

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

Financial Report September 30, 2021

Including Report of
Independent Auditor

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INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of the Water Works Board of the City of Calera, Alabama, a discretely presented component unit of the City of Calera, Alabama, which comprise the statement of net position as of September 30, 2021, and the related statements of revenues, expenses, and change in net position, and cash flows for the year then ended, and the related notes to the financial statements.

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.

Auditors' 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 auditors' 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 Water Works Board of the City of Calera, Alabama as of September 30, 2021, and the change in its financial position and its 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

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.

Fruitt Fingle Paramore & Argent, LLC

Birmingham, Alabama

March 23, 2022

WATER WORKS BOARD OF THE CITY OF CALERA, ALABAMA
STATEMENT OF NET POSITION
September 30, 2021

Assets

Current:

Cash and cash equivalents	\$	2,715,741
Certificates of deposit		642,349
Accounts receivable, net		726,859
Notes receivable		
Inventory		194,656
Prepaid expenses		117,260
Total Current Assets		4,396,865

Noncurrent:

Restricted assets:		
Cash and cash equivalents		1,301,209
Notes receivable		5,002,095
Prepaid expenses		117,260
Nondepreciable assets		152,371
Depreciable capital assets, net		16,883,864
Total Noncurrent Assets		23,456,799
Total Assets		27,853,664

Deferred Outflows of Resources

Deferred charges on refunding		62,714
Total Deferred Outflows of Resources		62,714

Liabilities

Current:

Accounts payable		67,800
Accrued expenses		99,842
Payable to the City of Calera		1,064
Payable from restricted assets:		
Customer deposits		157,760
Accrued interest payable		49,953
Current portion of long-term debt		648,633
Total Current Liabilities		1,025,052

Noncurrent:

Long-term debt, net of current portion		16,883,840
Total Liabilities		17,908,892

Net Position

Net investment in capital assets		4,896,476
Unrestricted		3,859,755
Restricted for debt service (expendable)		1,251,255
Total Net Position	\$	10,007,486

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, 2021

Operating Revenues

Utility receipts	\$ 3,662,872
Fees	524,668
Miscellaneous	27,610
Total Operating Revenues	<u>4,215,149</u>

Operating Expenses

Personnel services	1,291,991
Supplies expense	83,007
Repairs and maintenance	214,734
Depreciation	731,372
Administrative expenses	547,922
Outside services	86,731
Total Operating Expenses	<u>2,955,757</u>
Operating Income	<u>1,259,392</u>

Non Operating Revenues (Expenses)

Interest income	3,528
Interest expense	(959,889)
Bond Issuance Costs	(187,079)
Trustee fees	(8,525)
Total Non Operating Revenues (Expenses)	<u>(1,151,965)</u>

Income Before Capital Contributions	107,427
Capital Contributions	<u>0</u>
Change in Net Position	107,427
Net Position, Beginning of Year	9,900,059
Net Position, End of Year	<u>\$ 10,007,486</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, 2021

Cash Flows from Operating Activities

Cash received from customers	\$ 4,296,910
Cash paid for personnel services	(1,283,418)
Cash paid to suppliers for goods and services	(961,894)
	2,051,598
Net Cash Provided by Operating Activities	2,051,598

Cash Flows from Capital and Related Financing Activities

Acquisition and construction of property, plant, and equipment	(696,120)
Principal payments on debt	(917,649)
Interest payments on debt	(384,726)
Trustee fees	(8,525)
	(2,007,019)
Net Cash Used by Capital and Related Financing Activities	(2,007,019)

Cash Flows from Investing Activities

Interest on cash and cash equivalents	16,631
	16,631
Net Cash Provided by Investing Activities	16,631
Net Increase in Cash and Cash Equivalents	61,209
Cash and Cash Equivalents at Beginning of Year	3,955,742
Cash and Cash Equivalents at End of Year	\$ 4,016,950

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, 2021

Reconciliation of Cash and Cash Equivalents to Statement of Net Position

Cash and cash equivalents in current assets	\$	2,715,741
Restricted cash		<u>1,301,209</u>
Total Cash and Cash Equivalents	\$	<u><u>4,016,950</u></u>

