036</u>	<u>\$ 6,354,703</u>	<u>\$ 55,953,739</u>
Cash Flows from Noncapital Financing Activities:			
Transfers from Other Funds	\$ 1,219,663	\$ -	\$ 1,219,663
Transfers to Other Funds	-	(1,219,663)	(1,219,663)
Net Cash Provided by (Used In) Noncapital Financing Activities	<u>\$ 1,219,663</u>	<u>\$ (1,219,663)</u>	<u>\$ -</u>
Cash Flows from Capital and Related Financing Activities:			
Acquisition and Construction of Capital Assets	\$ (40,311,657)	\$ (5,536,977)	\$ (45,848,634)
Fees Received From Subdividers	1,765,123	-	1,765,123
Principal Paid on Bonds Payable	(15,905,000)	-	(15,905,000)
Principal Paid on Notes Payable	(797,552)	-	(797,552)
Proceeds from Loans Payable	15,182,859	-	15,182,859
Interest Paid on Bonds and Loans Payable	(3,088,349)	-	(3,088,349)
Proceeds from Sale of Capital Assets	194,837	261,420	456,257
Fees Received from Other Governments	50,226	-	50,226
Net Cash Used In Capital and Related Financing Activities	<u>\$ (42,909,513)</u>	<u>\$ (5,275,557)</u>	<u>\$ (48,185,070)</u>
Cash Flows from Investing Activities:			
Interest on investments	\$ 124,135	\$ 7,707	\$ 131,842
Net Cash Provided by Investing Activities	<u>\$ 124,135</u>	<u>\$ 7,707</u>	<u>\$ 131,842</u>
Net Increase (Decrease) in Cash and Cash Equivalents	\$ 8,033,321	\$ (132,810)	\$ 7,900,511
Cash and Cash Equivalents, April 30, 2020	147,476,484	8,206,963	155,683,447
Cash and Cash Equivalents, April 30, 2021	<u>\$ 155,509,805</u>	<u>\$ 8,074,153</u>	<u>\$ 163,583,958</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:			
Operating Income	\$ 26,359,960	\$ 2,214,002	\$ 28,573,962
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:			
Depreciation Expense	\$ 20,012,022	\$ 3,743,022	\$ 23,755,044
(Increase) Decrease in Accounts Receivable	42,670	32,019	74,689
(Increase) Decrease in Other Receivables	(1,759,540)	(129,623)	(1,889,163)
(Increase) Decrease in Inventories	310,293	-	310,293
(Increase) Decrease in Prepaid Items	2,232	-	2,232
(Decrease) Increase in Accounts Payable	3,071,021	336,852	3,407,873
(Decrease) Increase in Accrued Liabilities	(1,041,646)	65,239	(976,407)
(Decrease) Increase in Customer Deposits	438,691	-	438,691
(Decrease) Increase in Compensated Absences	142,826	26,691	169,517
(Decrease) Increase in Net OPEB Liability	(1,819,628)	(95,770)	(1,915,398)
(Decrease) Increase in Net Pension Liability	3,083,123	162,271	3,245,394
(Decrease) Increase in Unearned Revenue	757,012	-	757,012
Total Adjustments	<u>23,239,076</u>	<u>4,140,701</u>	<u>27,379,777</u>
Net Cash Provided by Operating Activities	<u>\$ 49,599,036</u>	<u>\$ 6,354,703</u>	<u>\$ 55,953,739</u>

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, 2021**

	Water and Sewer	Stormwater	Total
Reconciliation of Cash Presentation to Cash and Cash Equivalents:			
Unrestricted Assets:			
Cash and Cash Equivalents:			
Current	\$ 35,602,854	\$ 7,947,326	\$ 43,550,180
Noncurrent	20,400	-	20,400
Restricted Assets:			
Cash and Cash Equivalents:			
Current	30,192,954	-	30,192,954
Noncurrent	89,693,597	126,827	89,820,424
Total Cash and Cash Equivalents	\$ 155,509,805	\$ 8,074,153	\$ 163,583,958
Non-cash Capital and Related Financing Activities			
Contributions of Capital Assets by Subdividers and Developers	\$ 4,444,551	\$ 775,339	\$ 5,219,890
Capital Assets Transferred Between Funds	-	-	-
Total Non-cash Capital and Related Financing Activities	\$ 4,444,551	\$ 775,339	\$ 5,219,890

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, 2021

ASSETS	
Cash and Cash Equivalents	\$ 336,287
Investments	
Equity - Exchange Traded Index and Mutual Funds	9,134,318
Fixed Income - Exchange Traded Index and Mutual Funds	6,752,956
Interest Receivable	10,356
Total Assets	<u>\$ 16,233,917</u>
LIABILITIES	
Accounts Payable	\$ -
Total Liabilities	<u>\$ -</u>
NET POSITION	
Restricted for Other Postemployment Benefits	<u>\$ 16,233,917</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, 2021

Additions:	
Contributions:	
Employer	\$ 1,752,720
Investment Earnings:	
Interest Income	1,578,770
Net Appreciation (Depreciation) in the Fair Value of Assets	1,819,470
Total Additions	<u>\$ 5,150,960</u>
Deductions:	
Benefits Paid to Participants or Beneficiaries	\$ 1,752,720
Bank Fees and Charges	<u>61,553</u>
Change in Net Position	\$ 3,336,687
Net Position Restricted for Other Postemployment Benefits:	
Beginning of Year	<u>\$ 12,897,230</u>
End of Year	<u>\$ 16,233,917</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 related 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 receivables 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, 2021, the allowance for doubtful accounts was \$146,688 and \$21,878 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 related 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, which 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, 2021 are shown in the following table:

Type of Restriction	Water and Sewer Fund	Stormwater Fund	Total
Bond Covenants:			
Debt Service	\$ 39,956,625	\$ -	\$ 39,956,625
Renewal and Extension	1,500,000	-	1,500,000
Working Capital	500,000	-	500,000
Escrow Agreement	-	126,827	126,827
Total Restricted Net Position	\$ 41,956,625	\$ 126,827	\$ 42,083,452



- **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, 2021. As indicated in the presentation by classification, 73 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, 2021, 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 Fund	Stormwater Fund	OPEB Trust	Total
Cash and Cash Equivalents:				
Unrestricted	\$ 35,623,254	\$ 7,947,326	\$ -	\$ 43,570,580
Restricted	119,886,551	126,827	336,287	120,349,665
Total Cash and Cash Equivalents	\$ 155,509,805	\$ 8,074,153	\$ 336,287	\$ 163,920,245

	Demand Deposits	Cash on Hand	Investments	Total Balances
Unrestricted:				
Water and Sewer:				
Current	\$ 35,594,454	\$ 8,400	\$ -	\$ 35,602,854
Noncurrent	20,400	-	-	20,400
Stormwater:				
Current	7,947,326	-	-	7,947,326
Noncurrent	-	-	-	-
Restricted:				
Water and Sewer:				
Debt Service	-	-	19,254,725	19,254,725
Debt Service Reserve	-	-	20,701,900	20,701,900
Construction	2,755,020	-	-	2,755,020
Renewal and Extension	71,451,031	-	-	71,451,031
Customer Deposits	5,723,875	-	-	5,723,875
Stormwater:				
Escrow	126,827	-	-	126,827
Other Post Employment Benefit Trust:				
Trust	336,287	-	-	336,287
Total Cash and Cash Equivalents	\$ 123,955,220	\$ 8,400	\$ 39,956,625	\$ 163,920,245



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.

On April 30, 2021, all the Authority's investments were in the First American Treasury Obligations 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, 2021, 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. On April 30, 2021, 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, 2021, 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 \$39,956,949.

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	4/30/2021	Average Credit Quality	Weighted Average Maturity (Yrs)
Cash Equivalents	\$ 336,287	-	-
Mutual Funds - Fixed Income	745,678	BBB*	12.11
Mutual Funds - Fixed Income	1,846,073	A	8.83
Mutual Funds - Fixed Income	1,828,042	BBB	12.91
Mutual Funds - Fixed Income	629,412	B	6.70
Exchange Traded Index Funds - Fixed Income	1,703,751	AA	8.70
Exchange Traded Index - Equity	1,390,910	-	-
Exchange Traded Index - Equity	386,140	-	-
Mutual Funds - Equities	7,357,268	-	-
Total Investments Measured at Fair Value	\$ 16,223,561		



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. On April 30, 2021, \$15,887,274 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, 2021, the fixed income investments had an average effective duration of 6.59 years compared to the Bloomberg-Barclays Aggregate Bond Index of 6.32 years. The weighted average yield to maturity of the Portfolio was 2.51 percent compared to the Bloomberg-Barclays Aggregate Bond Index of 2.06 percent. The average credit quality of the portfolio was “A” equivalent to the benchmark of “A”.

FAIR VALUE MEASUREMENTS

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

The Authority has the following Trust investments recurring fair value measurements as of April 30, 2021. 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	\$ 1,176,121	\$ 1,777,050	\$ -	\$ -	\$ 1,777,050	11.2%
Exchange Traded Index Funds - Fixed Income	1,698,780	1,703,751	-	-	1,703,751	10.7%
Mutual Funds - Equity	5,245,733	7,357,268	-	-	7,357,268	46.3%
Mutual Funds - Fixed Income	5,002,339	5,049,205	-	-	5,049,205	31.8%
Total Investments	\$ 13,122,973	\$ 15,887,274	\$ -	\$ -	\$ 15,887,274	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. On April 30, 2021, 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, 2021, the annual rate of return for the OPEB investment portfolio was 26.40 percent compared to the policy benchmark (*75 percent Russell 3000/25 percent MSCI ACWI ex US/50 percent Barclays Aggregate Index*) of 24.53 percent. The three-year return on the portfolio was 10.89 percent compared to the benchmark 10.87 percent and the return on the Inception to date (November 1, 2012) of 9.10 percent compared to the benchmark 8.51 percent.

FOREIGN CURRENCY RISK

On April 30, 2021, investments with exposure to foreign currency risk totaled \$1,234,038 or 7.6 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, 2021 are shown in the table that follows.

	Water and Sewer Fund	Stormwater Fund	Total
Outstanding Customer Billings	\$ 7,261,688	\$ 699,712	\$7,961,400
Estimated Unbilled Services Provided	8,697,659	-	8,697,659
Less: Allowance for Doubtful Accounts	(146,688)	(21,878)	(168,566)
Net Accounts Receivable	\$ 15,812,659	\$ 677,834	\$ 16,490,493

NOTE 5: INTERFUND TRANSFERS

During the fiscal year ended April 30, 2021, the Stormwater Fund transferred \$1,219,663 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, 2021, is shown in the table that follows. As indicated by the total found at the bottom of the table, net capital assets increased by \$24,737,497, or 4.6 percent, during the 2021 fiscal year.

Capital Assets by Major Class:	April 30, 2020	Increases	Transfers	Decreases	April 30, 2021
Capital Assets, Not Being Depreciated:					
Land and Easements	\$ 30,223,686	\$ 1,890	\$ -	\$ -	\$ 30,225,576
Construction in Progress	56,947,317	37,355,258	-	(19,594,408)	74,708,167
Total Capital Assets, Not Being Depreciated:	\$ 87,171,003	\$ 37,357,148	\$ -	\$ (19,594,408)	\$ 104,933,743
Capital Assets, Being Depreciated:					
Building and Structures	\$ 182,358,815	\$ 4,714,645	\$ -	\$ -	\$ 187,073,460
Operating and Maintenance Equipment	83,851,099	2,927,415	-	(58,061)	86,720,453
Field Equipment	53,210,092	2,041,565	-	(699)	55,250,958
Road Equipment	7,846,019	213,646	263,349	(315,031)	8,007,983
Piping	370,130,260	12,430,565	-	-	382,560,825
Technology and Office Equipment	13,446,406	987,995	-	(400)	14,434,001
Furniture and Fixtures	2,349,746	196,060	-	(2,390)	2,543,416
System Franchises and Engineering Studies	76,889,919	3,481,577	-	-	80,371,496
Total Capital Assets, Being Depreciated	\$ 790,082,356	\$ 26,993,468	\$ 263,349	\$ (376,581)	\$ 816,962,592
Less: Accumulated Depreciation For:					
Building and Structures	\$ 87,659,600	\$ 5,237,415	\$ -	\$ -	\$ 92,897,015
Operating and Maintenance Equipment	38,883,128	3,099,468	-	(55,168)	41,927,428
Field Equipment	41,086,841	1,924,315	-	(699)	43,010,457
Road Equipment	5,839,915	674,215	263,349	(311,235)	6,466,244
Piping	118,148,196	5,651,422	-	-	123,799,618
Technology and Office Equipment	10,203,798	846,762	-	(400)	11,050,160
Furniture and Fixtures	2,063,073	65,195	-	(2,390)	2,125,878
System Franchises and Engineering Studies	36,516,565	2,513,230	-	-	39,029,795
Total Accumulated Depreciation	\$ 340,401,116	\$ 20,012,022	\$ 263,349	\$ (369,892)	\$ 360,306,595
Capital Assets, Net	\$ 536,852,243	\$ 44,338,594	\$ -	\$ (19,601,097)	\$ 561,589,740



STORMWATER FUND

For the Stormwater Fund, the major classes of utility capital assets and accumulated depreciation on April 30, 2021 are shown in the table below. As indicated by the total found at the bottom of the table, net capital assets increased by \$2,569,294, or 4.9 percent, during the 2021 fiscal year.

Capital Assets by Major Class:	April 30, 2020	Increases	Transfers	Decreases	April 30, 2021
Capital Assets, Not Being Depreciated:					
Land and Easements	\$ 1,773,110	\$ 187,573	\$ -	\$ -	\$ 1,960,683
Construction in Progress	551,439	5,223,228	-	(3,875,682)	1,898,985
Total Capital Assets, Not Being Depreciated:	\$ 2,324,549	\$ 5,410,801	\$ -	\$ (3,875,682)	\$ 3,859,668
Capital Assets, Being Depreciated:					
Building and Structures	\$ 750,973	\$ -	\$ -	\$ -	\$ 750,973
Operating and Maintenance Equipment	136,335	-	-	-	136,335
Field Equipment	1,243,544	-	-	-	1,243,544
Road Equipment	1,641,827	245,952	(263,349)	-	1,624,430
Piping	145,072,798	4,651,021	-	-	149,723,819
Technology and Office Equipment	139,394	37,061	-	-	176,455
Furniture and Fixtures	101,891	-	-	-	101,891
System Franchises and Engineering Studies	646,625	-	-	(156,836)	489,789
Total Capital Assets, Being Depreciated	\$ 149,733,387	\$ 4,934,034	\$ (263,349)	\$ (156,836)	\$ 154,247,236
Less: Accumulated Depreciation For:					
Building and Structures	\$ 225,536	19,998	-	1	\$ 245,535
Operating and Maintenance Equipment	112,357	1,216	-	-	113,573
Field Equipment	670,355	89,916	-	-	760,271
Road Equipment	1,069,268	196,950	(263,349)	-	1,002,869
Piping	97,168,597	3,406,041	-	-	100,574,638
Technology and Office Equipment	79,992	20,439	-	-	100,431
Furniture and Fixtures	56,286	7,880	-	-	64,166
System Franchises and Engineering Studies	54,251	582	-	-	54,833
Total Accumulated Depreciation	\$ 99,436,642	\$ 3,743,022	\$ (263,349)	\$ 1	\$ 102,916,316
Capital Assets, Net	\$ 52,621,294	\$ 6,601,813	\$ -	\$ (4,032,519)	\$ 55,190,588

CONSTRUCTION COMMITMENTS

Total construction commitments outstanding for construction in process as of April 30, 2021 were \$13,979,103. 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 March 1, 2026, will be \$22,641. On April 30, 2021, the outstanding principal balance was \$1,272,351.

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 \$142. On April 30, 2021, the outstanding principal balance was \$2,124,986.

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. With disbursements of \$12,794,339 made during fiscal year 2021, the loan was fully disbursed with an outstanding principal balance of \$25,000,000 on April 30, 2021. Interest only payments were made monthly on the outstanding principal balance during the construction phase and totaled \$58,676 in this fiscal year. This loan will go into repayment on August 1, 2021, with 179 monthly fixed principal and interest payments of \$147,807. The final payment of \$147,808 will be due on July 1, 2036.

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. During fiscal year 2021, disbursements totaling \$2,388,520 were made and the outstanding principal balance of this loan as of April 30, 2021 was \$2,388,520. Interest only payments were made monthly on the outstanding principal balance during the construction phase and totaled \$1,796 for this fiscal year.



LOANS OUTSTANDING

As of April 30, 2021, the Authority was obligated to make monthly payments of principal and interest on the three GEFA loans in repayment, as follows:

For Fiscal Years Ending April 30,	Principal	Interest	Total Payments
2022	\$ 2,031,200	\$ 224,520	\$ 2,255,720
2023	2,327,336	219,998	2,547,334
2024	2,359,798	187,536	2,547,334
2025	2,393,210	154,124	2,547,334
2026	2,076,833	122,433	2,199,266
2027-2031	8,321,384	427,055	8,748,439
2032-2036	8,596,197	152,242	8,748,439
2037	291,379	237	291,616
Total	\$ 28,397,337	\$ 1,488,145	\$ 29,885,482

A fourth GEFA loan for additional large sewer outfall replacement projects is in the construction phase and had an outstanding principal balance of \$2,388,520 as of April 30, 2021. Interest only payments are made monthly on the outstanding principal balance during the construction.

On August 6, 2021, the Stormwater Fund executed a GEFA loan for \$10,000,000 to complete major culvert projects throughout Clayton County. The terms of this loan include an interest rate of 0.13 percent with interest only due on outstanding principal during the construction phase. When construction is complete, or the loan is fully disbursed, fixed monthly principal and interest payments will be made over 240 months. This loan was executed after the fiscal year ended on April 30, 2021, and no disbursements were made during this reporting period.

On November 12, 2021, the Authority executed a \$50,000,000 GEFA loan for a major upgrade to the W.B. Casey Water Reclamation Facility. The terms of this loan include an interest rate of 0.13 percent with interest only due on outstanding principal during the construction phase. When construction is complete, or the loan is fully disbursed, fixed monthly principal and interest payments will be made over 240 months. This loan was executed after the fiscal year ended on April 30, 2021 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, 2021, net revenues totaled \$49,531,129 and debt service related to the revenue bonds totaled \$18,876,626. 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%. The remaining outstanding balance of \$2,325,000 was paid on May 1, 2020, retiring the series, and leaving no outstanding balance on April 30, 2021.

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. The final payment of the remaining outstanding principal of \$13,580,000 was made on May 1, 2020, retiring the 2013A series and leaving no outstanding balance on April 30, 2021.

