

**Water Works Board of the  
City of Calera, Alabama**

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# **Financial Report September 30, 2020**

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Including Report of  
Independent Auditor

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## INDEPENDENT AUDITOR'S REPORT

The Board of Directors  
Water Works Board  
of the City of Calera, Alabama

We have audited the accompanying financial statements of the Water Works Board of the City of Calera, Alabama, a component unit of the City of Calera, Alabama, as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the Board's basic financial statements as listed in the table of contents.

### **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. 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 opinion.

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Water Works Board of the City of Calera, Alabama, a component unit of the City of Calera, Alabama, as of September 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

The Board of Directors  
Water Works Board  
of the City of Calera, Alabama

**Other Matters**

*Required Supplementary Information*

Management has omitted the management discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information.

*Other Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Board's basic financial statements. The schedule of rates and selected customer data are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The schedule of rates, selected customer data, and historical debt service coverage has 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.

A handwritten signature in cursive script that reads "Dent Moses LLP".

Birmingham, Alabama  
March 26, 2021

**WATER WORKS BOARD OF THE CITY OF CALERA, ALABAMA**  
**STATEMENT OF NET POSITION**  
**September 30, 2020**

**Assets**

Current:

Cash and cash equivalents	\$ 2,086,646
Certificates of deposit	640,417
Accounts receivable, net	805,082
Receivables from the City of Calera	12,353
Inventory	176,798
Prepaid expenses	750
Total Current Assets	<u>3,722,046</u>

Noncurrent:

Restricted assets:

Cash and cash equivalents	1,869,096
Nondepreciable assets	64,685
Depreciable capital assets, net	<u>16,961,926</u>
Total Noncurrent Assets	<u>18,895,707</u>
Total Assets	<u>22,617,753</u>

**Deferred Outflows of Resources**

Deferred charges on refunding	<u>543,834</u>
Total Deferred Outflows of Resources	<u>543,834</u>

**Liabilities**

Current:

Accounts payable	43,204
Accrued expenses	89,790
Payable from restricted assets:	
Customer deposits	154,222
Accrued interest payable	68,807
Current portion of long-term debt	<u>570,000</u>
Total Current Liabilities	<u>926,023</u>

Noncurrent:

Long-term debt, net of current portion	<u>12,335,505</u>
Total Liabilities	<u>13,261,528</u>

**Net Position**

Net investment in capital assets	4,664,940
Unrestricted	3,589,052
Restricted for debt service (expendable)	<u>1,646,067</u>
Total Net Position	<u>\$ 9,900,059</u>

The Notes to the Financial Statements are an integral part of these statements.

**WATER WORKS BOARD OF THE CITY OF CALERA, ALABAMA**  
**STATEMENT OF REVENUES, EXPENSES, AND**  
**CHANGES IN NET POSITION**  
**Year Ended September 30, 2020**

**Operating Revenues**

Utility receipts	\$ 3,642,398
Fees	490,321
Miscellaneous	13,818
Total Operating Revenues	<u>4,146,537</u>

**Operating Expenses**

Personnel services	1,276,027
Supplies expense	158,360
Repairs and maintenance	191,014
Depreciation	688,178
Administrative expenses	517,082
Outside services	95,864
Total Operating Expenses	<u>2,926,525</u>
Operating Income	<u>1,220,012</u>

**Non Operating Revenues (Expenses)**

Interest income	18,561
Interest expense	(488,056)
Trustee fees	(11,550)
Total Non Operating Revenues (Expenses)	<u>(481,045)</u>

Income Before Capital Contributions	738,967
Capital Contributions	439,865
Change in Net Position	<u>1,178,832</u>
Net Position, Beginning of Year	8,721,227
Net Position, End of Year	<u>\$ 9,900,059</u>

The Notes to the Financial Statements are an integral part of these statements.

**WATER WORKS BOARD OF THE CITY OF CALERA, ALABAMA**  
**STATEMENT OF CASH FLOWS**  
**Year Ended September 30, 2020**

**Cash Flows from Operating Activities**

Cash received from customers	\$	4,157,698
Cash paid for personnel services		(1,263,230)
Cash paid to suppliers for goods and services		(1,002,882)
Net Cash Provided by Operating Activities		1,891,586

**Cash Flows from Capital and Related Financing Activities**

Acquisition and construction of property, plant, and equipment		(509,927)
Principal payments on debt		(550,000)
Interest payments on debt		(418,459)
Trustee fees		(11,550)
Net Cash Used by Capital and Related Financing Activities		(1,489,936)

**Cash Flows from Investing Activities**

Interest on cash and cash equivalents		14,827
Net Cash Provided by Investing Activities		14,827
Net Increase in Cash and Cash Equivalents		416,476
Cash and Cash Equivalents at Beginning of Year		3,539,266
Cash and Cash Equivalents at End of Year	\$	3,955,742

The Notes to Financial Statements are an integral part of these statements.

