
2020 ANNUAL REPORT

GEORGIA ENVIRONMENTAL
FINANCE AUTHORITY



Our Mission

To Conserve and Improve Georgia's Energy, Land, and Water Resources.

Founded in 1985, the Georgia Environmental Finance Authority (GEFA) directs programs that improve Georgia's environment, protect natural resources, and promote economic development. GEFA provides loans for water, wastewater, and solid waste infrastructure; manages energy efficiency and renewable energy programs; administers land conservation loans; and monitors state-owned fuel storage tanks.

To date, GEFA has provided more than \$4.6 billion in low-interest loans to cities, counties, and infrastructure authorities for more than 1,900 projects that improve water, wastewater, stormwater, and solid waste systems.

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Executive Director's Report

To the Governor, Members of the General Assembly, and Georgia Citizens:

The Georgia Environmental Finance Authority (GEFA) is committed to serving the residents of Georgia. GEFA meets this commitment by helping communities conserve and improve Georgia's energy, land, and water resources. To date, GEFA has provided more than \$4.6 billion in low-interest loans for improvements to the water, wastewater, stormwater, and solid waste systems of cities, counties, and infrastructure authorities across Georgia.

In recent years, several severe weather events affected many rural communities throughout our state. During the storms, GEFA worked behind the scenes to ensure Georgians had access to energy and water resources. To further assist communities in times of need, we worked with the Georgia Rural Water Association on a program to provide mobile generators. The generators supply temporary power to drinking water wells and wastewater treatment plants for rural communities in the aftermath of storms or other natural disasters. The generator program is an example of two organizations coming together to help citizens in a time of need.

GEFA was created, in part, to help smaller communities make infrastructure improvements by providing below-market financing. In FY2020, the town of Braselton received a \$580,000 Clean Water State Revolving Fund loan to help finance improvements to the town's stormwater system. Braselton received an interest rate reduction because it is a WaterFirst Community. The city of Cairo received a \$2.25 million Drinking Water State Revolving Fund loan to help finance replacing water main. The city received an interest rate reduction for this conservation project. These two projects are examples of communities investing in infrastructure improvements while taking full advantage of GEFA's low-interest rates.

At the onset of the COVID-19 pandemic, the Office of Governor Brian P. Kemp and Georgia state agencies immediately took action to protect the health and well-being of Georgians. For GEFA employees, we quickly ramped up our remote working capabilities and implemented COVID-19 protocols in our office. For GEFA borrowers, and at the direction of the governor's office, we provided a loan payment deferral period of six months. The deferral period provided a temporary relief of approximately \$68 million in loan repayments for more than 330 borrowers.

In this report, you will see more examples of how GEFA fulfills our mission to help conserve and improve Georgia's energy, land, and water resources. Our work would not be possible without the support of the governor, state and local leaders, and other state agencies.

Sincerely,

A handwritten signature in black ink that reads "Kevin Clark". The signature is written in a cursive, flowing style.

Kevin Clark, Executive Director

Accomplishments

FISCAL YEAR 2020

GEFA increases the capacity and quality of Georgia's water supply, supports the protection and preservation of Georgia's land resources, and promotes conservation and advancement of Georgia's energy resources. The agency continues to build on this success through its commitment to protecting Georgia's natural resources and supporting economic development.



Conserving Georgia's Energy Resources

- Forty K-12 and higher education building operators received Building Operator Certification training.
- Six Georgia Solar contracts totaling \$223,728 were executed to install small-scale solar photovoltaic systems and to increase renewable energy education.
- The State Energy Program procured nine alternative fuel mobile generators for the Georgia Rural Water Association.
- The Weatherization Assistance Program weatherized 683 homes positively impacting 1,197 Georgians with an estimated energy savings of 20,831 MBtu.
- The Fuel Storage Tank Program provided oversight and monitoring services for 630 fuel storage tanks at 23 state agencies and departments.
- GEFA helped its agency partners pass 29 fuel storage tank site compliance inspections.
- GEFA completed the annual registration for 324 state-owned underground fuel storage tanks.