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, 2021, 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
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	\$ 56,235,000	\$ 4,108,475	\$ 60,343,475

The long-term portion of revenue bonds outstanding on April 30, 2021 is as follows:

Total Bonds Outstanding	\$ 56,235,000	
Less: Current Portion	(17,965,000)	\$ 38,270,000
Adjustments:		
Unamortized Bond Premium		2,236,807
Net Long-Term Portion of Revenue Bonds Outstanding		\$ 40,506,807

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, 2021 is:

Restricted Debt Service Assets	\$ 39,956,625
Less: Principal and Interest Due May 1, 2021	(19,254,725)
Available Reserve, April 30, 2021	\$ 20,701,900

ARBITRAGE LIABILITY

On April 30, 2021, 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 a range of factors, including future yields on invested proceeds.

Based on the interim calculations that were performed as of April 30, 2021, 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, 2021:

	Beginning Balance	Additions	Reductions	Ending Balance	Portion of Ending Balance Due Within One Year
Revenue Bonds Payable	\$ 72,140,000	\$ -	\$ 15,905,000	\$ 56,235,000	\$ 17,965,000
Amounts for Issuance Premiums	3,355,210	-	1,118,403	2,236,807	-
Total Bonds Payable	\$ 75,495,210	\$ -	\$ 17,023,403	\$ 58,471,807	\$ 17,965,000
Loans Payable	\$ 16,400,550	\$ 15,182,859	\$ 797,552	\$ 30,785,857	\$ 2,031,200
Compensated Absences	1,819,251	1,068,144	898,627	1,988,768	1,011,979
Net OPEB Liability	12,787,777	-	2,895,478	9,892,299	-
Net Pension Liability	42,999,961	13,135,254	-	56,135,215	-
Total Long-term Liabilities	\$ 149,502,749	\$ 29,386,257	\$ 21,615,060	\$ 157,273,946	\$ 21,008,179

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, 2021, 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 \$336,629 for the estimated cost of claims, net of adjustments, incurred prior to, but paid after, April 30, 2021 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, 2021, claims paid were \$557,749 more than premiums collected and recorded as a loss in the Statement of Revenues, Expenses and Changes in Net Position.

	2021	2020
Claims incurred	\$ 5,334,390	\$ 5,048,607
Claims paid	(4,997,761)	(4,851,773)
Unpaid claims at April 30,	<u>\$ 336,629</u>	<u>\$ 196,834</u>

NOTE 10: COMMITMENTS, CONTINGENCIES AND OTHER INFORMATION

FEDERAL AWARDS AND GRANT PROGRAMS

The Authority receives Federal funds in the form of disbursements for Clean Water State Revolving Fund (CWSRF) loans administered by the Georgia Environmental Finance Authority (GEFA). During fiscal year 2021, disbursements totaling \$15,182,859 were received. Proceeds from GEFA-CWSRF-2016037 of \$12,794,339 were received during the fiscal year, fully disbursing the available funding of this loan which had an outstanding principal balance on April 30, 2021 of \$25,000,000. Initial disbursements of \$2,388,520 from GEFA-CWSRF-2020014 were also received during the fiscal year. The outstanding principal balance of this loan on April 30, 2021 was \$2,388,520. 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 fiscal year ended April 30, 2021, 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, 2021.

Membership Status as of January 1, 2021	
Retirees and beneficiaries currently receiving benefits	182
Active employees	355
Total	537

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, 2021 which measured the Authority’s net OPEB liability.

FUNDING POLICY

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

During the fiscal year ended April 30, 2009, the Board of Directors chose to contribute \$5,240,690 in cash to the Retiree Health Insurance Trust Fund. This contribution represented monies that had previously been designated in the Water and Sewer Fund for paying retiree health insurance premiums in future periods. During the fiscal year ended April 30, 2013 and 2014, the Board of Directors approved contributions of \$1,000,000 and \$1,140,000, respectively for the same purpose. Since fiscal year ended April 30, 2014, including fiscal year ended April 30, 2021, no additional contributions have been made over the actual expense paid each year by the Authority.

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, 2021. The net OPEB liability reported by the Authority on April 30, 2021 is based on the measurement date of April 30, 2021 and determined by an actuarial valuation as of January 1, 2021. The components of the net OPEB liability on April 30, 2021 were:

	4/30/2021
Total OPEB Liability	\$ 26,126,216
Plan Fiduciary Net Position	<u>16,233,917</u>
Net OPEB Liability	\$ 9,892,299
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	62.14%

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, 2021 were as follows:

	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balances at April 30, 2020	\$ 25,676,803	\$ 12,897,230	\$ 12,779,573
Changes for the year:			
Service cost	576,277	-	576,277
Interest	2,049,048	-	2,049,048
Differences between expected and actual experience	445,239	-	445,239
Changes in assumptions	(868,431)	-	(868,431)
Contributions - employer	-	1,752,720	(1,752,720)
Net Investment Income - <i>(Projected earnings on Fiduciary Net Position)</i>	-	1,029,316	(1,029,316)
Benefit Payments	(1,752,720)	(1,752,720)	-
Differences between projected and actual earnings	-	2,368,924	(2,368,924)
Administrative expense	-	(61,553)	61,553
Net changes	\$ 449,413	\$ 3,336,687	\$ (2,887,274)
Balances at April 30, 2021	\$ 26,126,216	\$ 16,233,917	\$ 9,892,299

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, 2021
Actuarial Cost Method	Individual entry age Normal as a level percentage of payroll
Actuarial Value of Assets	Market Value as of April 30, 2021
Accounting Discount Rate	8.00% at January 1, 2021 valuation date; 8.00% at April 30, 2021 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, 2021 valuation date
Amortization Method	Level Percent of Payroll over a closed 25 years
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 varying 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-2019 to Scale MP-2020.

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)x[(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, 2021 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*	1.83%
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	\$ 13,288,679	\$ 9,892,299	\$ 7,087,472

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	\$ 7,023,488	\$ 9,892,299	\$ 13,404,966

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, 2021, 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, 2021, the Trust realized larger than expected asset returns and the Authority recognized OPEB income, rather than an expense, of \$154,474. At April 30, 2021, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 1,299,650
Changes of assumptions	-	8,195,103
Net difference between projected and actual earnings	720,353	-
Total	\$ 720,353	\$ 9,494,753



SCHEDULE OF DEFERRED OUTFLOWS (INFLOWS)

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>	
2022	\$ (1,812,036)
2023	(1,812,039)
2024	(1,844,078)
2025	(2,021,213)
2026	(1,216,204)
2027+	(68,830)
Total	\$ (8,774,400)

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, 2020	Number of Participants
Inactive plan members or beneficiaries currently receiving	1,471
Inactive plan members entitled to but not yet receiving	316
Active plan members	2,399
Total	4,186

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 12.35 percent of active participants' compensation is payable leaving a balance of 4.85 percent to be paid by the employers. In the previous valuation, the normal contribution rate was 11.44 percent of active participants' compensation, leaving a balance of 3.94 percent to be paid by employers.

The employers also contribute toward the liquidation of the unfunded accrued liability. The 14.38 percent additional contribution made by the employers will liquidate the unfunded accrued liability within 30 years. This compares to a 11.01 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, 2020, total contributions to the Plan by the Authority were \$3,084,284 and by members were \$1,610,505.

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, 2021, the Authority reported a liability for its proportionate share of the net pension liability in the amount of \$56,135,215. The net pension liability was measured as of June 30, 2020. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2020. 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, 2020. On June 30, 2020, the Authority’s proportionate share was 16.56 percent; a decrease of 0.03 percent from its allocation measured as of June 30, 2019.

For the year ended April 30, 2021, the Authority recognized pension expense of \$6,550,046. On April 30, 2021, 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	\$ 5,250,060	\$ -
Changes of assumptions	6,863,878	3,197,015
Net difference between projected and actual earnings on pension plan investments	2,124,629	-
Changes in proportion	1,236,548	198,117
Contributions subsequent to measurement date	2,388,812	-
Total	\$ 17,863,927	\$ 3,395,132

Contributions of \$2,388,812 made subsequent to the measurement date of June 30, 2020 through the end of the fiscal year of April 30, 2021 will be reported as deferred outflows and recognized as a reduction in the net pension liability in the fiscal year ended April 30, 2022.

SCHEDULE OF DEFERRED OUTFLOWS (INFLOWS)

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>	
2021	\$ 782,239
2022	3,467,009
2023	3,393,544
2024	2,833,318
2025	1,603,873
Total	\$ 12,079,983



ACTUARIAL ASSUMPTIONS

The total pension liability as of June 30, 2020 was determined by an actuarial valuation as of June 30, 2020 using the following actuarial assumptions, applied to all periods included in the measurement:

Assumptions	
Inflation	3.00%
Investment Rate of Return	7.75%
Salary Increases	Valuation years beginning 7/1/2020 and thereafter: 4.00%

Mortality rates: For annuitants non-safety, mortality rates are based on Pub-2010 Amount Weighted General Retiree Below-Median Table with a load of 2.85%, projected with Mortality Scale MP-2019. For annuitants safety mortality rates are based on Pub-2010 Amount Weighted Public Safety Retiree Below-Median Table, projected with Mortality Scale MP-2019. For non-annuitants non-safety, mortality rates are based on Pub-2010 Amount Weighted General Employees Below-Median Table, projected with Mortality Scale MP-2019. For non-annuitants safety, mortality rates are based on Pub-2010 Amount Weighted Public Safety Employee Below-Median Table, projected with Mortality Scale MP-2019. For disabled participants non-safety, mortality is based on the Pub-2010 Amount Weighted Non-Safety Disabled Retiree Table, projected with Mortality Scale MP-2019. For disabled participants safety, mortality is based on the Pub-2010 Amount Weighted Public Safety Disabled Retiree Table, projected with Mortality Scale MP-2019.

The actuarial assumptions used in the July 1, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2014 – June 30, 2019.

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. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Domestic Equities	55.00%	7.50%
International Equities	15.00%	8.50%
Domestic Bonds	25.00%	2.50%
International Bonds	5.00%	3.50%
Total	100.00%	8.00%

Discount Rate: The discount rate used to measure the total pension liability was 7.75%. 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

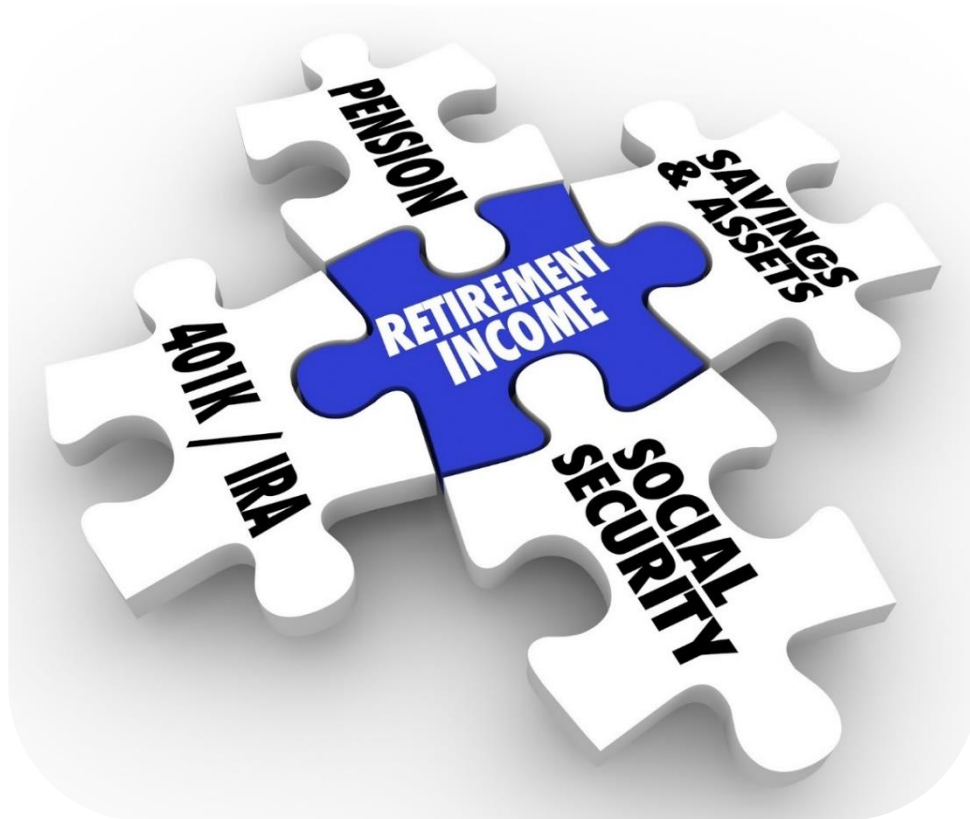


fiduciary net position was projected to be sufficient to cover future benefit payments for current members. Therefore, the long term expected rate of return of 7.75% on pension plan investments was applied to all projected benefit payments.

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 7.75%, 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, 6.75%, or one percentage point higher, 8.75%, than the current rate:

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
Net Pension Liability	\$ 71,928,496	\$ 56,135,215	\$ 42,426,998

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

	2020	2019	2018	2017	2016	2015
Authority's proportion of the net pension liability	16.56%	16.59%	16.43%	15.97%	15.51%	15.25%
Authority's proportionate share of the net pension liability	\$56,135,215	\$42,999,961	\$37,044,529	\$33,706,558	\$35,781,953	\$40,945,632
Authority's covered payroll during the measurement period	\$20,334,419	\$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	276.06%	209.05%	180.87%	167.92%	181.97%	215.20%
Plan fiduciary net position as a percentage of the total pension liability	56.83%	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

	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 3,084,284	\$ 3,048,425	\$ 2,943,069	\$ 2,842,162	\$ 2,756,799	\$ 2,286,727
Contributions in relation to the contractually required contribution	3,084,284	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	\$ 21,289,883	\$ 20,342,030	\$ 20,242,269	\$ 19,191,102	\$ 18,690,627	\$ 17,065,000
Contributions as a percentage of covered payroll	14.49%	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, 2020 is based on the July 1, 2019 Actuarial Valuation.
- Methods and Assumptions used to determine the actuarially determined contribution:**

Actuarial Methods and Assumptions	
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, 2019 Actuarial Valuation Report for Clayton County, Georgia Public Employees' Retirement System
Administrative Expenses	0.325% of Payroll
Inflation	3.00% per annum
Salary Increases	Through June 30, 2020 and thereafter: 4%
Investment Rate of Return	7.75%, net of pension plan investment expenses
Retirement and Termination rate	Actuarial value as specified in the July 1, 2020 Actuarial Valuation Report for Clayton County, Georgia Public Employees' Retirement System
Mortality	<i>Annuitants Non-Safety:</i> Pub-2010 Amount Weighted General Retiree Below-Median Table with a load of 2.85%, projected with Mortality Scale MP-2019. <i>Annuitants Safety:</i> Pub-2010 Amount Weighted Public Safety Retiree Below-Median Table, projected with Mortality Scale MP-2019. <i>Non-Annuitants Non-Safety:</i> Pub-2010 Amount Weighted General Employee Below-Median Table, projected with Mortality Scale MP-2019.

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



SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS

	2021	2020	2019	2018
Total OPEB Liability				
Service cost	\$ 576,277	\$ 575,581	\$ 1,018,532	\$ 998,561
Interest	2,049,048	1,977,426	1,774,662	1,683,533
Differences between expected and actual experience	445,239	-	550,581	-
Changes in assumptions	(868,431)	(337,063)	(11,740,276)	(108,791)
Benefit payments	(1,752,720)	(1,362,778)	(981,035)	(886,728)
Net change in total OPEB liability	\$ 449,413	\$ 853,166	\$ (9,377,536)	\$ 1,686,575
Total OPEB liability - beginning	25,676,803	24,823,637	34,201,173	32,514,598
Total OPEB liability - ending (a)	\$ 26,126,216	\$ 25,676,803	\$ 24,823,637	\$ 34,201,173
Plan Fiduciary Net Position				
Employer contributions	\$ 1,752,720	\$ 1,362,778	\$ 981,035	\$ 886,728
Contributions - active members	-	-	-	-
Difference between projected and actual earnings	2,368,924	(885,684)	(160,202)	-
Net investment income	1,029,316	1,022,478	962,726	935,980
Benefit payments (expected payments used)	(1,752,720)	(1,362,778)	(981,035)	(886,728)
Administrative expenses	(61,553)	(57,489)	(53,763)	(51,775)
Other - Interest Receivable	-	8,204	-	-
Net change in plan fiduciary net position	\$ 3,336,687	\$ 87,509	\$ 748,761	\$ 884,205
Plan fiduciary net position - beginning	12,897,230	12,809,721	12,060,960	11,176,755
Plan fiduciary net position - ending (b)	16,233,917	12,897,230	12,809,721	12,060,960
Client's net OPEB liability - ending (a) - (b)	\$ 9,892,299	\$ 12,779,573	\$ 12,013,916	\$ 22,140,213
Plan fiduciary net position as a percentage of the total OPEB liability	62.14%	50.23%	51.60%	35.26%
Covered payroll	\$ 20,964,879	\$ 22,548,332	\$ 20,342,030	\$ 19,191,102
Net OPEB liability as a percentage of covered payroll	47.19%	56.68%	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, 2021.