**WATER WORKS BOARD OF THE CITY OF CALERA, ALABAMA**  
**STATEMENT OF CASH FLOWS**  
**Year Ended September 30, 2020**

**Reconciliation of Cash and Cash Equivalents to Statement of Net Position**

Cash and cash equivalents in current assets	\$ 2,086,646
Restricted cash	1,869,096
Total Cash and Cash Equivalents	\$ <u><u>3,955,742</u></u>

**Reconciliation of Operating Income to Net Cash  
Provided by Operating Activities**

Operating income	\$ 1,220,012
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	688,178
(Increase) decrease in:	
Accounts receivable, net	9,031
Inventory	(6,288)
Prepays	
Increase (decrease) in:	
Accounts payable	(4,313)
Accrued expenses	14,978
Receivable from (Payable to) the City of Calera	(32,142)
Customer deposits	2,130
Net Cash Provided by Operating Activities	\$ <u><u>1,891,586</u></u>

**Noncash Investing, Capital, and Financing Activities**

The Water Works Board of the City of Calera, Alabama had amortization of bond discounts of \$2,355 and amortization of deferred charges on refunding of \$69,119.

The Notes to Financial Statements are an integral part of these statements.

**WATER WORKS BOARD OF THE CITY OF CALERA, ALABAMA**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2020**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Reporting Entity**

The Water Works Board of the City of Calera, Alabama (the Board) was created by the City of Calera, Alabama (the City) to provide water services to the City and surrounding communities. The Board is governed by a five-member group appointed by the Calera City Council. For financial reporting purposes, the Board is a component unit of the City of Calera and is included in the financial reporting entity of the City.

The fund is organized as an enterprise fund. The intent of the governing body is that the costs and expenses, including depreciation, of providing services are financed or recovered through user charges. Activities of the fund include administration, operations and maintenance of the Board, and billing and collection activities. The fund also accounts for the accumulation of resources for, and the payment of, long-term debt principal and interest. The accounting objectives of the fund are determinations of operating income and changes in net position, financial position, and cash flow.

The financial statements of the Board have been prepared in conformity with U.S. generally accepted accounting principles as applied to governmental units. The more significant of the Board's accounting policies are described below.

**Measurement Focus/ Basis of Accounting**

Measurement focus refers to what is being measured; basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The financial statements for the Board are reported using the economic resources measurement focus and the accrual basis of accounting. The economic resources measurement focus means all transactions and events that affect the total economic resources during the period are reported. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recognized at the time the liability is incurred, regardless of the timing of related cash inflows and outflows.

The Board distinguishes operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the Board's principal ongoing operations. Operating expenses for the Board include the cost of personnel and contractual services, supplies, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The Board applies Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless those pronouncements conflict with or contradict Governmental Accounting Standards Board pronouncements, in which case, Governmental Accounting Standards Board prevails.

**Cash**

The Board's cash and cash equivalents are considered to be cash on hand, demand deposits, and certificates of deposit with original maturities of three months or less.

**Restricted Assets**

The use of restricted assets is limited by legal requirements or restrictions imposed externally by creditors. When both restricted and unrestricted resources are available for use, it is the Board's policy to use restricted resources first, then unrestricted, as they are needed.

**WATER WORKS BOARD OF THE CITY OF CALERA, ALABAMA**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2020**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

**Allowance for Uncollectible Accounts**

An allowance for uncollectible accounts is provided based on historical evidence.

**Inventory**

Inventory consists of supplies and is recorded at the lower of cost or market, determined by first in, first out method. The cost of inventories is recorded as an expenditure/expense when consumed rather than when purchased.

**Capital Assets**

All capital assets are valued at historical costs or estimated historical costs if actual historical cost is not available. Donated assets are valued at their fair market value on the date donated. Repairs and maintenance are recorded as expenses. Interest expense during construction periods is capitalized as part of the costs of the asset.

Assets capitalized have an original cost of \$3,000 or more and five years or more of useful life. Depreciation has been calculated on each class of depreciable property using the straight-line method. Estimated useful lives are as follows:

System and Facilities	40-60 Years
Buildings and Improvements	30-40 Years
Machinery and Equipment	5-10 Years

Depreciation is provided in amounts sufficient to relate the cost of the depreciable assets to operations over their estimated service lives on the straight-line basis.