Improving Georgia's Water Resources

- Projects financed by GEFA provided reliable water, wastewater, and solid waste services to more than 1 million Georgians.
- The Clean Water State Revolving Fund awarded 20 loans totaling \$94.8 million.
- The Drinking Water State Revolving Fund (DWSRF) awarded 42 loans totaling \$74.4 million.
- The Georgia Fund awarded 13 loans totaling \$18 million.
- GEFA provided financing to 60 communities, with more than \$16 million in debt service savings.
- The DWSRF provided \$27.8 million to small systems servicing fewer than 10,000 customers and \$6.4 million to communities less than 3,300 customers.
- Two communities received WaterFirst designations – city of Jefferson and Bartow County.



Energy Resources

The Energy Resources Division promotes energy efficiency, renewable energy, and energy assurance programs to improve environmental quality and stimulate sustainable economic development.

The State Energy Program provides financial assistance and technical support for energy efficiency and renewable energy programs.

The Weatherization Assistance Program provides energy conservation measures to income-eligible households.

The Georgia Energy Challenge helps state agencies reach the program's 15 percent energy conservation goal.

Energy Performance Contracting allows the state to finance building improvements guaranteed to lower energy and water consumption.

The Energy Assurance Program works closely with the Georgia Emergency Management Agency, other state agencies, and private sector stakeholders to develop energy emergency planning resources and to lead exercises designed to ensure better emergency coordination.



ENERGY RESOURCES HIGHLIGHT

GEFA and GRWA Partner to Help Assist Georgians

In the last few years, the state of Georgia has been hit by multiple natural disasters. Two storms in particular, Hurricanes Michael and Florence, defined the 2018 hurricane season. These two storms caused widespread power outages and other damage that is still evident to this day. Many Georgians did not have power, access to clean water, or other life necessities for weeks. This devastation led to many state agencies thinking of ways to help prevent this from happening in the future.

The Georgia Rural Water Association (GRWA) teamed up with the Georgia Environmental Finance Authority (GEFA) to provide communities hit by natural disasters with mobile power generators. GEFA worked with the U.S. Department of Energy to adapt the program to meet environmental and emission reduction goals and requirements. With these requirements, the portable Kohler natural gas generators were selected for this program.

This emergency response program staffed by GRWA operators will provide technical support during times of activation. The portable generators will power drinking water wells and wastewater treatment systems for rural and smaller communities across Georgia, and in neighboring states as part of mutual aid agreements, until power can be restored.



Water Resources

The Water Resources Division supports the development of water, wastewater, and solid waste infrastructure projects, which help protect the environment, facilitate economic development, accommodate population growth, and safeguard public health.

GEFA partners with local governments by providing loans for water, wastewater, stormwater, and solid waste infrastructure. The Water Resources Division also assists local governments with the development of reservoir and water supply projects.

The Georgia Fund is a state loan program for water, wastewater, and solid waste infrastructure.

The Georgia Reservoir Fund is a state loan program for reservoir and water supply infrastructure.

The Clean Water State Revolving Fund is a federal loan program for water quality and wastewater treatment infrastructure.

The Drinking Water State Revolving Fund is a federal loan program for drinking water infrastructure.

The Water First Program recognizes a local government's commitment to responsible water stewardship for environmental and economic benefits.



WATER RESOURCES HIGHLIGHT

City Transforms Historic District with GEFA Funding

The Clean Water State Revolving Fund (CWSRF) provides communities with low-interest financing for a wide range of water quality infrastructure projects. In fiscal year 2020, the CWSRF provided 20 low-interest loans totaling \$94.8 million to protect public health, protect valuable aquatic resources, and meet environmental standards benefiting thousands of Georgians.

The city of Madison, Georgia, has one of the largest historic districts in the state. The historic district is listed on the National Register of Historic Places and is the city's foremost tourist attraction. Maintaining this area and the land around it is very important for the community. Part of this land is known as the West Washington Gateway, and it was the most deteriorated entryway into the historic district. The Madison Downtown Development Authority completed a stormwater project financed by a \$2.1 million CWSRF loan to help transform the West Washington Gateway.

Like many infrastructure projects, much of the transformation of the West Washington Gateway was not visible because a majority of the construction was underground. The other portion of this project consisted of cleaning up and protecting the land. This new green space will serve as a park for residents and visitors to the downtown area of the city.