SCHEDULE OF CONTRIBUTIONS – OTHER POST-EMPLOYMENT BENEFITS

	2021	2020	2019	2018	2017
Actuarially determined contribution	\$ 1,214,557	\$ 1,447,371	\$ 1,405,215	\$ 2,019,000	\$ 2,019,000
Contributions in relation to the actuarially determined contributions	1,752,720	1,362,778	981,035	886,728	867,000
Contribution deficiency (excess)	\$ (538,163)	\$ 84,593	\$ 424,180	\$ 1,132,272	\$ 1,152,000
Covered payroll	\$ 20,964,879	\$ 22,548,332	\$ 20,342,679	\$ 19,191,102	\$ 19,191,102
Actual contributions as a percentage of covered payroll	8.36%	6.04%	4.82%	4.62%	4.52%

	2016	2015	2014	2013	2012
Actuarially determined contribution	\$ 1,940,000	\$ 1,940,000	\$ 1,917,000	\$ 1,917,000	\$ 1,968,000
Contributions in relation to the actuarially determined contributions	890,000	890,000	1,979,000	1,839,000	1,216,000
Contribution deficiency (excess)	\$ 1,050,000	\$ 1,050,000	\$ (62,000)	\$ 78,000	\$ 752,000
Covered payroll	\$ 17,065,000	\$ 17,065,000	\$ 16,834,000	\$ 16,834,000	\$ 16,678,000
Actual contributions as a percentage of covered payroll	5.22%	5.22%	11.76%	10.92%	7.29%

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, 2021
Actuarial Cost Method	Individual entry age Normal as a level percentage of payroll
Actuarial Value of Assets	Market Value as of April 30, 2021
Accounting Discount Rate	8.00% at January 1, 2021 valuation date; 8.00% at April 30, 2021 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, 2021 valuation date
Amortization Method	Level Percent of Payroll over a closed 26 years
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 varying 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

	4/30/2021	4/30/2020	4/30/2019
Annual Money-Weighted Rate of Return	12.95%	1.07%	6.67%





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, 2021**

	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	4,581,876	-	4,581,876
Backflow	947,995	-	947,995
Base Charges	10,870,366	-	10,870,366
Total Sale of Water	\$ 53,630,876	\$ -	\$ 53,630,876
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	4,861,933	-	4,861,933
Base Charges	9,856,522	-	9,856,522
Total Sewer Service	\$ 46,029,550	\$ -	\$ 46,029,550
Stormwater Fees:			
Residential	\$ -	\$ 3,461,306	\$ 3,461,306
Governmental	-	1,198,503	1,198,503
Institutional	-	727,629	727,629
Non-Residential	-	4,978,910	4,978,910
Total Stormwater Fees	\$ -	\$ 10,366,348	\$ 10,366,348
Tapping Fees:			
Water	\$ 1,285,945	\$ -	\$ 1,285,945
Sewer	144,014	-	144,014
Total Tapping Fees	\$ 1,429,959	\$ -	\$ 1,429,959
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	(580)	54,948	54,368
Reconnect Charges	1,105,045	-	1,105,045
Total Penalties and Reconnect Charges	\$ 3,978,710	\$ 221,705	\$ 4,200,415
Sales of Pellets, Timber and Materials:			
Pellets	\$ 42,383	\$ -	\$ 42,383
Timber	-	-	-
Other Materials	29,011	658	29,669
Total Sales of Pellets, Timber and Materials	\$ 71,394	\$ 658	\$ 72,052
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	832,155	-	832,155
Total Other Operating Revenues	\$ 1,110,478	\$ -	\$ 1,110,478
Total Operating Revenues	\$ 106,250,967	\$ 10,588,711	\$ 116,839,678



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, 2021

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	\$ 236,904	\$ 160,388	\$ 813,062	\$ -	\$ -	\$ -	\$ 566,736
Operating Materials and Supplies	8,181	1,626	705,152	194	-	-	285,220
Vehicle Supplies	328	2,084	487	739	397	-	85
Administrative Supplies	3,294	62	9,207	309	101	-	2,583
Utilities	1,652	1,440	1,178,859	283,152	503,864	11,691	762,770
Maintenance and Repairs	2	1,310	79,450	1,816	4,427	590	61,491
Outside Services	4,611	-	190,695	4,842	2,395	3,917	176,235
Rentals	-	-	-	-	-	-	-
Accounting Charges	-	-	-	-	-	-	-
General Expenses	76,783	1,534	27,572	1,316	3,709	4,460	17,596
Expenses Capitalized	-	-	-	-	-	-	-
Grand Total	\$ 331,755	\$ 168,444	\$ 3,004,484	\$ 292,368	\$ 514,893	\$ 20,658	\$ 1,872,716

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	\$ -	\$ -	\$ -	\$ -	\$ 800,611	\$ -	\$ 322,061
Operating Materials and Supplies	105,061	423	-	-	319,928	-	52,662
Vehicle Supplies	-	-	-	-	2,710	-	1,846
Administrative Supplies	-	481	-	-	9,436	-	703
Utilities	-	183,905	3,033	-	513,044	3,946	2,998
Maintenance and Repairs	222	2,551	-	38,239	27,236	928	590
Outside Services	40,325	6,395	25	810	76,861	75	115,878
Rentals	81,512	-	-	387	1,800	-	6,455
Accounting Charges	-	-	-	-	-	-	-
General Expenses	106	1,720	631	2,371	23,052	392	20,009
Expenses Capitalized	-	-	-	-	-	-	-
Grand Total	\$ 227,226	\$ 195,475	\$ 3,689	\$ 41,807	\$ 1,774,678	\$ 5,341	\$ 523,202

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	\$ 223,603	\$ 1,770,386	\$ 391,784	\$ 150,146	\$ 303,924	\$ 5,739,605
Operating Materials and Supplies	604,770	390,763	76,151	2,824	30,561	2,583,516
Vehicle Supplies	3,182	59,821	4,867	2,692	10,990	90,228
Administrative Supplies	1,606	21,367	1,825	360	3,871	55,205
Utilities	1,176	23,537	4,256	2,246	5,109	3,486,678
Maintenance and Repairs	2,712	23,232	4,843	412	2,246	252,297
Outside Services	516,509	803,227	3,134	4,429	3,525	1,953,888
Rentals	537	304	1,446	-	-	92,441
Accounting Charges	-	-	-	-	-	-
General Expenses	2,398	21,051	2,430	864	3,492	211,486
Expenses Capitalized	(1,356,493)	(226)	-	-	(5,522)	(1,362,241)
Grand Total	\$ -	\$ 3,113,462	\$ 490,736	\$ 163,973	\$ 358,196	\$ 13,103,103



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, 2021

Operating Expense	Water		Northeast Water		Shoal Creek	
	Reclamation Manager	W.B. Casey WRRF	Reclamation Facility	Northeast Solids Handling	Water Reclamation Facility	Shoal Creek Solids Handling
Salaries, Wages and Benefits	\$ 236,926	\$ 804,585	\$ 779,407	\$ 82,030	\$ 363,780	\$ 87,158
Operating Materials and Supplies	829	388,195	253,398	132,953	30,791	44,325
Vehicle Supplies	660	7,309	984	-	998	-
Administrative Supplies	785	4,907	3,964	761	2,459	-
Utilities	1,208	1,028,536	502,560	40,648	258,605	58,846
Maintenance and Repairs	14	45,971	113,925	3,085	108,683	1,969
Outside Services	709,107	169,240	148,115	396,201	103,517	374,311
Rentals	-	527	-	-	-	-
Accounting Charges	-	-	-	-	-	-
General Expenses	83,715	52,935	35,517	4,774	26,582	9,475
Expenses Capitalized	-	-	-	(389)	-	-
Grand Total	\$ 1,033,244	\$ 2,502,205	\$ 1,837,870	\$ 660,063	\$ 895,415	\$ 576,084

Operating Expense	R.L. Jackson	Natural	Wastewater	Conveyance	Laboratory/	Sludge
	Transfer Pump Station	Treatment Operations	Conveyance Maintenance	Conveyance System Inspection	Environmental Compliance	Pelletizing
Salaries, Wages and Benefits	\$ -	\$ 846,989	\$ 1,097,849	\$ 1,444,901	\$ 483,287	\$ 694,645
Operating Materials and Supplies	-	17,703	248,966	57,623	25,475	397,833
Vehicle Supplies	1,627	20,453	26,862	46,399	3,352	2,874
Administrative Supplies	-	3,580	10,053	8,484	2,371	3,070
Utilities	506,571	111,629	12,060	15,588	2,478	569,210
Maintenance and Repairs	15,991	52,117	219,682	37,606	1,122	76,178
Outside Services	110,113	37,259	814,065	237,378	49,493	64,988
Rentals	-	-	1,527	911	2,352	-
Accounting Charges	-	-	-	-	-	-
General Expenses	7,976	19,216	12,444	26,193	5,953	16,645
Expenses Capitalized	-	-	(1,599)	(3,076)	-	-
Grand Total	\$ 642,278	\$ 1,108,946	\$ 2,441,909	\$ 1,872,007	\$ 575,883	\$ 1,825,443

Operating Expense	Influent Pump	Sewage Lift	Total Direct
	Station	Station	Wastewater
Salaries, Wages and Benefits	\$ -	\$ 258,198	\$ 7,179,755
Operating Materials and Supplies	916	145,179	1,744,186
Vehicle Supplies	546	12,579	124,643
Administrative Supplies	-	1,930	42,364
Utilities	189,086	261,156	3,558,181
Maintenance and Repairs	2,695	156,141	835,179
Outside Services	36,249	111,330	3,361,366
Rentals	-	-	5,317
Accounting Charges	-	-	-
General Expenses	3,652	57,523	362,600
Expenses Capitalized	-	(1,623)	(6,687)
Grand Total	\$ 233,144	\$ 1,002,413	\$ 17,206,904



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, 2021

Operating Expense	J.W. Smith Recreation Park and Community Building		Shamrock Recreation	Shamrock Community Use Building		Wetlands Center	Program Management/ Engineering Manager		Construction Services
	Meter Services								
Salaries, Wages and Benefits	\$ 1,580,154	\$ 91,640	\$ 155,642	\$ -	\$ 104,112	\$ 733,199	\$ 569,948		
Operating Materials and Supplies	194,985	2,480	7,580	974	10,382	58	8,261		
Vehicle Supplies	51,837	4,873	2,277	-	133	578	17,856		
Administrative Supplies	9,994	597	3,863	120	1,585	355	1,353		
Utilities	30,304	6,329	12,360	11,179	9,163	6,129	14,269		
Maintenance and Repairs	10,583	9,899	13,095	3,440	17,599	509	2,039		
Outside Services	32,233	32,210	7,742	21,666	41,849	419,479	2,464		
Rentals	-	-	630	371	-	-	-		
Accounting Charges	-	715	-	2,517	-	-	-		
General Expenses	46,963	1,138	1,634	709	1,490	78,884	8,352		
Expenses Capitalized	(1,432)	-	-	-	-	(1,201)	(93,577)		
Grand Total	\$ 1,955,621	\$ 149,881	\$ 204,823	\$ 40,976	\$ 186,313	\$ 1,237,990	\$ 530,965		

Operating Expense	Engineering	Geographic Information System		Distribution and Conyenance Manager		Utility and Landscaping Services		Utility Locators		General Services Manager		Garage
Salaries, Wages and Benefits	\$ 299,309	\$ 605,883	\$ 511,854	\$ 432,864	\$ 398,824	\$ 219,655	\$ 377,262					
Operating Materials and Supplies	-	4,010	21,075	60,070	17,449	4,085	18,116					
Vehicle Supplies	-	2,441	4,695	19,204	13,246	262	5,857					
Administrative Supplies	49	362	2,741	4,390	1,319	1,049	3,308					
Utilities	2,741	5,033	19,838	3,379	7,136	21,010	8,432					
Maintenance and Repairs	-	118	11,552	8,410	1,382	-	4,934					
Outside Services	834,862	88,213	29,817	4,406	73,779	52,529	14,004					
Rentals	-	-	-	-	-	-	1,398					
Accounting Charges	-	-	-	-	-	-	-					
General Expenses	5,129	167,961	82,900	4,913	3,404	80,163	6,030					
Expenses Capitalized	-	(4,053)	-	(299)	-	-	(464)					
Grand Total	\$ 1,142,090	\$ 869,968	\$ 684,472	\$ 537,337	\$ 516,539	\$ 378,753	\$ 438,877					

Operating Expense	Warehouse	Equipment Maintenance		Grounds Right of Way Maintenance		Building Maintenance/ Projects		Miscellaneous	Total Indirect
Salaries, Wages and Benefits	\$ 275,249	\$ 1,216,874	\$ 326,259	\$ 594,363	\$ -	\$ 8,493,091			
Operating Materials and Supplies	15,042	23,563	8,082	27,134	117,174	540,520			
Vehicle Supplies	538	20,511	11,398	12,659	2,053	170,418			
Administrative Supplies	4,446	4,641	574	5,658	102	46,506			
Utilities	24,333	40,336	7,875	25,668	-	255,514			
Maintenance and Repairs	3,377	9,876	12,593	4,653	97	114,156			
Outside Services	423,414	12,826	6,850	7,389	879	2,106,611			
Rentals	-	816	2,428	-	-	5,643			
Accounting Charges	-	-	-	-	-	3,232			
General Expenses	9,173	20,870	4,551	5,338	-	529,602			
Expenses Capitalized	-	(2,199)	-	-	-	(103,221)			
Grand Total	\$ 755,572	\$ 1,348,114	\$ 380,610	\$ 682,862	\$ 120,305	\$ 12,162,072			



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, 2021

Operating Expense	General Manager	Human Resources	Public Relations	Board Members	Information Technology	Contracts, Compliance, Risk Mgmt	Finance
Salaries, Wages and Benefits	\$ 754,470	\$ 3,338,566	\$ 196,400	\$ 47,617	\$ 1,562,253	\$ 443,802	\$ 1,331,741
Operating Materials and Supplies	36,899	19,684	16,049	35	277,295	164	3,157
Vehicle Supplies	517	-	-	-	41	-	25
Administrative Supplies	10,779	2,235	40,602	196	16,672	7,599	5,678
Utilities	48,692	11,165	1,337	2,790	322,186	3,001	12,766
Maintenance and Repairs	17,208	24	-	-	161	-	86
Outside Services	345,360	140,251	23,805	9,406	537,695	8,766	87,689
Rentals	-	8,925	-	-	-	-	-
Accounting Charges	-	-	-	-	-	-	-
General Expenses	340,851	104,443	31,922	-	1,108,155	3,765	273,220
Expenses Capitalized	(1,672)	(3,882)	(361)	-	(274,533)	(32)	(2,299)
Grand Total	\$ 1,553,104	\$ 3,621,411	\$ 309,754	\$ 60,044	\$ 3,549,925	\$ 467,065	\$ 1,712,063

Operating Expense	Risk Management	Customer Accounts Director	Customer Accounting	Customer Service	Community Use Room	Water Conservation	Total Administrative
Salaries, Wages and Benefits	\$ 335,367	\$ 353,196	\$ 487,492	\$ 1,933,896	\$ -	\$ -	\$ 10,784,800
Operating Materials and Supplies	135	8,659	-	81,479	2,261	5,150	450,967
Vehicle Supplies	-	-	-	-	-	-	583
Administrative Supplies	3,848	5,862	28,046	28,599	49	-	150,165
Utilities	3,404	2,875	3,122	18,322	4,783	-	434,443
Maintenance and Repairs	267	1,729	-	3,394	343	-	23,212
Outside Services	330,063	199,219	582,991	162,865	2,560	-	2,430,670
Rentals	-	-	3,028	-	438	-	12,391
Accounting Charges	-	-	1,509,381	-	275	-	1,509,656
General Expenses	10,188	5,236	7,083	8,742	103	1,330	1,895,038
Expenses Capitalized	-	(2,014)	-	(226)	-	-	(285,019)
Grand Total	\$ 683,272	\$ 574,762	\$ 2,621,143	\$ 2,237,071	\$ 10,812	\$ 6,480	\$ 17,406,906



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, 2021**

Operating Expense	Stormwater Management	Engineering	Total Indirect Stormwater	Maintenance	Total Direct Stormwater
Salaries, Wages and Benefits	\$ 325,963	\$ 360,871	\$ 686,834	\$ 1,226,981	\$ 1,226,981
Operating Materials and Supplies	4,638	4,803	9,441	72,212	72,212
Vehicle Supplies	145	2,148	2,293	41,609	41,609
Administrative Supplies	7,281	7,836	15,117	8,371	8,371
Utilities	7,976	9,008	16,984	13,756	13,756
Maintenance and Repairs	567	1,359	1,926	18,517	18,517
Outside Services	217,838	851,759	1,069,597	1,055,741	1,055,741
Rentals	-	5,110	5,110	-	-
Accounting Charges	310,346	-	310,346	-	-
General Expenses	84,325	5,513	89,838	25,671	25,671
Expenses Capitalized	(199)	(162)	(361)	(38,296)	(38,296)
Grand Total	\$ 958,880	\$ 1,248,245	\$ 2,207,125	\$ 2,424,562	\$ 2,424,562





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

	Capital Assets				Allowance for Depreciation				Net Book Value	
	Beginning Balance	Additions	Transfers/Splits	Deductions	Ending Balance	Beginning Balance	Additions	Transfers/Splits		Deductions
Land and Easements										
Land	\$ 28,378,139	\$ -	\$ -	\$ -	\$ 28,378,139	\$ -	\$ -	\$ -	\$ -	\$ -
Easements	1,845,547	1,890	-	-	1,847,437	-	-	-	-	-
Total Land and Easements	\$ 30,223,686	\$ 1,890	\$ -	\$ -	\$ 30,225,576	\$ -	\$ -	\$ -	\$ -	\$ -
Building and Structures										
Utilities Service	\$ 1,402,851	\$ 117,560	\$ -	\$ -	\$ 1,520,411	\$ (1,362,537)	\$ (40,410)	\$ -	\$ -	\$ (1,402,947)
Paving & Surfacing	6,618,044	404,607	-	-	7,022,651	(5,651,324)	(257,717)	-	-	(5,909,041)
Landscaping	822,676	-	-	-	822,676	(779,341)	(6,575)	-	-	(785,916)
Fencing	967,045	81,561	-	-	1,048,606	(894,766)	(31,415)	-	-	(926,181)
Retaining Walls	1,627,937	-	-	-	1,627,937	(626,510)	(62,295)	-	-	(688,805)
Outdoor Lighting	1,187,500	92,403	-	-	1,279,903	(1,182,639)	(18,303)	-	-	(1,200,942)
Exterior Signage	126,948	6,921	-	-	133,869	(109,514)	(5,211)	-	-	(114,725)
Site Preparation	17,749,313	557,549	-	-	18,306,862	(12,765,871)	(794,964)	-	-	(13,560,835)
Building & Structures	134,627,201	2,225,640	-	-	136,852,841	(55,830,774)	(3,478,431)	-	-	(59,309,205)
Building Services	8,186,125	1,228,404	-	-	9,414,529	(4,265,723)	(438,970)	-	-	(4,704,693)
Residences, Barns, Etc.	-	-	-	-	-	(1)	-	-	-	(1)
Water Tanks	6,464,150	-	-	-	6,464,150	(2,582,987)	(86,189)	-	-	(2,669,176)
Lift Stations	1,221,757	-	-	-	1,221,757	(252,205)	(16,801)	-	-	(269,006)
Metering Stations	5,350	-	-	-	5,350	(3,490)	(134)	-	-	(3,624)
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	\$ 182,358,815	\$ 4,714,645	\$ -	\$ -	\$ 187,073,460	\$ (87,659,600)	\$ (5,237,415)	\$ -	\$ -	\$ (92,897,015)
Operating/Maintenance Equipment										
Pumping Equipment	\$ 12,578,957	\$ 108,667	\$ -	\$ (5,031)	\$ 12,682,593	\$ (6,109,073)	\$ (387,941)	\$ -	\$ 2,138	\$ (6,494,876)
Treatment Equipment	37,654,979	110,397	-	-	37,765,376	(16,810,448)	(1,234,083)	-	-	(18,044,531)
Monitoring/Control Equipment	29,589,155	2,447,805	-	-	32,036,960	(12,622,992)	(1,279,712)	-	-	(13,902,704)
Lifting/Handling Equipment	1,368,837	111,665	-	(42,730)	1,437,772	(1,195,136)	(46,431)	-	42,730	(1,198,837)
Garage Equipment	42,998	5,624	-	-	48,622	(25,391)	(6,762)	-	-	(32,153)
Laboratory Equipment	762,001	42,715	-	-	804,716	(582,061)	(34,109)	-	-	(616,170)
Landscaping Equipment	292,293	24,152	-	(8,500)	307,945	(231,613)	(27,012)	-	8,500	(250,125)
Safety Equipment	811,588	54,331	-	-	865,919	(747,133)	(49,654)	-	-	(796,787)
Shop/Cleaning Equipment & Tools	211,720	-	-	(1,800)	209,920	(206,442)	(1,767)	-	1,800	(206,409)
Fuel Dispensing Equipment	127,761	-	-	-	127,761	(97,806)	(2,385)	-	-	(100,191)
Containers	268,181	22,059	-	-	290,240	(184,703)	(12,610)	-	-	(197,313)
Marine Equipment	96,190	-	-	-	96,190	(34,418)	(14,825)	-	-	(49,243)
Miscellaneous Other Equipment	46,439	-	-	-	46,439	(35,918)	(2,177)	-	-	(38,095)
Total Operating/Maintenance Equipment	\$ 83,851,099	\$ 2,927,415	\$ -	\$ (58,061)	\$ 86,720,453	\$ (38,883,134)	\$ (3,099,468)	\$ -	\$ 55,168	\$ (41,927,434)
Field Equipment										
Construction Equipment	\$ 3,448,722	\$ 189,381	\$ -	\$ -	\$ 3,638,103	\$ (2,994,193)	\$ (130,430)	\$ -	\$ -	\$ (3,124,623)
Drilling/Cutting Equipment	294,732	-	-	-	294,732	(286,801)	(5,823)	-	-	(292,624)
Specialized Maint Equipment	259,489	-	-	-	259,489	(220,791)	(18,562)	-	-	(239,353)
Forestry Equipment	151,480	-	-	-	151,480	(102,899)	(12,805)	-	-	(115,704)
Measuring/Drafting Equipment	727,431	-	-	-	727,431	(653,448)	(27,765)	-	-	(681,213)
Energy Utility Sources	12,648,035	-	-	(699)	12,647,336	(12,511,342)	(49,573)	-	699	(12,560,216)
Meters	35,680,203	1,852,184	-	-	37,532,387	(24,317,367)	(1,679,357)	-	-	(25,996,724)
Total Field Equipment	\$ 53,210,092	\$ 2,041,565	\$ -	\$ (699)	\$ 55,250,958	\$ (41,086,841)	\$ (1,924,315)	\$ -	\$ 699	\$ (43,010,457)
Road Equipment										
Trucks	\$ 4,076,270	\$ 62,402	\$ 245,343	\$ (239,880)	\$ 4,144,135	\$ (3,024,034)	\$ (279,760)	\$ (245,343)	\$ 239,880	\$ (3,309,257)
Trailers (Non-Forestry)	313,619	-	-	(7,975)	305,644	(275,662)	(20,471)	-	7,975	(288,158)
Automobiles/Pick-Ups	3,456,130	151,244	18,006	(67,176)	3,558,204	(2,540,218)	(373,984)	(18,006)	63,380	(2,866,828)
Total Road Equipment	\$ 7,846,019	\$ 213,646	\$ 263,349	\$ (315,031)	\$ 8,007,983	\$ (5,839,914)	\$ (674,215)	\$ (263,349)	\$ 311,235	\$ (6,466,243)