**Deferred Outflows of Resources**

In addition to assets, the statement of financial position will sometimes report 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/expenditure) until then. The Board currently reports deferred outflows of resources related to deferred charges on refunding, which result 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.

**Noncurrent Liabilities**

In the financial statements, long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Position. Bond discounts are deferred and amortized over the life of the bonds using the bonds outstanding method. Bonds payable are recorded net of the applicable discounts.

**Deferred Inflows of Resources**

In addition to noncurrent liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element; deferred inflows of resources represents an acquisition of net assets by the government that is applicable to a future reporting period.

**WATER WORKS BOARD OF THE CITY OF CALERA, ALABAMA**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2020**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

**Use of Estimates**

In preparing these financial statements, management is required to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**NOTE 2 - DEPOSITS**

All of the Board's demand deposits, time deposits, and certificates of deposit are insured and collateralized in accordance with the Security for Alabama Funds Enhancement, or SAFE Program, which is encompassed in Title 41, Chapter 14A, Code of Alabama 1975, as amended, which is a multiple financial institutions collateral pool. The statute provides for assessments against the members of the pool on a pro rata basis in the event that the collateral pool is insufficient to cover the losses of a member financial institution that fails. As such, all deposits covered by this collateral pool are considered to be fully insured.

Debt service funds and bond proceeds held in escrow totaling \$1,714,875 are invested by banks' trust departments in U.S. Government Securities and are not subject to collateralization requirements.

The Board has an investment policy, the objective of which is to minimize credit rate and interest rate risk. The policy addresses risks as follows:

**Credit Risk (Custodial Credit Risk and Concentration of Credit Risk)**

The Board will minimize Custodial Credit Risk, which is the risk of loss due to the failure of the security issuer or backer, by limiting investments to the types of securities authorized in Alabama Code section 19-3-120 and qualifying the institutions, brokers/dealers, intermediaries and advisors with which the Board will do business.

The Board will minimize Concentration of Credit Risk, which is the risk of loss attributed to the magnitude of the Board's investment in a single issuer, by diversifying the investment portfolio so that the impact of potential losses from one type of security or issuer will be minimized.

**Investment Rate Risk**

The Board will minimize Interest Rate Risk, which is the risk that the market value of securities in the portfolio will fall due to changes in market interest rates, by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities in the open market and investing operating funds primarily in shorter-term securities, liquid asset funds, money market mutual fund, or similar investment pools and limiting the average maturity schedule in accordance with the Board's cash requirements.

**WATER WORKS BOARD OF THE CITY OF CALERA, ALABAMA**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2020**

**NOTE 2 - DEPOSITS - CONTINUED**

Foreign Currency Risk

The Board is not authorized to invest in investments which have this type of risk. State statutes authorize the Board to invest in obligations of the U.S. Treasury, certain U.S. corporate equities, State of Alabama obligations, county obligations, and other municipal obligations, as well as bank certificates of deposit and bank public funds investment accounts.

**NOTE 3 - RECEIVABLES AND PAYABLES**

Receivables at September 30, 2020, consist of the following:

Customers	\$ 823,175
Less: Allowance for uncollectibles	<u>(18,093)</u>
Net Receivables	<u>\$ 805,082</u>

Payables at September 30, 2020, consist of the following:

Trade payables	\$ 36,365
Capital assets payables	<u>6,839</u>
Net Payables	<u>\$ 43,204</u>

**NOTE 4 - CAPITAL ASSETS**

Capital assets activity for the year ended September 30, 2020 was as follows:

	<u>Balance</u> <u>October 1</u>	<u>Additions/</u> <u>Completions</u>	<u>Retirements/</u> <u>Adjustments</u>	<u>Balance</u> <u>September 30</u>
Capital assets not being depreciated				
Land	\$ 11,485			11,485
Construction in progress	638,245	523,455	(1,108,500)	<u>53,200</u>
Total capital assets not being depreciated	649,730	523,455	(1,108,500) \$	64,685
Capital assets being depreciated				
System and facilities	23,546,821	1,399,042		24,945,863
Buildings and improvements	92,789	14,454		107,243
Vehicles	334,550	34,875	(23,856)	345,569
Equipment	1,497,070	80,195	(31,242)	<u>1,546,023</u>
Total capital assets not being depreciated	<u>25,471,230</u>	<u>1,528,566</u>	<u>(55,098)</u>	<u>26,944,698</u>
Less accumulated depreciation for				
System and facilities	7,826,825	600,281		8,427,106
Buildings and improvements	24,062	8,450		32,512
Vehicles	260,384	25,238	(23,856)	261,766
Equipment	1,238,421	54,209	(31,242)	<u>1,261,388</u>
Total accumulated depreciation	<u>9,349,692</u>	<u>688,178</u>	<u>(55,098)</u>	<u>9,982,772</u>
Total capital assets being depreciated, net	<u>16,121,538</u>	<u>840,388</u>	<u>-</u>	<u>16,961,926</u>
Total capital assets, net	<u>\$ 16,771,268</u>	<u>1,363,843</u>	<u>(1,108,500) \$</u>	<u>17,026,611</u>