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

Operating income	\$	1,259,392
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation		731,372
(Increase) decrease in:		
Accounts receivable, net		78,223
Inventory		(17,858)
Prepays		750
Increase (decrease) in:		
Accounts payable		(20,279)
Accrued expenses		10,157
Receivable from (Payable to) the City of Calera		13,379
Customer deposits		<u>(3,538)</u>
Net Cash Provided by Operating Activities	\$	<u><u>2,051,598</u></u>

Noncash Investing, Capital, and Financing Activities

The Water Works Board of the City of Calera, Alabama had amortization of bond premium of \$47,556 and amortization of deferred charges on refunding of \$11,629.

The Water Works Board of the City of Calera, Alabama issued Series 2021 Water Revenue Bonds in the amount of \$9,345,000, maturing in 2039, for the purpose of refunding the Series 2012 and 2012-A Water Revenue Bonds. The refunded bonds were redeemed and retired on March 4, 2021.

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, 2021

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.

WATER WORKS BOARD OF THE CITY OF CALERA, ALABAMA
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

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.

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 premiums are deferred and amortized over the life of the bonds using the bonds outstanding method. Bonds payable are recorded net of the applicable discounts.

WATER WORKS BOARD OF THE CITY OF CALERA, ALABAMA
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

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.

Net Position

The City reports information regarding its financial position and activities according to three classes of net position on the government-wide financial statements: net investment in capital assets, restricted net position, and unrestricted net position.

Net Investments in Capital Assets consists of capital assets, including restricted capital assets, net of accumulated depreciated and reduced by the outstanding balances of any warrants, notes, or other borrowing that are attributable to the acquisition, construction, or improvement of those assets.

Restricted Net Position is reported as restricted when constraints placed on net position use are externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions.

Unrestricted Net Position is the residual component of net position. It consists of net position that does not meet the definition of restricted or net investment in capital assets.

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 \$1,301,209 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:

WATER WORKS BOARD OF THE CITY OF CALERA, ALABAMA
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

NOTE 2 - DEPOSITS - CONTINUED

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.

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- RECEIVABLE AND PAYABLES

Receivables at September 30, 2021, consist of the following:

Customers	\$ 759,420
Less: Allowance for uncollectibles	<u>(32,561)</u>
Net Receivables	<u><u>\$ 726,859</u></u>

Payables at September 30, 2021, consist of the following:

Trade payables	\$ 16,086
Capital assets payables	<u>51,714</u>
Net Payables	<u><u>\$ 67,800</u></u>

WATER WORKS BOARD OF THE CITY OF CALERA, ALABAMA
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

NOTE 4 - CAPITAL ASSETS

Capital assets activity for the year ended September 30, 2021 was as follows:

	<u>Balance October 1</u>	<u>Additions/ Completions</u>	<u>Retirements/ Adjustments</u>	<u>Balance September 30</u>
Capital assets not being depreciated				
Land	\$ 11,485			11,485
Construction in progress	53,200	740,996	(653,310)	140,886
Total capital assets not being depreciated	64,685	740,996	(653,310)	\$ 152,371
Capital assets being depreciated				
System and facilities	24,945,863	571,570		25,517,433
Buildings and improvements	107,243			107,243
Vehicles	345,569			345,569
Equipment	1,546,023	81,740		1,627,763
Total capital assets being depreciated	26,944,698	653,310	-	27,598,008
Less accumulated depreciation for				
System and facilities	8,427,106	640,051		9,067,157
Buildings and improvements	32,512	8,010		40,522
Vehicles	261,766	28,725		290,491
Equipment	1,261,388	54,586		1,315,974
Total accumulated depreciation	9,982,772	731,372	-	10,714,144
Total capital assets being depreciated, net	16,961,926	(78,062)	-	16,883,864
Total capital assets, net	\$ 17,026,611	662,934	(653,310)	\$ 17,036,235

Depreciation for the year ended September 30, 2021 was \$731,372.