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	
Piping									
Water Distribution System	\$ 136,425,076	\$ 5,277,426	-	\$ 141,702,502	(41,132,195)	\$ (1,859,269)	-	\$ (42,991,464)	\$ 98,711,038
Sewer Outfall/Cool Sys/FCD MNS	178,224,494	7,121,133	-	185,345,627	(53,139,104)	(2,420,558)	-	(55,559,662)	129,785,965
Piping (In-Plant/Building)	40,344,633	-	-	40,344,633	(16,789,009)	(998,284)	-	(17,787,293)	22,557,340
Valves (In-Plant/Building)	6,625,282	-	-	6,625,282	(2,425,672)	(161,164)	-	(2,586,836)	4,038,446
Gates (In-Plant/Building)	1,997,648	-	-	1,997,648	(635,655)	(49,640)	-	(685,295)	1,312,353
Forest Park Water & Sewer Lines	4,585,997	-	-	4,585,997	(3,551,282)	(134,882)	-	(3,686,164)	899,833
In-Plant/Building/Other	1,927,130	32,006	-	1,959,136	(475,272)	(27,625)	-	(502,897)	1,456,239
Total Piping	\$ 370,130,260	\$ 12,430,565	\$ -	\$ 382,560,825	\$ (118,148,189)	\$ (5,651,422)	\$ -	\$ (123,799,611)	\$ 258,761,214
Technology and Office Equipment									
Computing Devices	\$ 11,911,580	\$ 940,609	-	\$ 12,851,789	\$ (8,934,539)	\$ (772,834)	-	\$ (9,706,973)	\$ 3,144,816
Communication Equipment	728,218	-	-	728,218	(621,281)	(22,634)	-	(643,915)	84,303
Miscellaneous Equipment	6,065	-	-	6,065	(5,759)	(203)	-	(5,962)	103
Audio-Visual Equipment	800,543	47,386	-	847,929	(642,217)	(51,091)	-	(693,308)	154,621
Total Technology and Office Equipment	\$ 13,446,406	\$ 987,995	\$ -	\$ 14,434,001	\$ (10,203,796)	\$ (846,762)	\$ -	\$ (11,050,158)	\$ 3,383,843
Furniture and Fixtures									
Desks, Tables, & Racks	\$ 839,770	\$ 101,012	-	\$ 938,392	\$ (709,494)	\$ (28,595)	-	\$ (735,699)	\$ 202,693
Seating	124,920	-	-	124,920	(114,044)	(3,037)	-	(117,081)	7,839
Storage Units	338,488	64,886	-	403,374	(325,913)	(21,616)	-	(347,529)	55,845
Shelving	32,391	-	-	32,391	(32,391)	-	-	(32,391)	-
Aerial Photos, Misc	363,664	23,718	-	387,382	(251,602)	(6,236)	-	(257,838)	129,544
Appliances	650,513	6,444	-	656,957	(629,633)	(5,711)	-	(635,344)	21,613
Total Furniture and Fixtures	\$ 2,349,746	\$ 196,060	\$ -	\$ 2,543,416	\$ (2,063,077)	\$ (65,195)	\$ -	\$ (2,125,882)	\$ 417,534
System Franchises, Engineering Studies									
Non-Tangibles	\$ 76,889,919	\$ 3,481,577	-	\$ 80,371,496	(36,516,565)	(2,513,230)	-	(39,029,795)	\$ 41,341,701
Total System and Engineering Studies	\$ 76,889,919	\$ 3,481,577	\$ -	\$ 80,371,496	\$ (36,516,565)	\$ (2,513,230)	\$ -	\$ (39,029,795)	\$ 41,341,701
Total All Classes	\$ 820,306,042	\$ 26,995,358	\$ 263,349	\$ 847,188,168	\$ (340,401,116)	\$ (20,012,022)	\$ (263,349)	\$ (360,306,595)	\$ 486,881,573
Construction In Progress	56,947,317	37,355,258	-	74,708,167	-	-	-	-	74,708,167
TOTAL CAPITAL ASSETS	\$ 877,253,359	\$ 64,350,616	\$ 263,349	\$ 921,896,335	\$ (340,401,116)	\$ (20,012,022)	\$ (263,349)	\$ (360,306,595)	\$ 561,589,740



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

	Capital Assets					Allowance for Depreciation					Net Book Value	
	Beginning Balance	Additions	Transfers/ Splits	Deductions	Ending Balance	Beginning Balance	Additions	Transfers/ Splits	Deductions	Ending Balance		
Administrative												
General Manager	\$ 12,870,967	\$ 516,230	\$ -	\$ -	\$ 13,387,197	\$ (5,491,068)	\$ (338,145)	\$ -	\$ -	\$ (5,829,213)	\$ 7,557,984	
Human Resources	141,169	12,289	(2,468)	(400)	150,590	(114,530)	(4,470)	2,359	400	(116,241)	34,349	
Communications & Community Relations	42,715	361	-	-	43,076	(33,948)	(1,264)	-	-	(35,212)	7,864	
Board Member	805,868	20,552	-	-	826,420	(26,010)	(877)	-	-	(26,887)	3,394	
Information Services	52,140	215,163	(38,782)	-	228,521	(12,410)	(3,111)	4,054	-	(7,199,119)	2,552,778	
Procurement, Contracts & Compliance	258,691	1,533,547	-	-	2,792,238	(208,837)	(9,269)	-	-	(218,106)	60,637	
Finance	206,337	1,778,304	38,420	-	2,783,061	(51,224)	(317,247)	(3,693)	-	(372,164)	1,406,140	
Risk Management	393,494	9,530	-	-	403,024	(146,967)	(29,195)	-	-	(176,162)	226,862	
Customer Accounts Director	994,227	1,432	(24,979)	(2,390)	968,290	(667,110)	(83,139)	11,187	2,390	(736,672)	231,618	
Meter Reading & Repair	1,581,221	28,786	-	-	1,610,007	(1,552,532)	(6,825)	-	-	(1,559,357)	50,650	
Customer Accounting	590,678	141,522	-	-	732,200	(229,406)	(28,778)	-	-	(258,184)	474,016	
Community Use Room (CUR)	90,724	16,285	-	-	107,009	(56,404)	(7,888)	-	-	(64,292)	42,717	
Warehouse	1,280,736	49,272	(55,393)	-	1,274,615	(813,339)	(44,238)	55,393	(3,796)	(805,980)	468,635	
Total Administrative	\$ 27,479,409	\$ 3,350,337	\$ (83,202)	\$ (2,790)	\$ 30,743,754	\$ (16,073,491)	\$ (1,403,859)	\$ 69,300	\$ (1,006)	\$ (17,409,056)	\$ 13,334,698	
Water Reclamation												
Water Reclamation DM	\$ 651,758	\$ 699,390	\$ -	\$ -	\$ 1,351,148	\$ (319,489)	\$ (24,016)	\$ -	\$ -	\$ (343,505)	\$ 1,007,643	
WB Casey Sr WPCP	88,047,717	434,089	-	-	88,481,806	(35,190,320)	(2,392,018)	-	-	(37,582,338)	50,899,468	
NE Clayton WPCP	67,483,159	236,052	-	(5,031)	67,714,180	(30,861,817)	(2,138,074)	-	2,138	(32,997,753)	34,716,427	
NE Solids Handling	3,527,963	389	-	-	3,528,352	(1,901,678)	(100,001)	-	-	(2,001,679)	1,526,673	
Shoal Creek WRP	33,907,523	331,362	-	-	34,238,885	(14,451,659)	(796,012)	-	-	(15,247,671)	18,991,214	
Shoal Creek Solids Handling	4,446,640	-	-	-	4,446,640	(1,727,668)	(123,595)	-	-	(1,851,263)	2,595,377	
Transfer Pump Station	7,985,693	117,660	-	-	8,103,353	(5,316,647)	(176,018)	-	-	(5,492,665)	2,610,688	
Laboratory/Environmental Comp.	609,346	8,865	-	-	618,211	(532,494)	(7,811)	-	-	(540,305)	77,906	
Sludge Pelletizing	9,993,441	22,059	-	-	10,015,500	(5,324,705)	(282,812)	-	-	(5,607,517)	4,407,983	
Influent Pump Station	2,102,200	-	-	-	2,102,200	(1,179,767)	(48,112)	-	-	(1,227,879)	874,321	
Natural Treatment Operations	57,947,772	-	(9,520)	-	57,938,252	(22,053,033)	(1,159,178)	9,520	-	(23,202,691)	34,735,561	
Total Water Reclamation	\$ 276,703,212	\$ 1,849,866	\$ (9,520)	\$ (5,031)	\$ 278,538,527	\$ (118,859,277)	\$ (7,247,647)	\$ 9,520	\$ 2,138	\$ (126,095,266)	\$ 152,443,261	
Distribution and Conveyance												
Distribution and Conveyance Manager	\$ 2,099,710	\$ -	\$ -	\$ -	\$ 2,099,710	\$ (1,565,290)	\$ (35,447)	\$ -	\$ -	\$ (1,600,737)	\$ 498,973	
Meter Installation	5,832,830	1,354,946	-	-	7,187,776	(1,125,746)	(426,794)	-	-	(1,552,540)	5,635,236	
Water Line Maintenance	163,844,845	5,755,370	41,426	-	169,641,641	(63,042,672)	(2,782,290)	(35,106)	-	(65,860,068)	103,781,573	
Meter & Backflow Testing	4,389,498	-	-	-	4,389,498	(1,690,397)	(301,507)	-	-	(1,991,904)	2,397,594	
Leak Detection & Repair	242,475	242,475	-	-	484,950	(126,718)	(15,362)	-	-	(142,080)	100,395	
Backflow Testing and Repair	4,513,875	36,233	20,383	-	4,570,491	(4,157,632)	(315,248)	(12,911)	-	(4,485,791)	84,700	
Utility & Landscaping Services	490,908	-	-	-	490,908	(353,451)	(58,305)	-	-	(411,756)	79,152	
Sewer Tap Maintenance	184,307,633	7,185,769	-	(699)	191,492,703	(57,282,193)	(2,646,484)	-	699	(59,927,978)	131,564,725	
Sewer Rehabilitation	2,383,067	97,406	(22,123)	-	2,458,350	(1,869,365)	(139,030)	-	22,123	(1,986,272)	472,078	
Water & Sewer Locators	236,631	-	-	-	236,631	(124,463)	(30,057)	-	-	(154,520)	82,111	
Total Distribution and Conveyance	\$ 368,341,472	\$ 14,429,724	\$ 39,686	\$ (699)	\$ 382,810,183	\$ (131,337,927)	\$ (6,750,524)	\$ (48,017)	\$ 22,822	\$ (138,113,646)	\$ 244,696,537	
Engineering												
Program Mgmt & Eng/DM	\$ 1,393,587	\$ 29,302	\$ -	\$ -	\$ 1,422,889	\$ (427,433)	\$ (49,029)	\$ -	\$ -	\$ (476,462)	\$ 946,427	
Watershed Protection	1,037,938	-	-	-	1,037,938	(593,718)	(34,598)	-	-	(628,316)	409,622	
Program Management	5,215,577	1,374	-	-	5,216,951	(2,496,977)	(193,417)	-	-	(2,690,394)	2,526,557	
Drafting & Mapping	185,926	-	(2,301)	-	183,625	(168,111)	(2,301)	-	-	(170,412)	15,514	
Geographic Info System	1,143,390	9,993	-	-	1,153,383	(751,541)	(58,001)	-	-	(809,542)	343,841	
Total Engineering	\$ 8,976,418	\$ 40,669	\$ -	\$ -	\$ 9,017,087	\$ (4,437,780)	\$ (337,346)	\$ -	\$ -	\$ (4,775,126)	\$ 4,241,961	

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	Capital Assets					Allowance for Depreciation					Net Book Value	
	Beginning Balance	Additions	Transfers/Splits	Deductions	Ending Balance	Beginning Balance	Additions	Transfers/Splits	Deductions	Ending Balance		
Water Production												
Water Production Manager	\$ 1,303,929	\$ 145,308	\$ -	\$ -	\$ 1,449,237	\$ (312,916)	\$ (48,451)	\$ -	\$ -	\$ (361,367)	\$ 1,087,870	
Water Production O&M Support	81,824	-	-	-	81,824	(49,823)	(1,162)	-	-	(50,985)	30,839	
WJ Hooper Water Plant	41,638,799	681,998	(15,104)	-	42,305,693	(17,925,346)	(1,186,128)	4,699	-	(19,106,775)	23,198,918	
Morrow Pumping Station	2,444,257	20,640	-	-	2,464,897	(848,480)	(64,786)	-	-	(913,266)	1,551,631	
Noah's Ark Pumping Station	4,585,383	20,640	-	-	4,606,023	(2,441,401)	(92,207)	-	-	(2,533,608)	2,072,415	
Elevated Tanks	3,890,159	-	-	-	3,890,159	(1,889,601)	(68,211)	-	-	(1,957,812)	1,932,347	
JW Smith Water Plant	22,717,267	108,381	-	-	22,825,648	(12,693,980)	(551,590)	-	-	(13,245,570)	9,580,078	
Blalock Jr Reservoir	4,333,217	-	-	-	4,333,217	(1,777,786)	(62,475)	-	-	(1,840,261)	2,492,956	
Jonesboro Pumping Station	2,101,516	48,850	-	-	2,150,366	(1,102,773)	(44,205)	-	-	(1,146,978)	1,003,388	
Forest Park Pumping Station	496,193	-	-	-	496,193	(440,197)	(3,292)	-	-	(443,489)	52,704	
Shoal Creek Reservoir	8,923,660	-	-	-	8,923,660	(3,642,999)	(153,204)	-	-	(3,796,203)	5,127,457	
Terry Hicks Water Plant	24,265,139	279,457	(24,846)	-	24,519,750	(14,187,767)	(629,872)	8,613	-	(14,809,026)	9,710,724	
Well Program	568,541	-	-	-	568,541	(211,296)	(14,679)	-	-	(225,975)	342,566	
Water Quality Lab	322,112	55,863	-	-	377,975	(204,599)	(23,855)	-	-	(228,454)	149,521	
J.W. Smith Recreation Park	387,579	14,109	-	-	401,688	(291,984)	(13,710)	-	-	(305,694)	95,994	
Lake Shamrock Recreation	941,091	11,346	1,020	-	953,457	(767,269)	(29,597)	(1,020)	-	(797,886)	155,571	
Shamrock Community Use Bldg	588,628	-	-	-	588,628	(414,248)	(15,878)	-	-	(430,126)	158,502	
Wetland Center	812,907	-	-	-	812,907	(601,987)	(18,381)	-	-	(620,368)	192,539	
Total Water Production	\$ 120,402,201	\$ 1,386,592	\$ (38,930)	\$ -	\$ 121,749,863	\$ (59,804,452)	\$ (3,021,683)	\$ 12,292	\$ -	\$ (62,813,843)	\$ 58,936,020	
General Services												
General Services/DM	\$ 505,233	\$ 5,527,060	\$ 361	\$ -	\$ 6,032,654	\$ (93,097)	\$ (640,174)	\$ (361)	\$ -	\$ (733,632)	\$ 5,299,022	
Sewage Lift Station	13,909,522	213,557	39,950	-	14,163,029	(6,630,344)	(386,793)	(13,312)	-	(7,030,449)	7,132,580	
Garage	447,118	14,328	21,288	-	482,734	(408,015)	(9,717)	835	(22,123)	(439,020)	43,714	
Equipment Maintenance	1,718,391	33,835	(52,000)	(68,700)	1,631,526	(1,279,229)	(111,698)	52,000	68,700	(1,270,227)	361,299	
Grounds/Right-of-Way Maint	692,692	43,563	(31,620)	-	704,635	(456,060)	(63,025)	31,620	-	(487,465)	217,170	
Building Maint/Projects	950,493	105,827	-	-	1,056,320	(847,798)	(37,015)	-	-	(884,813)	171,507	
Miscellaneous	179,881	-	377,336	(299,361)	257,856	(173,646)	(2,541)	(377,226)	299,361	(254,052)	3,804	
Total General Services	\$ 18,403,330	\$ 5,938,170	\$ 355,315	\$ (368,061)	\$ 24,328,754	\$ (9,888,189)	\$ (1,250,963)	\$ (306,444)	\$ 345,938	\$ (11,099,658)	\$ 13,229,096	
Total All Departments	\$ 820,306,042	\$ 26,995,358	\$ 263,349	\$ (376,581)	\$ 847,188,168	\$ (340,401,116)	\$ (20,012,022)	\$ (263,349)	\$ 369,892	\$ (360,306,595)	\$ 486,881,573	
Construction in Progress	56,947,317	37,355,258	-	(19,594,408)	74,708,167	-	-	-	-	-	74,708,167	
TOTAL CAPITAL ASSETS	\$ 877,253,359	\$ 64,350,616	\$ 263,349	\$ (19,970,989)	\$ 921,896,335	\$ (340,401,116)	\$ (20,012,022)	\$ (263,349)	\$ 369,892	\$ (360,306,595)	\$ 561,589,740	