Depreciation for the year ended September 30, 2020 was \$688,178.

**WATER WORKS BOARD OF THE CITY OF CALERA, ALABAMA**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2020**

**NOTE 5 - LONG-TERM DEBT**

Water Revenue Bonds payable at September 30, 2020, are comprised of the following issues:

2012 Water Revenue Bonds, dated July 1, 2012, due in semi-annual installments through February 1, 2036, bearing interest rates of 2.00% to 3.75%. (less: unamortized discounts of \$75,876.)	\$ 8,249,124
2012-A Water Revenue Bonds, dated November 1, 2012, due in semi-annual installments through February 1, 2026, bearing interest rates of 1.70% to 2.40% (less: unamortized discounts of \$1,194.)	2,148,806
2016-A Water Revenue Bonds, dated February 1, 2016, due in semi-annual installments through February 1, 2038, bearing interest rates of 3% to 4% (plus: unamortized premiums of \$82,305.)	1,877,305
2016-B Water Revenue Bonds, dated February 1, 2016, due in semi-annual installments through February 1, 2023, bearing interest rates of 2.25% to 3.1% (plus: unamortized premiums of \$270.)	\$ <u>630,270</u>
Total Water Revenue Bonds Payable	<u><u>12,905,505</u></u>

A summary of long-term liability activity for the year ended September 30, 2020, is as follows:

	Balance October 1, 2019	Issues or Additions	Payments or Expenditures	Balance September 30, 2020	Due within one year
Revenue Warrants Payable	\$13,450,000		(550,000)	\$12,900,000	\$570,000
Less Deferred Amounts:					
Issuance Premium (Discount)	3150		2,355	5,505	
Total Revenue Warrants	13,453,150		(547,645)	12,905,505	570,000
Notes Payable	0			0	
Long-term Liabilities	<u>\$13,453,150</u>		<u>(\$547,645)</u>	<u>\$12,905,505</u>	<u>\$570,000</u>

**WATER WORKS BOARD OF THE CITY OF CALERA, ALABAMA**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2020**

**NOTE 5 - LONG-TERM DEBT - CONTINUED**

The annual requirements to service the Board's debt obligations at September 30, 2019, are as follows:

Year Ending September 30,	Revenue Bonds Payable	
	Principal	Interest
2021	570,000	406,253
2022	565,000	392,746
2023	585,000	378,103
2024	585,000	363,464
2025	595,000	349,111
2026-2030	3,420,000	1,472,594
2031-2035	4,070,000	860,797
2036-2038	2,510,000	146,219
	\$12,900,000	\$4,369,287

**NOTE 6 - TRUST INDENTURE COVENANTS**

The Series 2012, Series 2012-A, Series 2016-A, and Series 2016-B Water Revenue Bonds are secured by a pledge of all operating revenues after the payment of operating expenses. The bond indentures contain various covenants, including a prohibition against providing free service, an agreement to maintain rates adequate to pay all operating expenses and produce at least a specified net income, and to promptly discontinue service for nonpayment. The bond indentures require that the Board charge rates for water and other services provided by the Board sufficient to maintain a Debt Service Ratio (as defined in the agreement) of not less than 1.25 to 1.

**NOTE 7 - RELATED PARTY TRANSACTIONS**

The City of Calera provides employees to the Board, and the Board is responsible for reimbursing the City for the actual expenses incurred for those employees. The Board accrues liabilities for vacation leave, compensatory time, and holiday leave in the amount that will be owed to the City when the accrued benefits are paid to the employees by the City, at which time the Board must reimburse the City for the expenses.

At September 30, 2020, the Board reported a \$12,353.51 receivable from the City of Calera resulting from work performed by the Board on City projects.

The Board leases space at City Hall and the City Shop Building from the City of Calera. Rent charged during the year ended September 30, 2020, was \$17,000.