WATER WORKS BOARD OF THE CITY OF CALERA, ALABAMA
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

NOTE 5 - LONG-TERM DEBT

Water Revenue Bonds payable at September 30, 2021, are comprised of the following issues:

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 \$77,193.)	\$ 1,872,193
2016-B Water Revenue Bonds, dated February 1, 2016, due in semi-annual installments through February 1, 2023, bearing interest rates of 2.5% to 3.1% (plus: unamortized premiums of \$114.)	415,114
2020 DWSRF-DL Revenue Bond, dated December 15, 2020, due in semi-annual installments from February 15, 2024 through August 15, 2043, bearing interest at 2.2%.	5,330,000
2021 Water Revenue Bonds, dated February 2, 2021, due in semi-annual installments through February 1, 2036, bearing interest rates of 2% to 3% (plus: unamortized premiums of \$570,166.)	<u>9,915,166</u>
Total Water Revenue Bonds Payable	<u><u>\$ 17,532,473</u></u>

A summary of long-term liability activity for the year ended September 30, 2021, is as follows:

	Balance October 1, 2020	Issues or Additions	Payments or Expenditures	Balance September 30, 2021	Due within one year
Revenue Warrants Payable	\$12,900,000	\$14,675,000	(10,690,000)	\$16,885,000	\$580,000
Less Deferred Amounts:					
Issuance Premium (Discount)	5,505	687,007	(45,039)	647,473	68,633
Long-term Liabilities	<u>\$12,905,505</u>	<u>\$15,362,007</u>	<u>(\$10,735,039)</u>	<u>\$17,532,473</u>	<u>\$648,633</u>

WATER WORKS BOARD OF THE CITY OF CALERA, ALABAMA
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

NOTE 5 - LONG-TERM DEBT - CONTINUED

The annual requirements to service the Board's debt obligations at September 30, 2021, are as follows:

Year Ending September 30,	<u>Revenue Bonds Payable</u>	
	Principal	Interest
2022	580,000	410,175
2023	600,000	396,193
2024	805,000	374,948
2025	820,000	357,580
2026	850,000	334,365
2027-2031	4,495,000	1,335,575
2032-2036	4,990,000	833,515
2037-2041	3,100,000	235,720
2042-2043	645,000	21,340
	<u>\$16,885,000</u>	<u>\$4,299,411</u>

NOTE 6 - TRUST INDENTURE COVENANTS

The Series 2016-A, Series 2016-B, and Series 2021 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, 2021, the Board reported a \$1,064 payable to the City of Calera resulting from expense allocations from the City of Calera.

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, 2021, was \$17,000.

WATER WORKS BOARD OF THE CITY OF CALERA, ALABAMA
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

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.

WATER WORKS BOARD OF THE CITY OF CALERA, ALABAMA
SCHEDULE OF RATES (UNAUDITED)
September 30, 2021

Water Rates

Fiscal Year Ended September 30, 2021

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, 2021

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, 2021

Number of Water Customers

<u>Fiscal Year</u>	<u>Residential</u>	<u>Commercial</u>	<u>Industrial</u>	<u>Total</u>
2021	7,718	438	6	8,162

Volume of Water Consumed by the System's Customers

<u>Fiscal Year</u>	<u>Gallons Consumed</u>
2021	572,893,300

Major Customers-Water

Fiscal Year Ended September 30, 2021

<u>Customer</u>	<u>Gallons Purchased</u>	<u>Amount Paid</u>
HRI Landmark LLC	17,785,000	\$ 84,815
Calera Housing Authority	6,717,800	\$ 40,695
Vulcan Materials Company	11,199,600	\$ 21,125
Alabama Power	10,428,900	\$ 20,424
Glidewell Specialties	9,081,000	\$ 17,310

See independent auditor's report

WATER WORKS BOARD OF THE CITY OF CALERA, ALABAMA
HISTORICAL DEBT SERVICE COVERAGE (UNAUDITED)
September 30, 2021

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 2020 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> ^[1]	<u>Debt Service Coverage Ratio</u>
2021	\$ 1,985,767	\$ 1,184,365	1.6767
2020	1,915,191	1,184,365	1.6171
2019	1,930,732	1,184,365	1.6302
2018	1,651,432	1,184,365	1.3944
2017	1,710,809	1,184,365	1.4445

[1] Maximum Annual Debt Service is determined for the fiscal year 2026. See "Total Debt Service Requirements" hereinbefore.