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

	Capital Assets					Allowance for Depreciation					Net Book Value	
	Beginning Balance	Additions	Transfers/ Splits	Deductions	Ending Balance	Beginning Balance	Additions	Transfers/ Splits	Deductions	Ending Balance		
Land and Easements												
Land	\$ 797,804	\$ 187,573	\$ -	\$ -	\$ 985,377	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 985,377
Easements	228,306	-	-	-	228,306	-	-	-	-	-	-	228,306
Dams/Earthen Embankment	747,000	-	-	-	747,000	-	-	-	-	-	-	747,000
Total Land and Easements	\$ 1,773,110	\$ 187,573	\$ -	\$ -	\$ 1,960,683	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,960,683
Building and Structures												
Fencing	\$ 20,310	\$ -	\$ -	\$ -	\$ 20,310	\$ (15,921)	\$ (1,224)	\$ -	\$ -	\$ (17,145)	\$ -	\$ 3,165
Outdoor Lighting	4,807	-	-	-	4,807	(3,165)	(481)	-	-	(3,646)	-	1,161
Exterior Signing	595	-	-	-	595	(594)	-	-	(1)	(595)	-	-
Building & Structures	714,430	-	-	-	714,430	(201,038)	(17,861)	-	-	(218,899)	-	495,531
Building Services	10,831	-	-	-	10,831	(4,818)	(433)	-	-	(5,251)	-	5,580
Total Building and Structures	\$ 750,973	\$ -	\$ -	\$ -	\$ 750,973	\$ (225,536)	\$ (19,999)	\$ -	\$ (1)	\$ (245,536)	\$ -	\$ 505,437
Operating/Maintenance Equipment												
Pumping Equipment	\$ 48,242	\$ -	\$ -	\$ -	\$ 48,242	\$ (42,436)	\$ (253)	\$ -	\$ -	\$ (42,689)	\$ -	\$ 5,553
Monitoring/Control Equipment	28,904	-	-	-	28,904	(10,732)	(963)	-	-	(11,695)	-	17,209
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	\$ (112,357)	\$ (1,216)	\$ -	\$ -	\$ (113,573)	\$ -	\$ 22,762
Field Equipment												
Construction Equipment	\$ 1,194,885	\$ -	\$ -	\$ -	\$ 1,194,885	\$ (622,508)	\$ (89,886)	\$ -	\$ -	\$ (712,394)	\$ -	\$ 482,491
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	(1,102)	(30)	-	-	(1,132)	-	782
Total Field Equipment	\$ 1,243,544	\$ -	\$ -	\$ -	\$ 1,243,544	\$ (670,355)	\$ (89,916)	\$ -	\$ -	\$ (760,271)	\$ -	\$ 483,273
Road Equipment												
Trucks	\$ 1,415,704	\$ 178,457	\$ (245,343)	\$ -	\$ 1,348,818	\$ (898,584)	\$ (166,287)	\$ 245,343	\$ -	\$ (819,528)	\$ -	\$ 529,290
Trailers (Non-Forestry)	51,199	6,075	-	-	57,274	(25,103)	(8,819)	-	-	(33,922)	-	23,352
Automobiles/Pick-Ups	174,924	61,420	(18,006)	-	218,338	(145,581)	(21,844)	18,006	-	(149,419)	-	68,919
Total Road Equipment	\$ 1,641,827	\$ 245,952	\$ (263,349)	\$ -	\$ 1,624,430	\$ (1,069,268)	\$ (196,950)	\$ 263,349	\$ -	\$ (1,002,869)	\$ -	\$ 621,561
Piping												
Stormwater Infrastructure	\$ 145,072,798	\$ 4,651,021	\$ -	\$ -	\$ 149,723,819	\$ (97,168,597)	\$ (3,406,041)	\$ -	\$ -	\$ (100,574,638)	\$ -	\$ 49,149,181
Total Piping	\$ 145,072,798	\$ 4,651,021	\$ -	\$ -	\$ 149,723,819	\$ (97,168,597)	\$ (3,406,041)	\$ -	\$ -	\$ (100,574,638)	\$ -	\$ 49,149,181

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	
Technology and Office Equipment									
Computing Devices	\$ 24,952	\$ 362	\$ -	\$ 25,314	\$ (12,880)	\$ (1,996)	\$ -	\$ (14,876)	\$ 10,438
Communication Equipment	24,032	-	-	24,032	(20,608)	(1,602)	-	(22,210)	1,822
Audio-Visual Equipment	90,410	36,699	-	127,109	(46,504)	(16,840)	-	(63,344)	63,765
Total Technology and Office Equipment	\$ 139,394	\$ 37,061	\$ -	\$ 176,455	\$ (79,992)	\$ (20,438)	\$ -	\$ (100,430)	\$ 76,025
Furniture and Fixtures									
Desks, Tables, Racks, Seating	\$ 15,062	\$ -	\$ -	\$ 15,062	\$ (14,524)	\$ (323)	\$ -	\$ (14,847)	\$ 215
Storage Units	13,600	-	-	13,600	(12,505)	(548)	-	(13,053)	547
Aerial Maps, Décor, Plants	60,419	-	-	60,419	(19,774)	(5,999)	-	(25,773)	34,646
Appliances	12,810	-	-	12,810	(9,483)	(1,010)	-	(10,493)	2,317
Total Furniture and Fixtures	\$ 101,891	\$ -	\$ -	\$ 101,891	\$ (56,286)	\$ (7,880)	\$ -	\$ (64,166)	\$ 37,725
System Franchises, Engineering Studies									
Non-Tangibles	\$ 646,625	\$ -	\$ -	\$ 489,789	\$ (54,251)	\$ (582)	\$ -	\$ (54,833)	\$ 434,956
Total System and Engineering Studies	\$ 646,625	\$ -	\$ -	\$ 489,789	\$ (54,251)	\$ (582)	\$ -	\$ (54,833)	\$ 434,956
Total Before Construction in Progress	\$ 151,506,497	\$ 5,121,607	\$ (263,349)	\$ 156,207,919	\$ (99,436,642)	\$ (3,743,022)	\$ 263,349	\$ (1) \$ (102,916,316)	\$ 53,291,603
Construction in Progress	\$ 551,439	\$ 5,223,228	\$ -	\$ 1,898,985	\$ -	\$ -	\$ -	\$ -	\$ 1,898,985
TOTAL CAPITAL ASSETS	\$ 152,057,936	\$ 10,344,835	\$ (263,349)	\$ 158,106,904	\$ (99,436,642)	\$ (3,743,022)	\$ 263,349	\$ (1) \$ (102,916,316)	\$ 55,190,588

SCHEDULE OF CAPITAL ASSETS AND DEPRECIATION BY DEPARTMENT – STORMWATER FUND

	Capital Assets				Allowance for Depreciation				Net Book Value
	Beginning Balance	Additions	Transfers/Splits	Ending Balance	Beginning Balance	Additions	Transfers/Splits	Ending Balance	
Stormwater									
Management	\$ 2,845,559	\$ 187,572	\$ -	\$ 2,876,295	\$ (320,502)	\$ (21,642)	\$ -	\$ (342,144)	\$ 2,534,151
Engineering	203,714	67,772	40,545	312,031	(113,979)	(20,405)	(34,546)	(168,930)	143,101
Maintenance	148,457,224	4,866,263	(303,894)	153,019,593	(99,002,161)	(3,700,975)	297,895	(1) (102,405,242)	50,614,351
Total Stormwater	\$ 151,506,497	\$ 5,121,607	\$ (263,349)	\$ 156,207,919	\$ (99,436,642)	\$ (3,743,022)	\$ 263,349	\$ (1) \$ (102,916,316)	\$ 53,291,603
Construction in Progress	\$ 551,439	\$ 5,223,228	\$ (3,875,682)	\$ 1,898,985	\$ -	\$ -	\$ -	\$ -	\$ 1,898,985
TOTAL CAPITAL ASSETS	\$ 152,057,936	\$ 10,344,835	\$ (263,349)	\$ 158,106,904	\$ (99,436,642)	\$ (3,743,022)	\$ 263,349	\$ (1) \$ (102,916,316)	\$ 55,190,588



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 2012 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, 2021

Current Assets:	
Restricted Assets:	
Cash and Cash Equivalents	\$ 19,254,725
Noncurrent Assets:	
Restricted Assets:	
Cash and Cash Equivalents	20,701,900
Interest Receivable	605
Total Restricted Assets - Debt Service	<u>\$ 39,957,230</u>
Current Liabilities Payable From Restricted Assets:	
Accounts Payable	\$ -
Accrued Interest, due May 1	1,289,725
Current Portion of Principal	17,965,000
Total Current Liabilities Payable From Restricted Assets	<u>\$ 19,254,725</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, 2021**

Beginning Balance, May 1		\$ 38,288,535
Increases:		
Interest Earned		\$ 11,150
Transfers from Operating Account		20,540,840
Total Increases		\$ 20,551,990
Decreases:		
Revenue Bond Interest Paid		\$ 2,977,075
Revenue Bond Principal Paid		15,905,000
Paying Agent and Trustee Fees		1,220
Total Decreases		\$ 18,883,295
Ending Balance, April 30		\$ 39,957,230





SCHEDULE OF REVENUE BONDS PAYABLE

Revenue Bonds	Interest				Annual Payments		Amount of Bonds		
	Interest Rates	Payment Dates	Issue Date	Maturity Date	Maximum	Minimum	Issued	Retired	Outstanding
Series 2011 Water and Sewerage Refunding	2.00 - 5.00%	5/1 and 11/1	2011	5/1/2020	\$ 2,325,000	\$ 1,485,000	\$ 13,190,000	\$ 13,190,000	\$ -
Series 2012 Water and Sewerage Refunding	3.00 - 5.00%	5/1 and 11/1	2012	5/1/2023	19,565,000	-	56,235,000	-	56,235,000
Series 2013A Water and Sewerage Refunding	4.00 - 5.00%	5/1 and 11/1	2013	5/1/2020	13,580,000	3,435,000	17,015,000	17,015,000	-
Totals							\$ 86,440,000	\$ 30,205,000	\$ 56,235,000
Unamortized Premiums									2,236,807
Net Revenue Bonds Outstanding									\$ 58,471,807

NOTES TO SCHEDULE OF BONDS PAYABLE:

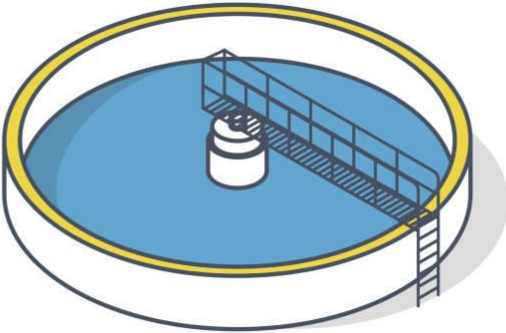
The maturity date for all bonds is May 1.
 The 2011 Water and Sewerage Refunding Revenue Bonds partially refunded the 2003 Series Bonds.
 The 2012 Water and Sewerage Refunding Revenue Bonds partially refunded the 2005 Series Bonds.
 The 2013a Water and Sewerage Refunding Revenue Bonds fully refunded 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, 2021

Current Assets:	
Restricted Assets:	
Cash and Cash Equivalents	\$ 2,459,334
Noncurrent Assets:	
Restricted Assets:	
Cash and Cash Equivalents	68,991,697
Total Restricted Assets - Renewal And Extension Account	<u>\$ 71,451,031</u>
Current Liabilities Payable From Restricted Assets:	
Accounts Payable	\$ 2,459,334
Total Current Liabilities Payable From Restricted Assets	<u>\$ 2,459,334</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, 2021

Beginning Balance, May 1, 2020	\$ 69,619,221
Increases:	
Interest Earned	\$ 68,501
Impact Fees	1,765,123
Contributions From General Operations	20,029,627
Total Increases	<u>\$ 21,863,251</u>
Decreases:	
Capital Expenditures	\$ 20,031,441
Ending Balance, April 30, 2021	<u>\$ 71,451,031</u>



STATISTICAL SECTION INDEX

SCHEDULES 1-29





STATISTICAL SECTION INDEX

This part of the Clayton County Water Authority's annual comprehensive 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 131

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 137

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 151

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 153

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 155

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.

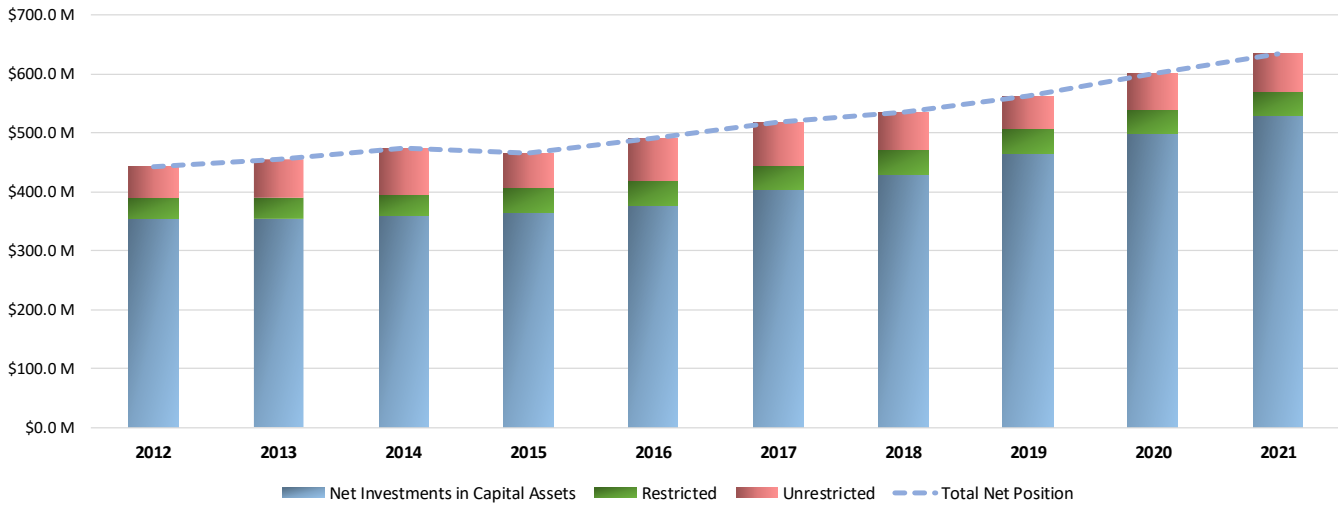
Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports for the relevant year.



SCHEDULE 1: NET POSITION BY COMPONENT

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

Primary Government	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Net Investments in										
Capital Assets	\$ 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	\$ 528,567,718
Restricted	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	42,083,452
Unrestricted	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	63,518,858
Total Net Position	\$ 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	\$ 634,170,028



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.

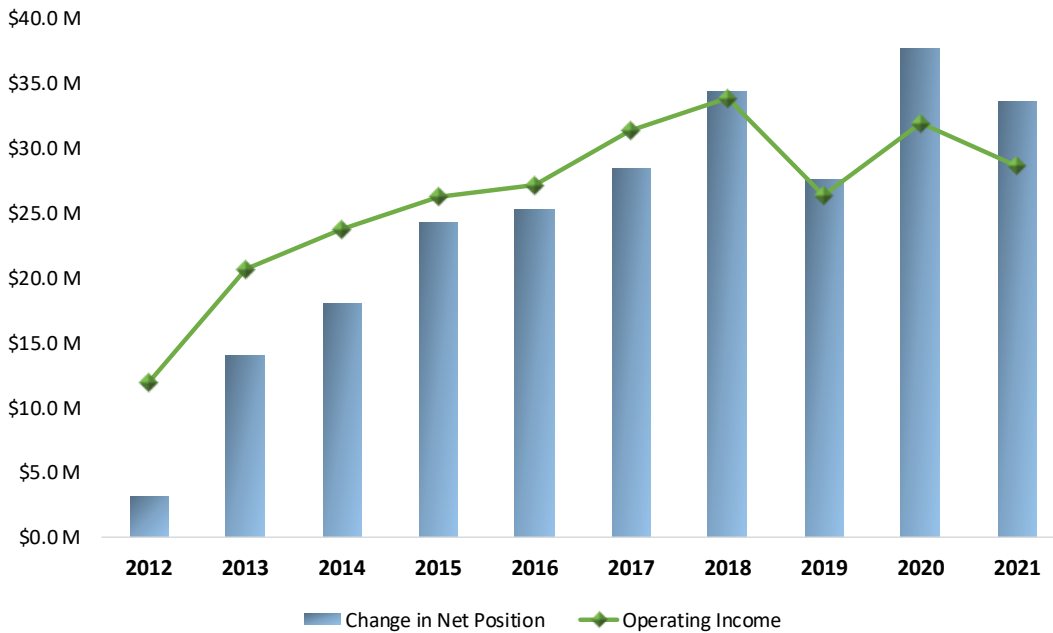
³ Net Position was restated in fiscal year 2018 due to the implementation of GASB Statement No. 75 Accounting and Financial Reporting for Post-employment Benefits Other Than Pensions – an amendment of GASB Statement No. 45 and 57. Unrestricted net position was reduced by \$18,425,639 for net OPEB liability.