This project demonstrates how one community is maximizing the benefits of a CWSRF low-interest loan. Improving water quality, treating and reducing the volume of stormwater, and creating passive recreation space will transform the city of Madison and welcome future economic development.



Financial Highlights

FISCAL YEAR 2020

The narrative overview and analysis of the financial activities for the fiscal year ended June 30, 2020, provides additional detail on GEFA's financial performance.

Total assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$2.5 billion (net position). Of this amount, approximately \$46.4 million was from governmental activities and \$2.47 billion was from business-type activities.

Total long-term liabilities experienced a net decrease of \$1.6 million during 2020, the majority within governmental activities. The decrease was mostly attributable to the changes in GEFA's proportionate shares of Net OPEB and Net Pension Liabilities.

GEFA's total net position increased by \$86.2 million. The net position in governmental activities decreased by \$877.3 thousand while the net position of business-type activities increased \$87.1 million, resulting in an overall \$21.3 million decrease from the increase experienced in 2019.

Total governmental revenues increased by \$3.8 million from 2019. The increased revenue is mostly attributable to increase in operating grants and contributions because of increased grant funding for program operations.

Charges for services within business-type activities decreased by \$1.9 million. The decrease is primarily due to GEFA's decision to offer a six-month forbearance to its borrowers to provide financial relief for areas affected by the worldwide pandemic in 2020. The forbearance resulted in the fourth quarter's income being forgone, but the income will be recovered at the end of borrowers' amortization periods for borrowers who elected to participate.

Operating grants and contributions within business-type activities decreased by \$29.8 million. The large decrease was mostly due to nonreceipt of state support for one of the loan programs. In addition, federal loan programs had a reduction in grant funding in the most recent year. Moreover, a substantial decrease in contributions in a state partner program exacerbated the decrease because a high value project was completed in the prior year.

FY2020 NET POSITION

	PRIMARY GOVERNMENT						INCREASE (DECREASE) %
	GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES		TOTAL		
	2020	2019	2020	2019	2020	2019	
Current and other assets	\$ 55,959,362	57,043,023	2,476,142,649	2,389,574,849	2,532,102,011	2,446,617,872	3.5%
Capital assets	132,977	216,060	—	—	132,977	216,060	(38.5%)
Total assets	56,092,339	57,259,083	2,476,142,649	2,389,574,849	2,532,234,988	2,446,833,932	3.5%
Deferred outflows of resources	1,025,881	1,457,741	—	—	1,025,881	1,457,741	(29.6%)
Long-term liabilities outstanding	5,528,328	7,109,104	—	—	5,528,328	7,109,104	(22.2%)
Other liabilities	3,072,943	2,556,171	1,953,705	2,496,696	5,026,648	5,052,867	(0.5%)
Total liabilities	8,601,271	9,665,275	1,953,705	2,496,696	10,554,976	12,161,971	(13.2%)
Deferred inflows of resources	2,135,839	1,793,136	—	—	2,135,839	1,793,136	19.1%
Net position:							
Investment in capital assets	132,977	216,060	—	—	132,977	216,060	(38.5%)
Restricted	40,142,232	41,709,504	1,882,645,322	1,803,070,372	1,922,787,554	1,844,779,876	4.2%
Unrestricted	6,105,901	5,332,849	591,543,622	584,007,781	597,649,523	589,340,630	1.4%
Total net position	\$ 46,381,110	47,258,413	2,474,188,944	2,387,078,153	2,520,570,054	2,434,336,566	3.5%

Copies of the complete audited financial statements are available at gefa.georgia.gov.