**WATER WORKS BOARD OF THE CITY OF CALERA, ALABAMA**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2020**

**NOTE 8 - RISK MANAGEMENT**

The Board is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; workers' compensation; and natural disaster for which the Board carries commercial insurance.

**NOTE 9 - SUBSEQUENT EVENTS**

Subsequent events have been evaluated through March 26, 2021.

On December 21, 2020, the Water Works Board approved the issuance of \$5,330,000 Subordinated Water Revenue Bond Series 2020-DWSRF-DL . The proceeds will be used to make capital improvements to the System.

On January 19, 2021, the Water Works Board approved the issuance of \$9,345,000 Water Revenue Bonds Series 2021. The proceeds were used to refund the following bonds: Water Revenue Bonds Series 2012-A and Water Reveue Bonds Series 2012.

**WATER WORKS BOARD OF THE CITY OF CALERA, ALABAMA**  
**SCHEDULE OF RATES (UNAUDITED)**  
**September 30, 2020**

**Water Rates**

**Fiscal Year Ended September 30, 2020**

Zone 1 Rates (inside City of Calera)	
First 2,500 gallons per month	\$ 22.58
Next 2,500 gallons per month	\$ 5.57
Next 5,000 gallons per month	\$ 4.00
Next 10,000 gallons per month	\$ 2.83
Next 30,000 gallons per month	\$ 2.57
Next 50,000 gallons per month	\$ 2.10
Next 50,000 gallons per month	\$ 1.79
All over 150,000 gallons per month	\$ 1.79
Zone 2 Rates (outside City of Calera)	
First 2,500 gallons per month	\$ 24.48
Next 2,500 gallons per month	\$ 5.57
Next 5,000 gallons per month	\$ 4.00
Next 10,000 gallons per month	\$ 2.83
Next 30,000 gallons per month	\$ 2.57
Next 50,000 gallons per month	\$ 2.10
Next 50,000 gallons per month	\$ 1.79
All over 150,000 gallons per month	\$ 1.79

**Capital Recovery Fees**

**Fiscal Year Ended September 30, 2020**

Type/Purpose	<u>3/4" Meter</u>
Regular	\$ 1,000
Sub-Division	\$ 1,000
Timberline	\$ 1,000
	<u>1" Meter</u>
Regular	\$ 1,100
Sub-Division	\$ 1,100
Timberline	\$ 1,100
	<u>2" Meter</u>
Regular	\$ 2,000

See independent auditor's report

**WATER WORKS BOARD OF THE CITY OF CALERA, ALABAMA  
SELECTED CUSTOMER DATA (UNAUDITED)  
September 30, 2020**

**Number of Water Customers**

<u>Fiscal Year</u>	<u>Residential</u>	<u>Commercial</u>	<u>Industrial</u>	<u>Total</u>
2020	7,718	438	6	8,162

**Volume of Water Consumed by the System's Customers**

<u>Fiscal Year</u>	<u>Gallons Consumed</u>
2020	563,520,800

**Major Customers-Water**

Fiscal Year Ended September 30, 2020

<u>Customer</u>	<u>Gallons Purchased</u>	<u>Amount Paid</u>
HRI Landmark LLC	12,664,000	\$ 75,649
Calera Housing Authority	7,540,200	\$ 42,123
Vulcan Materials Company	10,885,700	\$ 20,563
Alabama Power	10,428,900	\$ 20,424
Glidewell Specialties	7,526,000	\$ 14,526

See independent auditor's report

**WATER WORKS BOARD OF THE CITY OF CALERA, ALABAMA**  
**HISTORICAL DEBT SERVICE COVERAGE (UNAUDITED)**  
**September 30, 2020**

**Historical Debt Service Coverage**

The ratio of Annual Net Income for the last five fiscal years to combined maximum annual debt service of the outstanding Series 2016 Bonds, the Series 2021 Bonds, and the Subordinated SRF Bond is set forth as follows:

<u>Fiscal Year Ending September 30</u>	<u>Annual Net Income</u>	<u>Maximum Annual Debt Service</u>	<u>Debt Service Coverage Ratio</u>
2020	\$ 1,915,191	\$ 1,185,160	1.6160
2019	1,930,732	1,185,160	1.6291
2018	1,651,432	1,185,160	1.3934
2017	1,710,809	1,185,160	1.4435
2016	1,733,774	1,185,160	1.4629

[1] Maximum Annual Debt Service is determined for the fiscal year 2024. See "Total Debt Service Requirements" hereinbefore.

See independent auditor's report