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
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
2021	116,839,678	88,265,716	28,573,962	(2,077,858)	26,496,104	7,035,239	33,531,343



Source: CCWA Financial System and Operational Data

Notes:

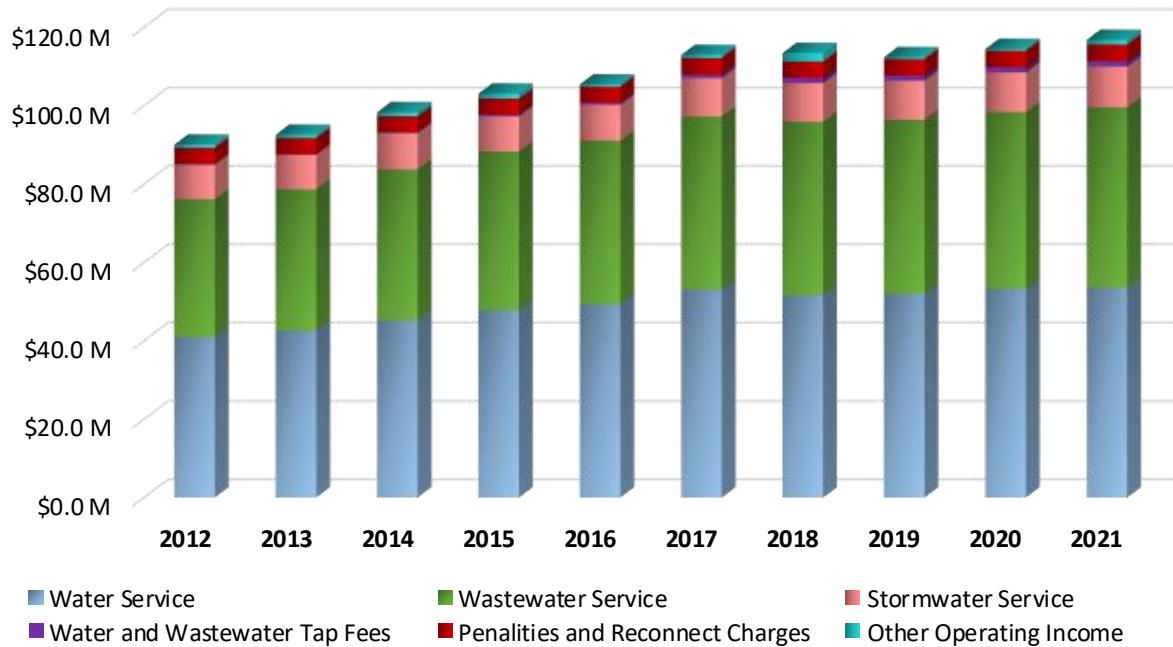
¹ In 2011 and 2012, the accrual of an additional \$1.2 million in operating expenses for other postemployment benefits (OPEB) that resulted from the implementation of GASB Statement Number 45 caused the Authority to fall short of its goal in those two fiscal years.



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
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
2021	53,630,876	46,029,550	10,366,348	1,429,959	4,200,415	1,182,530	116,839,678



Notes:

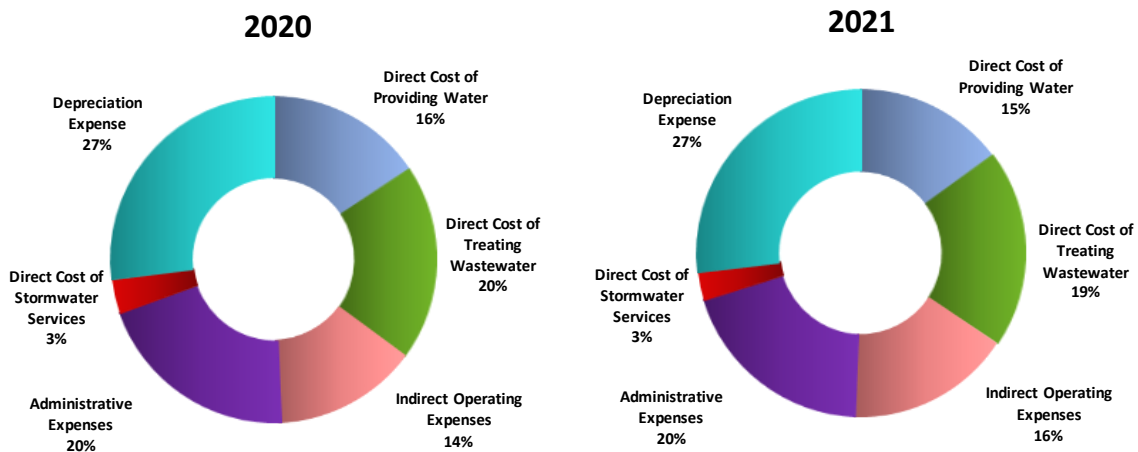
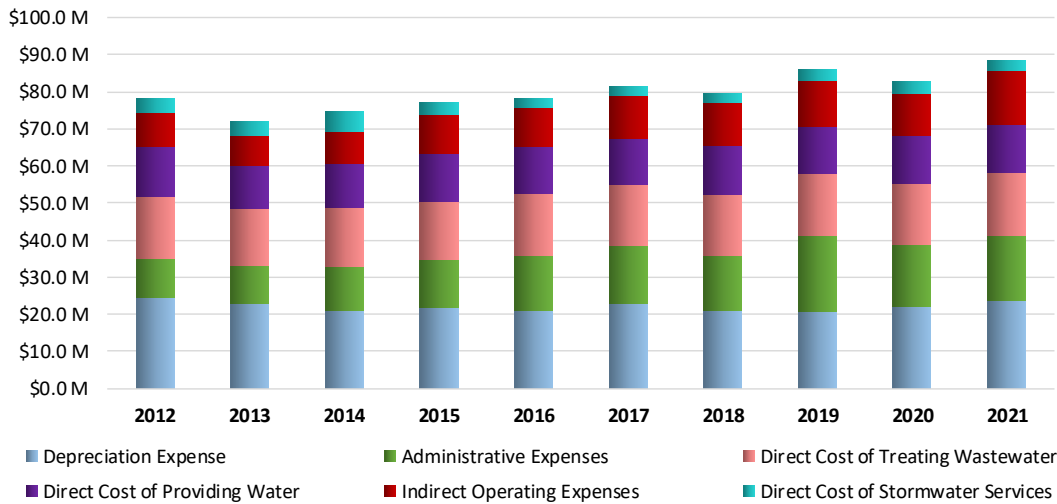
¹ Other Operating Income includes revenues from Sales of Pellets, Timber and Materials, System Damages, Property Rental and Miscellaneous Income.



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
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
2021	13,103,103	17,206,904	14,369,197	17,406,906	2,424,562	64,510,672	23,755,044	88,265,716



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)
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)
2021	(2,100,296)	131,842	(108,184)	(1,220)	(2,077,858)

Notes:

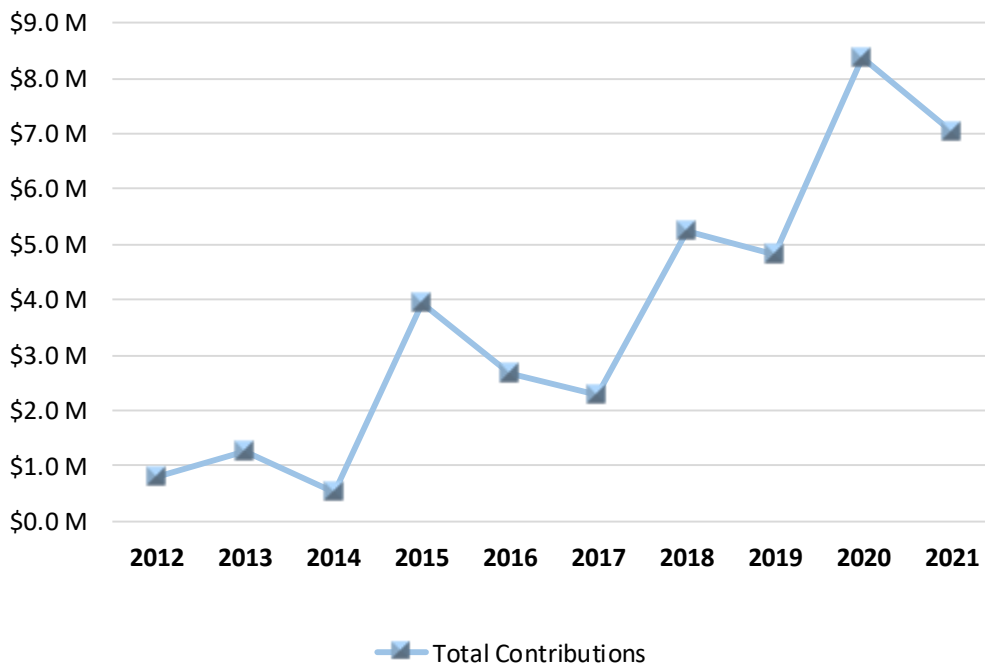
¹ Gain (Loss) on Disposal of Assets and Other includes gains and losses recognized from self-funded medical insurance.



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	
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
2021	1,765,123	50,226	5,219,890	-	7,035,239



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.

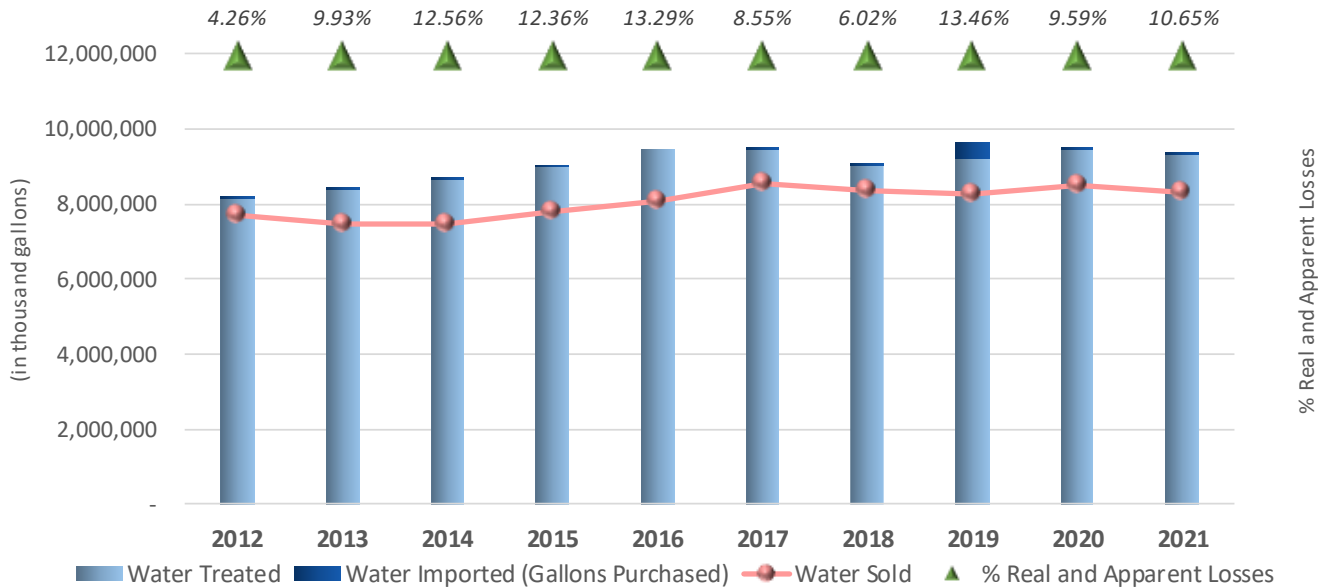


SCHEDULE 7: GALLONS OF WATER TREATED AND CONSUMED

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

(in thousand gallons)

Fiscal Year Ended April 30,	Water Treated	Water Imported (Gallons Purchased)	Water Available	Water Sold	Non-Revenue Water	% Non-revenue Water	Unaccounted for Water	% Real and Apparent Losses
2012	8,154,000	3,708	8,157,708	7,700,805	456,903	5.60%	109,144	4.26%
2013	8,378,400	9,767	8,388,167	7,442,676	945,491	11.27%	112,826	9.93%
2014	8,642,920	11	8,642,931	7,444,278	1,198,653	13.87%	113,052	12.56%
2015	9,001,280	4,270	9,005,550	7,767,732	1,237,818	13.75%	124,956	12.36%
2016	9,433,000	-	9,433,000	8,051,729	1,381,271	14.64%	127,327	13.29%
2017	9,436,000	14,560	9,450,560	8,539,097	911,463	9.64%	102,999	8.55%
2018	9,031,224	1,330	9,032,554	8,358,331	674,223	7.46%	130,616	6.02%
2019	9,217,000	406,510	9,623,510	8,271,269	1,352,241	14.05%	57,297	13.46%
2020	9,443,260	23,936	9,467,196	8,503,072	964,124	10.18%	56,653	9.59%
2021	9,308,370	5,000	9,313,370	8,284,002	1,029,368	11.05%	37,536	10.65%



Notes:

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

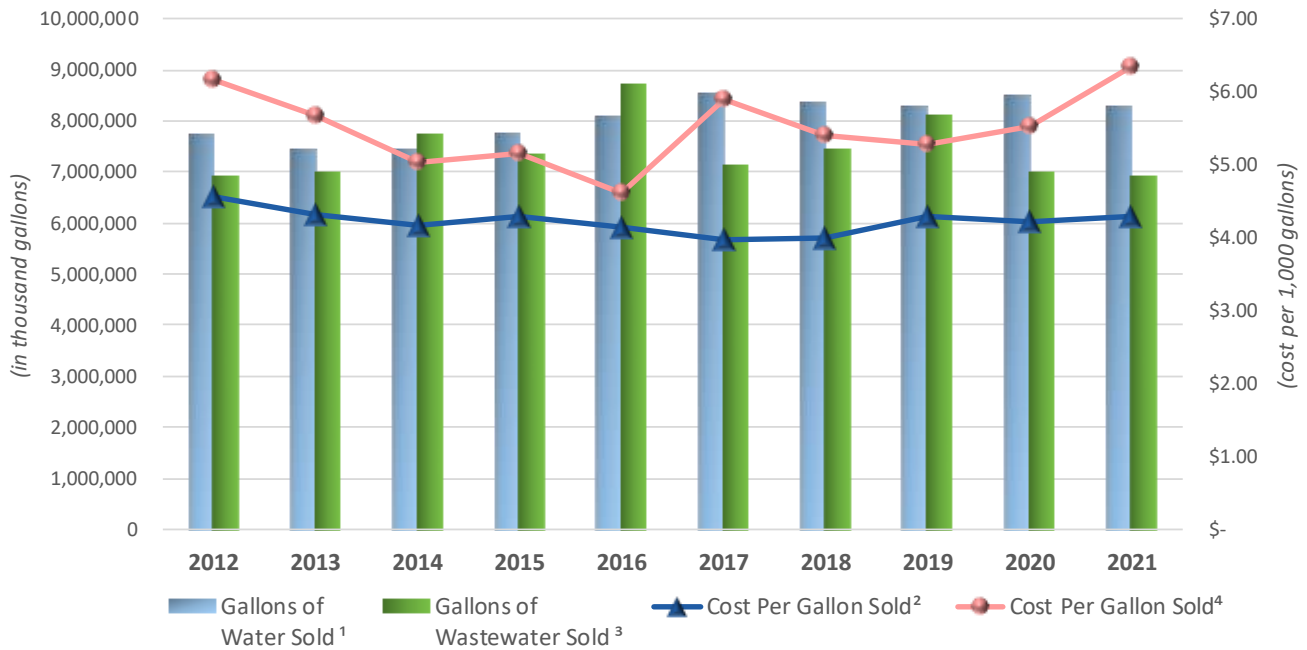


SCHEDULE 8: GALLONS OF WATER SOLD AND WASTEWATER TREATED

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
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	8,539,097	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
2021	8,284,002	4.29	6,891,399	6.33



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

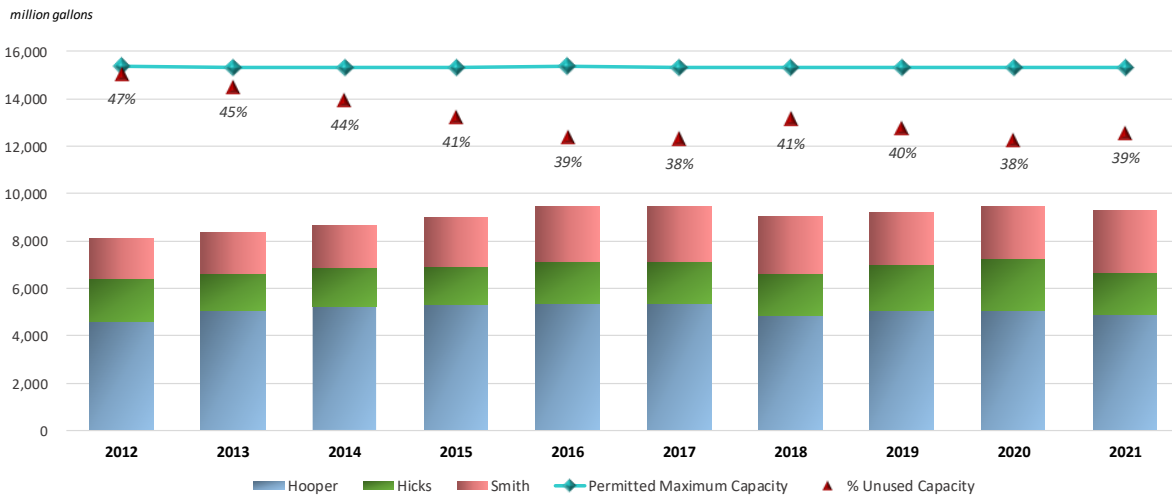


SCHEDULE 9: ANNUAL WATER PRODUCED BY PLANT

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

(in million gallons)

Water Production Plant	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Daily Plant Capacity (MGD)	Annual Permitted Capacity	Annual Unused Capacity	% Unused Capacity
Hooper	4,561	5,059	5,242	5,344	5,400	5,400	4,846	5,063	5,082	4,897	20	7,300	2,403	33%
Hicks	1,870	1,579	1,605	1,577	1,698	1,698	1,758	1,938	2,186	1,777	10	3,650	1,873	51%
Smith	1,692	1,714	1,788	2,073	2,325	2,325	2,424	2,214	2,173	2,634	12	4,380	1,746	40%
Wells	31	26	9	8	10	13	3	2	2	0	1	331	331	100%
Total Water Produced	8,154	8,378	8,643	9,001	9,433	9,436	9,031	9,217	9,443	9,308	42.0	15,330	6,022	39%



Additional Supply	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Daily Plant Capacity (MGD)	Annual Permitted Capacity	Annual Unused Capacity	% Unused Capacity
Imported Water (Interconnects)	37	10	0	4	0	15	1	407	24	5	15	5,428	5,423	99.91%

Source: CCWA Operational Data



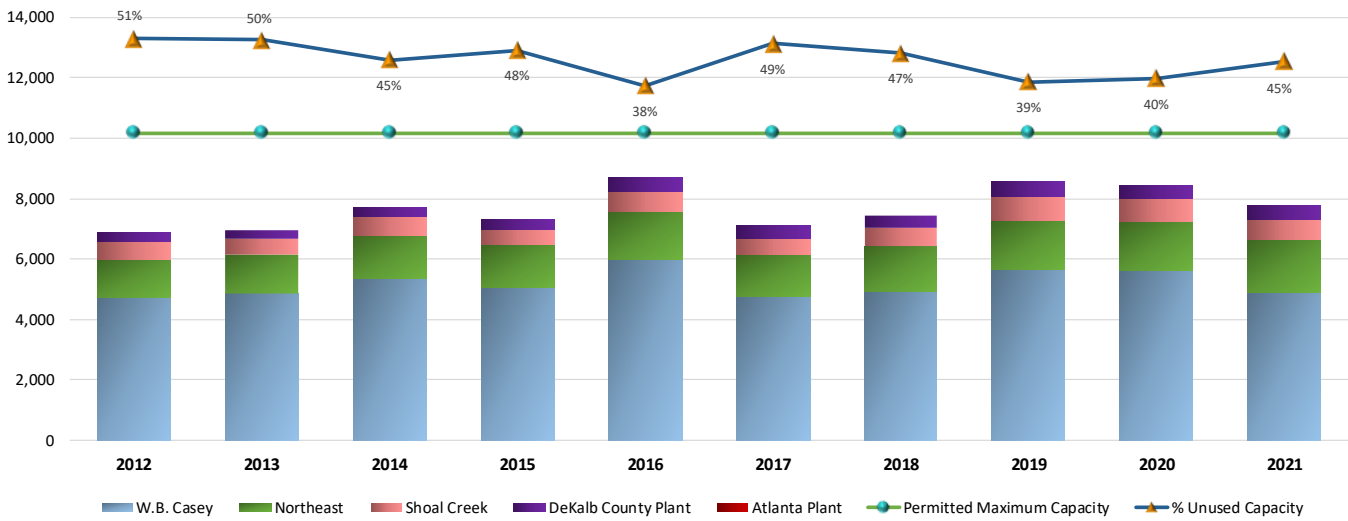
SCHEDULE 10: ANNUAL WASTEWATER TREATED BY PLANT