Financial Highlights

FY2020 STATEMENT OF NET POSITION

	PRIMARY GOVERNMENT			COMPONENT UNIT
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL	GA. ENVIRON. LOAN ACQ. CORP
Assets				
Cash	\$ 2,977,092	4,800,699	7,777,791	26,122
Cash with fiscal agent	—	—	—	1
Investments	46,568,659	1,016,260,088	1,062,828,747	51,073,225
Due from other governments	4,153,474	1,808,535	5,962,009	—
Internal balances	1,947,289	(1,947,289)	—	—
Accrued interest receivable	—	2,054,177	2,054,177	33,391
Loans receivable	—	1,453,166,439	1,453,166,439	30,172,945
Other assets	2,870	—	2,870	—
Net OPEB asset	309,978	—	309,978	—
Capital assets, net of accumulated depreciation	132,977	—	132,977	—
Total assets	<u>56,092,339</u>	<u>2,476,142,649</u>	<u>2,532,234,988</u>	<u>81,305,684</u>
Deferred Outflows of Resources				
Related to other postemployment benefits	208,925	—	208,925	—
Related to pensions	816,956	—	816,956	—
Total deferred outflows of resources	<u>1,025,881</u>	<u>—</u>	<u>1,025,881</u>	<u>—</u>
Liabilities				
Accounts payable and accrued liabilities	3,072,943	868,242	3,941,185	110,457
Retainage payable	—	1,085,463	1,085,463	—
Compensated absences, current	115,960	—	115,960	—
Long-term liabilities:				
Compensated absences, net of current portion	347,879	—	347,879	—
Net OPEB liability	941,589	—	941,589	—
Net pension liability	4,122,900	—	4,122,900	—
Total liabilities	<u>8,601,271</u>	<u>1,953,705</u>	<u>10,554,976</u>	<u>110,457</u>
Deferred Inflows of Resources				
Related to other postemployment benefits	1,755,956	—	1,755,956	—
Related to pensions	379,883	—	379,883	—
Total deferred inflows of resources	<u>2,135,839</u>	<u>—</u>	<u>2,135,839</u>	<u>—</u>
Net Position				
Investment in capital assets	132,977	—	132,977	—
Restricted for:				
Debt service	—	—	—	—
Grant programs	2,711,769	—	2,711,769	—
Loan programs	37,430,463	1,882,645,322	1,920,075,785	—
Unrestricted	6,105,901	591,543,622	597,649,523	81,195,227
Total net position	<u>\$ 46,381,110</u>	<u>2,474,188,944</u>	<u>2,520,570,054</u>	<u>81,195,227</u>

See accompanying notes to basic financial statements.