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

(in million gallons)

Water Reclamation Plant	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Daily Plant Capacity (MGD)	Annual Permitted Capacity	Annual Unused Capacity	% Unused Capacity
W.B. Casey	4,724	4,841	5,333	5,060	5,976	4,798	4,955	5,661	5,639	4,920	24.0	6,351	1,431	23%
Northeast	1,278	1,298	1,475	1,404	1,601	1,341	1,460	1,636	1,616	1,715	10.0	2,190	475	22%
Shoal Creek	578	541	587	531	681	544	616	806	739	703	4.4	1,606	903	56%
DeKalb County Plant	310	290	333	334	447	417	420	453	437	423	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	6,890	6,970	7,728	7,329	8,704	7,101	7,451	8,556	8,431	7,761	39.4	10,147	2,809	28%

million gallons



Source: CCWA Operational Data

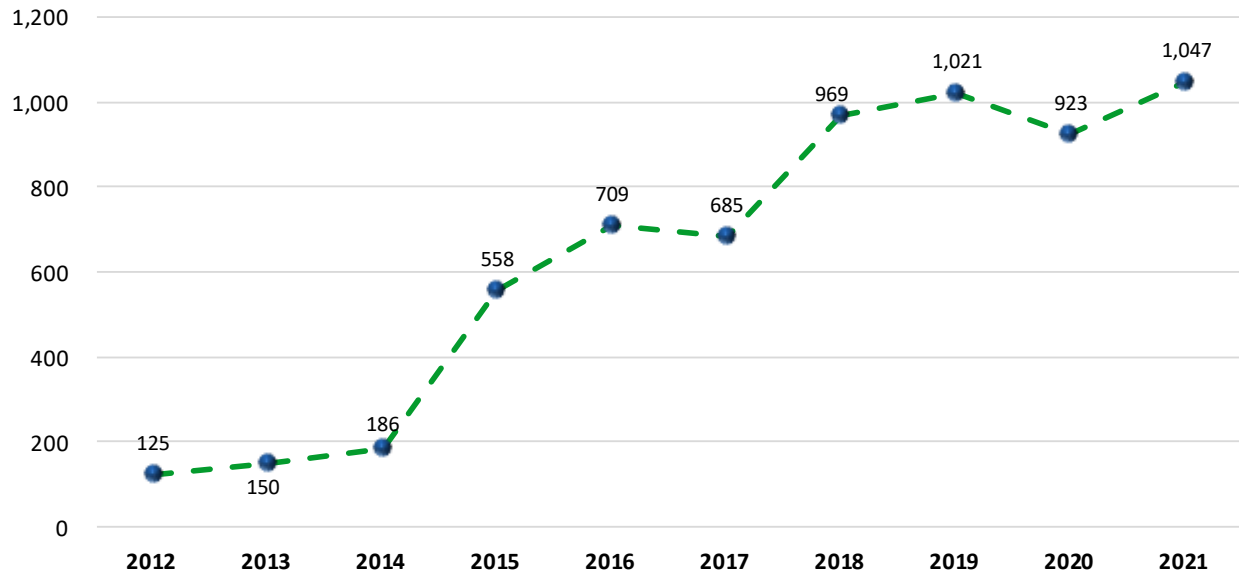
Notes:
¹ CCWA's new Atlanta Lift Station became operational in FY 2010 and the flows previously going to the Atlanta Plant were redirected to Casey.



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" +
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
2021	1,047	429	454	73	17	22	14	5	11	22



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

		<i>Size of Customer Meter</i>									
		5/8"	3/4"	1"	1 1/2"	2"	3"	4"	6"	8"	10"
Corresponding Minimum Usage (In Thousand Gallons)		3	4	8	25	56	111	167	222	333	444
Minimum Monthly Water Charge:											
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
August 1, 2009	- August 31, 2010	\$ 14.43	\$ 19.24	\$ 28.86	\$ 96.20	\$ 216.45	\$ 428.57	\$ 644.54	\$ 856.18	\$ 1,279.46	\$ 1,707.55
		5/8"	3/4"	1"	1 1/2"	2"	3"	4"	6"	8"	10"
Base Charge Dependent on Meter Size											
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	- December 31, 2020	\$ 10.05	\$ 10.62	\$ 13.58	\$ 23.62	\$ 47.23	\$ 70.85	\$ 88.56	\$ 132.25	\$ 165.31	\$ 198.37
January 1, 2021	- December 31, 2021	\$ 11.05	\$ 11.69	\$ 14.94	\$ 25.98	\$ 51.95	\$ 77.93	\$ 97.42	\$ 145.47	\$ 181.84	\$ 218.21
January 1, 2022	- December 31, 2022	\$ 11.60	\$ 12.27	\$ 15.69	\$ 27.28	\$ 54.55	\$ 81.83	\$ 102.29	\$ 152.74	\$ 190.93	\$ 229.12

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.

⁴ On January 1, 2021, the Board of Directors approved a 10 percent rate adjustment on both base and usage tiers as part of the FY 2020 - 2021 budget adoption.

⁵ The Board of Directors approved a 5 percent rate adjustment on both base and usage tiers as part of the FY 2021 - 2022 budget adoption.

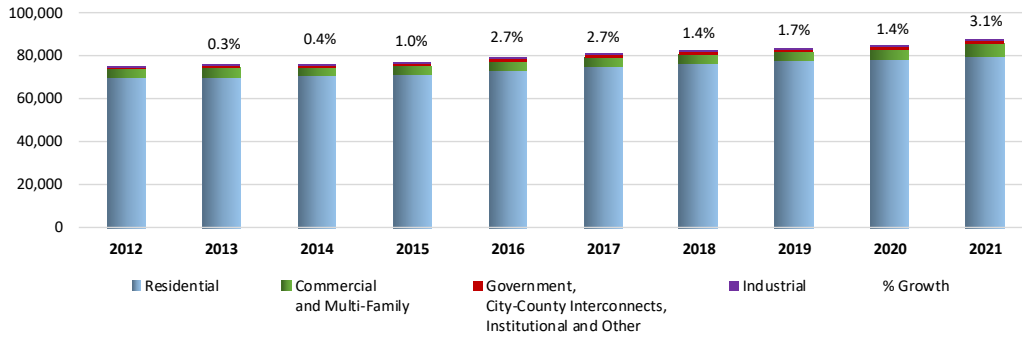
⁶ The Board of Directors approved a 3 percent rate adjustment on both base and usage tiers as part of the FY 2022 - 2023 budget adoption.



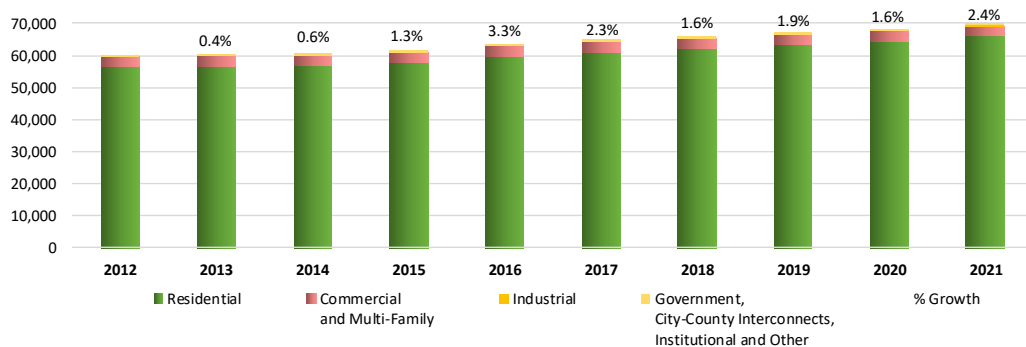
SCHEDULE 13: NUMBER OF WATER AND WASTEWATER CUSTOMERS BY TYPE

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
2012	69,929	4,141	48	847	74,965	
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%
2021	79,989	5,298	76	1,375	86,738	3.1%



Fiscal Year	Residential	Commercial and Multi-Family	Industrial	Government, City-County Interconnects, Institutional and Other	Total Sewer Customers	% Growth
2012	56,387	3,241	34	526	60,188	
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%
2021	65,965	3,342	46	705	70,058	2.4%



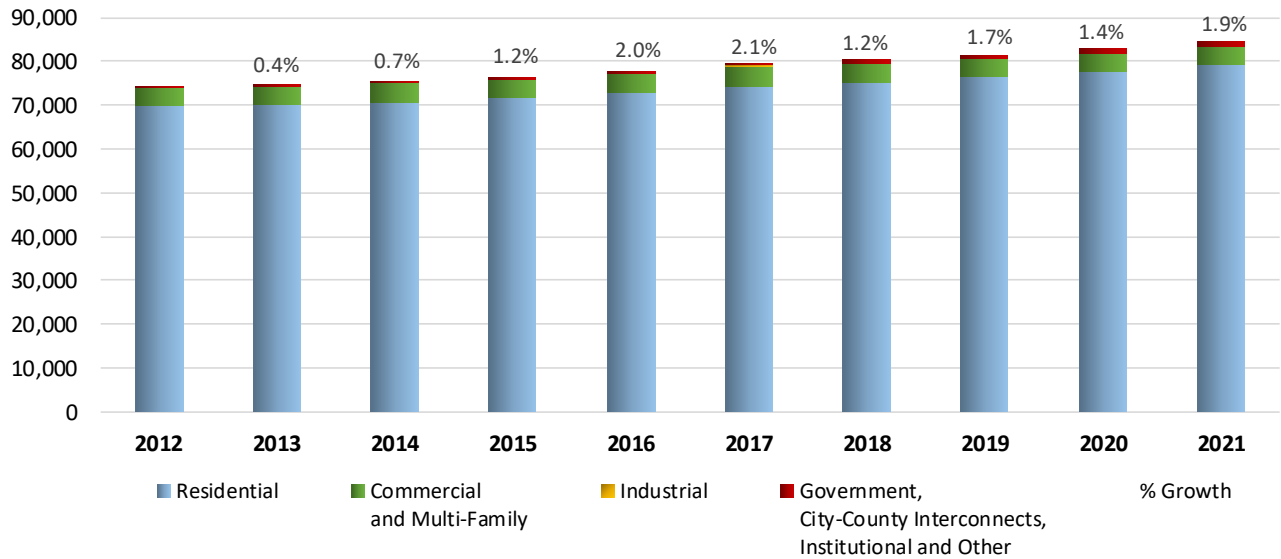
Source: CCWA Operational Data



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
2012	69,831	4,286	47	284	74,448	
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%
2021	79,146	4,225	47	926	84,344	1.9%



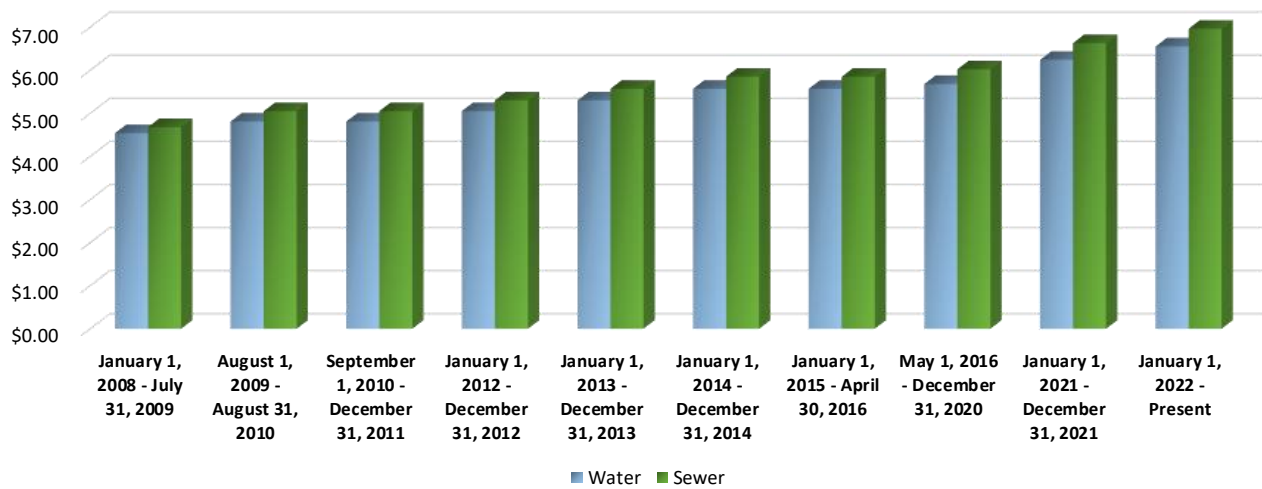
Source: CCWA Operational Data



SCHEDULE 15: WATER AND SEWER RATES

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

Period	Per Thousand Gallons	
	Water	Sewer
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 - December 31, 2020	\$5.68	\$6.02
⁸ January 1, 2021 - December 31, 2021	\$6.24	\$6.63
⁹ January 1, 2022 - Present	\$6.55	\$6.96



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.

⁸ 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.

⁹ 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.

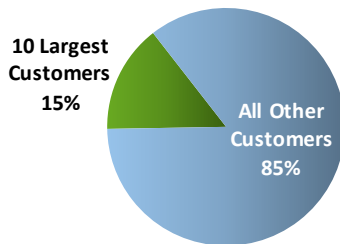


SCHEDULE 17: TEN LARGEST WATER AND WASTEWATER CUSTOMERS MEASURED BY CONSUMPTION IN GALLONS AND WATER AND WASTEWATER REVENUES

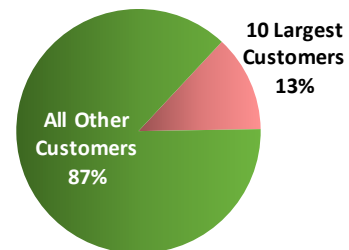
Clayton County Water Authority
TEN LARGEST WATER AND SEWER CUSTOMERS
MEASURED BY CONSUMPTION IN GALLONS AND WATER AND SEWER REVENUES
 For the Fiscal Year Ended April 30, 2021

Customer	Water Revenue	Percent	Customer	Wastewater Revenue	Percent
City of College Park	\$ 1,792,705	3.34%	Fresh Express	\$ 2,071,445	4.50%
Fresh Express	1,614,941	3.01%	Clayton County Board of Commissioners	752,894	1.64%
Clorox Co	1,248,815	2.33%	Hunter Ridge MHP LLC	647,808	1.41%
Clayton County Board of Commissioners	831,543	1.55%	Anthos at Pinewood Manor LLC	376,825	0.82%
Hunter Ridge MHP LLC	610,040	1.14%	DMS Overlook LLC	372,844	0.81%
Clayton County Board of Education	504,434	0.94%	Marcie Sales Inc	355,777	0.77%
Anthos at Pinewood Manor LLC	354,169	0.66%	Clayton County Board of Education	341,813	0.74%
DMS Overlook LLC	351,030	0.65%	Deer Creek MHP LLC	332,134	0.72%
Deer Creek MHP LLC	312,676	0.58%	Club Chef Southeast LLC	325,162	0.71%
Southwood Realty Co	289,741	0.54%	DS Ashlar 2019 LLC	311,061	0.68%
10 Largest Customers	\$ 7,910,095	14.75%	10 Largest Customers	\$ 5,887,763	12.79%
All Other Customers	45,720,781	85.25%	All Other Customers	40,141,787	87.21%
Total	\$ 53,630,876	100.00%	Total	\$46,029,550	100.00%

Water Revenue



Wastewater Revenue



Notes:

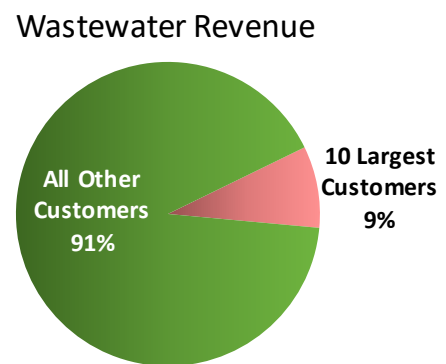
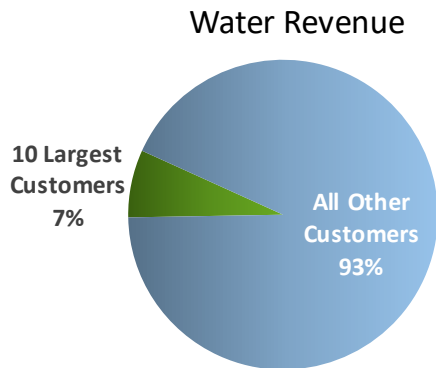
- ¹ Dollar values reflected include base rate charges, as well as, multiple meters on various accounts.
- ² Information is from customer service billing records.
- ³ CCWA has a wholesale agreement with City of College Park.



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

Clayton County Water Authority
**TEN LARGEST WATER AND WASTEWATER CUSTOMERS
 MEASURED BY WATER AND WASTEWATER REVENUES**
 For the Fiscal Year Ended April 30, 2012 (Ten Years Ago)

Name of Company or Customer	Water		Wastewater	
	Revenue	Percent	Revenue	Percent
Fresh Express	\$ 767,394	1.88%	\$ 1,309,238	3.72%
Clorox Company	556,535	1.36%	189,682	0.54%
Southern Regional Hospital	213,909	0.52%	143,043	0.41%
Hunters Ridge Mobile Home Park	228,215	0.56%	239,927	0.68%
Clayton County Commisioners	197,161	0.48%	207,013	0.59%
Toto USA, Inc.	182,722	0.45%	191,855	0.54%
Deer Creek Estates	181,767	0.44%	191,189	0.54%
Directorate of Resource (Ft. Gillem)	197,070	0.48%	207,259	0.59%
Hunters Bay Apartments LLC	178,169	0.44%	187,973	0.53%
Macre Sales Inc.	182,055	0.44%	191,487	0.54%
10 Largest Customers	\$ 2,884,997	7.05%	\$ 3,058,666	8.68%
All Other Customers	38,036,927	92.95%	32,180,311	91.32%
Total	\$40,921,924	100.00%	\$35,238,977	100.00%



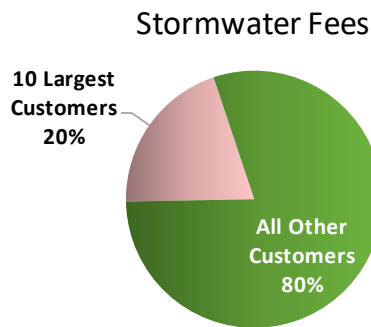
Source: CCWA Operational Data



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, 2021

Customer	Stormwater Fees	Percent
Department of Aviation (<i>Hartsfield-Jackson Airport</i>)	\$ 809,909	7.81%
Clayton County Board of Education	444,192	4.28%
Clayton County Board of Commissioners	202,971	1.96%
Georgia Power Co	150,562	1.45%
Georgia Dept of Agriculture	112,767	1.09%
Kroger	87,410	0.84%
Weeks Robinson Properties	79,809	0.77%
J C Penney Catalog Division	78,529	0.76%
Site Manager	62,452	0.60%
Clayton State University	59,108	0.57%
10 Largest Customers	\$ 2,087,709	20.14%
All Other Customers	8,278,639	79.86%
Total	\$ 10,366,348	100.00%



Notes:

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

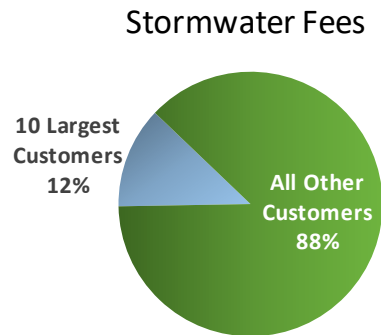
² FY 2020 - 2021 implementation of new Customer Information System (CIS) - Cayenta; Department of Aviation receives credits for conservation in old CIS, these credits reduced gross revenue versus in new system gross revenue is received and credits are expensed as an expense



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, 2012 *(Ten years Ago)*

Customer	Stormwater Fees		%
Department of Aviation (Hartsfield-Jackson Airport)	\$	567,972	6.44%
Director of Resource Management (Ft. Gillem)		230,909	2.62%
Georgia Department of Agriculture		83,098	0.94%
AMB Industrial Income Fund		37,163	0.42%
Salvage Disposal of Georgia		31,926	0.36%
J C Penney Catalog Division		31,092	0.35%
Georgia Power Company Lake Mirror Road		28,547	0.32%
Georgia Power Mundys Mill Road		28,292	0.32%
Clayton County Water Authority		27,743	0.31%
Federal Express		25,875	0.29%
10 Largest Customers	\$	1,092,617	12.39%
All Other Customers		7,724,655	87.61%
Total	\$	8,817,272	100%



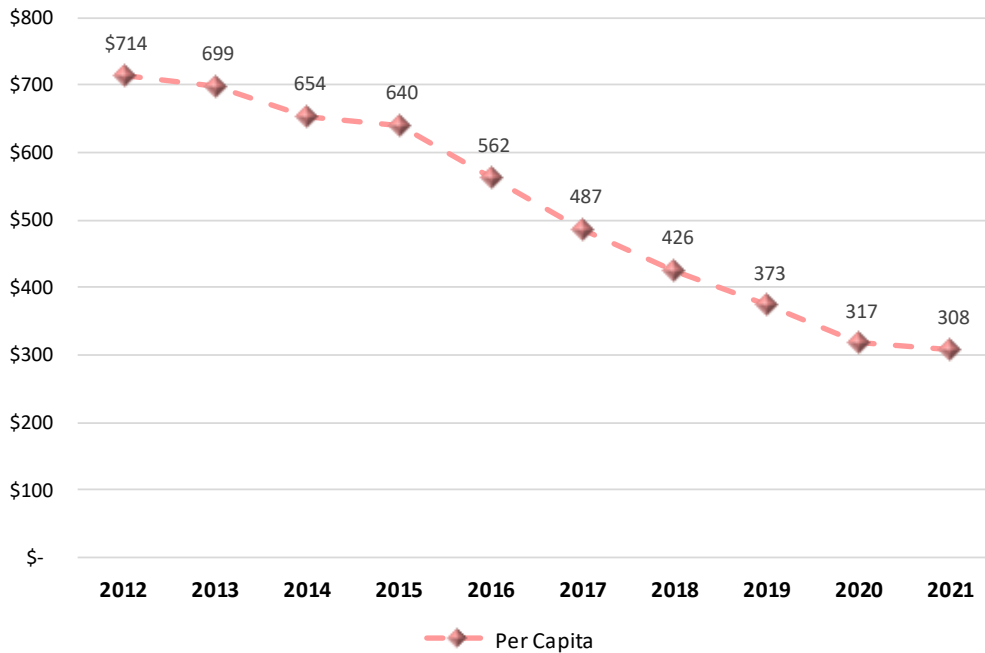
Source: CCWA Operational Data



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
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%
2021	58,471,807	30,785,857	89,257,664	308	1.10%



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

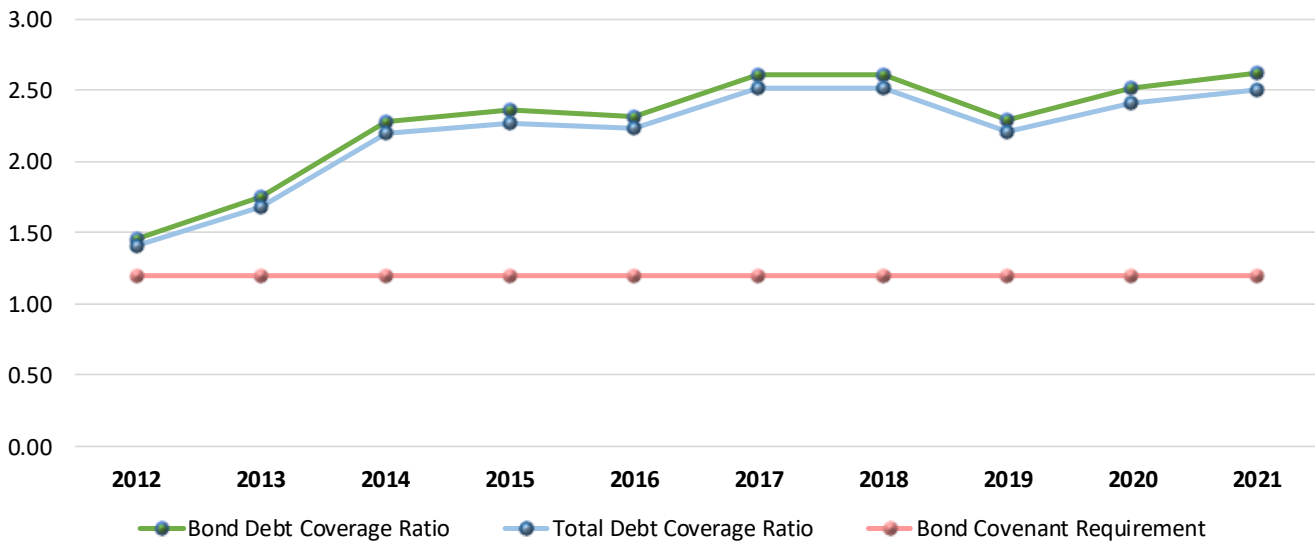
⁴ Population and Per Capital Income on Schedule 23-Demographics.



SCHEDULE 22: DEBT SERVICE COVERAGE

Clayton County Water Authority
DEBT SERVICE COVERAGE
 Last Ten Fiscal Years

Fiscal Year	Gross Revenues	Operating Expenses <i>(excludes Deprec)</i>	Net Cash Flow Available for Debt Service	Bond Annual Debt Service	Bond Debt Coverage Ratio	GEFA Loan Debt Service	Total Debt Coverage Ratio	Bond Covenant Requirement
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
2021	109,410,114	59,878,985	49,531,129	18,876,626	2.62	914,275	2.50	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

Calendar Year	Population	Personal Income <i>(in thousands)</i>	Per Capita Personal Income	Total Full-Time and Part-Time Employment	Average Annual Pay	Labor Force	Average Unemployment Rate			Total Housing Units
							Clayton County	State of Georgia	United States	
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
2019	292,256	8,377,425	28,665	131,980	59,533	137,796	4.20%	3.40%	3.70%	106,360

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 2019



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:

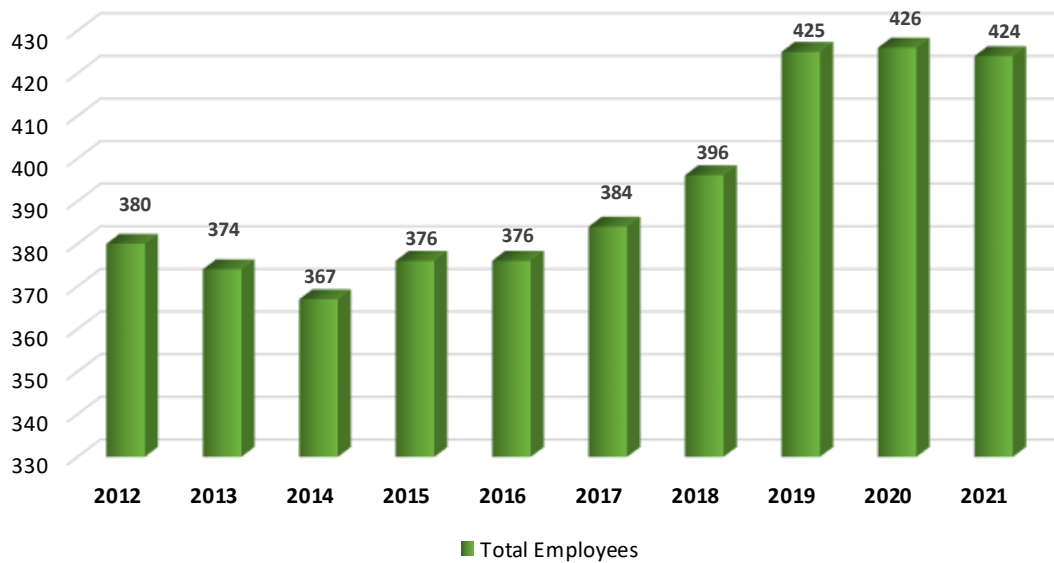
¹ Data has not been updated according to source.



SCHEDULE 25: NUMBER OF EMPLOYEES BY JOB CLASS

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

General Classification	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Managers	8	7	8	9	9	9	14	14	3	3
Office	104	105	106	110	112	117	98	124	133	133
Meter Readers	15	12	12	12	13	13	14	14	13	13
Warehouse	6	6	6	6	6	6	5	6	6	6
Garage (Vehicle Maintenance)	4	4	4	3	4	4	5	4	4	4
Building and Grounds Maintenance	30	31	29	27	16	30	22	19	19	19
Water Line Maintenance and Construction	69	66	62	67	68	64	77	70	70	69
Wastewater Operator	40	40	39	39	40	40	43	43	43	41
Water Plant Operator	24	24	24	24	24	23	23	25	27	27
Forestry	0	0	0	0	0	0	0	14	14	13
Laboratory	5	6	6	6	5	5	9	6	6	6
Plant and Equipment Maintenance	13	13	13	13	13	13	15	14	14	15
Sewer Line Maintenance	33	31	30	32	32	29	38	34	34	35
Inspectors	9	10	9	9	14	13	11	18	18	18
Draftsman and Surveyors	9	8	8	8	9	7	11	8	8	8
Field Service	11	11	11	11	11	11	12	12	14	14
Total Employees	380	374	367	376	376	384	396	425	426	424



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	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Size of Watershed (<i>Square Miles drained</i>)	184.0	184.0	184.0	184.0	184.0	184.0	184.0	184.0	184.0	184.0
Water Storage Capacity (<i>Million Gallons</i>)	36.2	36.2	32.2	32.1	32.1	32.1	32.1	32.1	32.1	27.6
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 (<i>MGD-Million Gallons Per Day</i>)	42.0	42.0	42.0	42.0	42.0	42.0	42.0	42.0	42.0	42.0
Annual Treatment Capacity (<i>Million Gallons</i>)	15,372	15,330	15,330	15,330	15,372	15,330	15,330	15,330	15,330	15,330
Amount Treated Annually (<i>Million Gallons</i>)	8,154	8,378	8,643	9,001	9,433	9,436	9,031	9,217	9,443	9,308
Unused Capacity (<i>Million Gallons</i>)	7,218	6,952	6,687	6,329	5,939	5,894	6,299	6,113	5,887	6,022
Percentage of Unused Capacity	47.0%	45.3%	43.6%	41.3%	38.6%	38.4%	41.1%	39.9%	38.4%	39.3%

Water Reclamation	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
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	39	39	39	38	38	40	40	41	41	44
Daily Treatment Capacity (<i>MGD-Million Gallons Per Day</i>)	38.4	38.4	38.4	38.4	38.4	38.4	38.4	38.4	38.4	38.4
Annual Treatment Capacity (<i>Million Gallons</i>)	14,016	14,054	14,016	14,016	14,016	14,054	14,016	14,016	14,016	14,016
Amount Treated Annually (<i>Million Gallons</i>)	6,890	6,970	7,728	7,329	8,704	7,101	7,451	8,556	8,431	7,761
Unused Capacity (<i>Million Gallons</i>)	7,126	7,084	6,288	6,687	5,312	6,954	6,565	5,460	5,585	6,255
Percentage of Unused Capacity	50.8%	50.4%	44.9%	47.7%	37.9%	49.5%	46.8%	39.0%	39.8%	44.6%

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, 2021 and 2020

Cost To Produce Water	Fiscal Year Ended April 30, 2021	Fiscal Year Ended April 30, 2020
Direct Costs	\$ 13,103,103	\$ 12,916,375
Direct Depreciation (<i>Schedule 29</i>)	6,803,699	6,650,781
Less:		
Tapping Fees Charged	(1,383,373)	(1,285,945)
Net Direct Costs	\$ 18,523,430	\$ 18,281,211
Indirect and Administrative Costs (<i>Schedule 29</i>)	15,255,791	14,109,005
Net Interest Expense (<i>Schedule 29</i>)	729,188	727,307
Indirect Depreciation Expense (<i>Schedule 29</i>)	1,028,887	2,763,367
Total Cost of Water Produced	\$ 35,537,296	\$ 35,880,890
Total Gallons Billed (<i>Thousands</i>)	8,284,002	8,503,072
Cost Per Thousand Gallons	\$ 4.29	\$ 4.22

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, 2021 and 2020

Cost To Treat Wastewater	Fiscal Year Ended April 30, 2021	Fiscal Year Ended April 30, 2020
Direct Costs	\$ 17,206,904	\$ 16,078,097
Direct Depreciation (<i>Schedule 29</i>)	10,419,954	4,657,381
Less:		
Tapping Fees Charged	(46,586)	(14,105)
Sale of Pellets	(43,343)	(42,383)
Net Direct Costs	\$ 27,536,929	\$ 20,678,990
Indirect and Administrative Costs (<i>Schedule 29</i>)	\$ 13,093,524	\$ 11,941,534
Net Interest Expense (<i>Schedule 29</i>)	1,246,973	1,229,860
Indirect Depreciation Expense (<i>Schedule 29</i>)	1,759,482	4,672,794
Total Cost of Sewer Treated	\$ 43,636,908	\$ 38,523,178
Total Gallons Billed (<i>Thousands</i>)	6,891,399	6,961,837
Cost Per Thousand Gallons	\$ 6.33	\$ 5.53

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, 2021

ALLOCATION OF INDIRECT AND ADMINISTRATIVE COSTS

Indirect Expenses		\$12,162,072
Administration Expenses		17,406,906
Less:		
Stormwater Transfers for Overhead Costs		<u>(1,219,663)</u>
Net Indirect and Administrative Costs		<u>\$28,349,315</u>

Allocated on Basis of Revenues	<u>Amount</u>	<u>Percent</u>	
Sale of Water	\$ 53,630,876	53.81%	\$15,255,791
Sewer Service Charges	<u>46,029,550</u>	<u>46.19%</u>	<u>13,093,524</u>
Total Allocated Indirect and Administrative Costs	<u>\$ 99,660,426</u>	<u>100.00%</u>	<u>\$28,349,315</u>

ALLOCATION OF NET INTEREST EXPENSE

Total Interest Expense		\$ 2,100,296
Less:		
Interest Earned on Investments		<u>124,135</u>
Net Interest Expense		<u>\$ 1,976,161</u>

Allocated on Basis of Net Capital Assets			
Water Distribution System	\$170,525,451	36.90%	\$ 729,188
Sewer Distribution System	<u>291,612,644</u>	<u>63.10%</u>	<u>1,246,973</u>
Total Allocated Net Interest Expense	<u>\$462,138,095</u>	<u>100.00%</u>	<u>\$ 1,976,161</u>

ALLOCATION OF INDIRECT DEPRECIATION EXPENSE

Total Depreciation Expense		\$20,012,022
Less:		
Direct Depreciation Expense - Water		(6,803,699)
Direct Depreciation Expense - Sewer		<u>(10,419,954)</u>
Total Indirect Depreciation Expense		<u>\$ 2,788,369</u>

Allocated on Basis of Net Capital Assets			
Water Distribution System	\$170,525,451	36.90%	\$ 1,028,887
Sewer Distribution System	<u>291,612,644</u>	<u>63.10%</u>	<u>1,759,482</u>
Total Allocated Indirect Depreciation	<u>\$462,138,095</u>	<u>100.00%</u>	<u>\$ 2,788,369</u>

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



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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF 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, 2021, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated August 18, 2022.

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
August 18, 2022



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, 2021. 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, 2021.



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
August 18, 2022



SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the fiscal year ended April 30, 2021, the Clayton County Water Authority received loan disbursements of \$15,182,859 from the Georgia Environmental Finance Authority as a pass-through entity of capitalization grants for the Clean Water State Revolving Fund program. Disbursements received during the fiscal year from loan CWSRF 2016037 totaled \$12,794,339. Of those disbursements, funding of \$12,481,690 was provided from *Federal* sources while the remaining funding of \$312,649 was from *State Match*. Total outstanding principal balance on CWSRF 2016037 on April 30, 2021 was \$25,000,000. Disbursements received from loan CWSRF 2020014 totaled \$2,388,520. Of those disbursements, \$95,226 was funded by State Match with the remaining amount of \$2,293,294 from Federal funds. The total outstanding principal balance on CWSRF 2020014 was \$2,388,520 on April 30, 2021.

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	\$ 12,481,690	\$ -
U.S. Environmental Protection Agency	66.458	GEFA-CWSRF- 2020014	Georgia Environmental Finance Authority	2,293,294	-
				\$ 14,774,984	\$ -

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, 2021.

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, 2021.



SCHEDULE OF FINDINGS AND QUESTIONED COSTS

CLAYTON COUNTY WATER AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED APRIL 30, 2021

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 as a low risk auditee? X Yes ___ No



SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS

CLAYTON COUNTY WATER AUTHORITY

**SUMMARY OF PRIOR YEAR FINDINGS
FOR THE FISCAL YEAR ENDED APRIL 30, 2021**

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

None reported.

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

None reported.