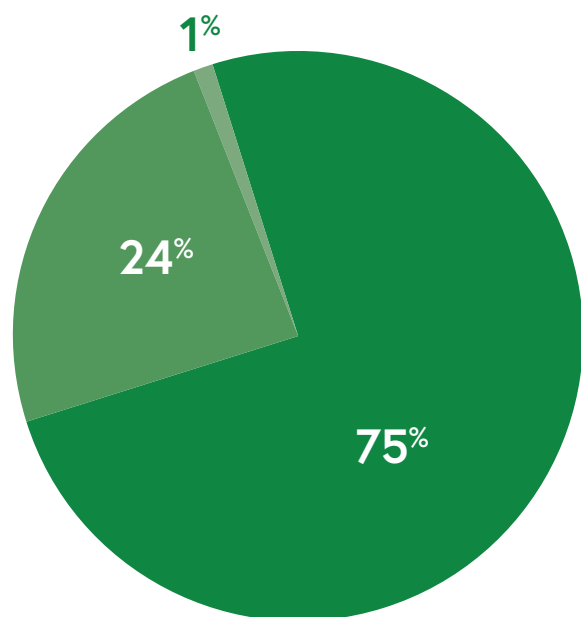
FY2020 STATEMENT OF ACTIVITIES

	PROGRAM REVENUES				NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION			
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	GOVERNMENT ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL	COMPONENT UNIT
Functions/Programs:								
Governmental activities:								
General government	\$ 5,210,778	—	12,582,559	—	7,371,781	—	7,371,781	
Water and wastewater	12,442,827	1,667,208	10,076,175	—	(699,444)	—	(699,444)	
Energy and environment	8,166,627	—	7,780,006	—	(386,621)	—	(386,621)	
Total governmental activities	<u>25,820,232</u>	<u>1,667,208</u>	<u>30,438,740</u>	<u>—</u>	<u>6,285,716</u>	<u>—</u>	<u>6,285,716</u>	
Business-type activities:								
Water and wastewater	10,782,265	—	10,782,265	—	—	—	—	
Storage tank maintenance	732,388	1,079,350	20,162	—	—	367,124	367,124	
Outdoor stewardship and land conservation	857	—	82,063	—	—	81,206	81,206	
General and administrative	123,799	27,108,477	51,592,780	—	—	78,577,458	78,577,458	
Total business-type activities	<u>11,639,309</u>	<u>28,187,827</u>	<u>62,477,270</u>	<u>—</u>	<u>—</u>	<u>79,025,788</u>	<u>79,025,788</u>	
Total primary government	<u>\$ 37,459,541</u>	<u>29,855,035</u>	<u>92,916,010</u>	<u>—</u>	<u>6,285,716</u>	<u>79,025,788</u>	<u>85,311,504</u>	
Component Unit:								
Georgia Environmental Loan Acquisition Corporation	\$ 2,618,351	1,198,877	1,283,805	—				(135,669)
Total Component Units	<u>\$ 2,618,351</u>	<u>1,198,877</u>	<u>1,283,805</u>	<u>—</u>				
General revenues:								
Unrestricted investment earnings					\$ 799,364	—	799,364	—
Miscellaneous					122,270	350	122,620	4,815
Transfers					(8,084,653)	8,084,653	—	—
Total general revenues and transfers					<u>(7,163,019)</u>	<u>8,085,003</u>	<u>921,984</u>	<u>(130,854)</u>
Change in net position					<u>\$ (877,303)</u>	<u>87,110,791</u>	<u>86,233,488</u>	<u>(130,854)</u>
Net position – July 1					<u>47,258,413</u>	<u>2,387,078,153</u>	<u>2,434,336,566</u>	<u>81,326,081</u>
Net position – June 30					<u>\$ 46,381,110</u>	<u>2,474,188,944</u>	<u>2,520,555,024</u>	<u>81,195,227</u>

See accompanying notes to basic financial statements.

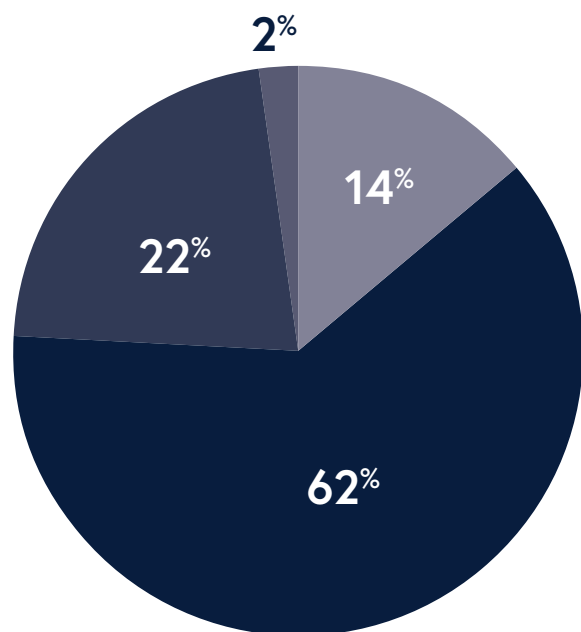
Financial Highlights

2020 REVENUES AND EXPENSES



FISCAL YEAR 2020 REVENUES

Charges for Services and Other Revenue*	\$29,977,655	24%
Investment Earnings, Unrestricted	\$799,364	1%
Operating Grants and Contributions	\$92,916,010	75%
Total Revenues		\$123,693,029 100%



FISCAL YEAR 2020 EXPENSES

General Government	\$5,210,778	14%
Water and Wastewater	\$23,225,092	62%
Outdoor Stewardship and Land Conservation	\$857	0%
Energy and Environment	\$8,166,627	22%
Storage Tank Maintenance	\$732,388	2%
General and Administrative	\$123,799	0%
Total Expenses		\$37,459,541 100%

*Includes restricted investment earnings

Fiscal Services

The Fiscal Services Division provides accounting, underwriting, and loan servicing for GEFA programs. It ensures compliance with agency, state, and federal fiscal policies and procedures, and it reviews and recommends loan awards for the Water Resources Division. The division performs credit analyses; provides reimbursements for loan project expenses; processes loan payments; calculates loan repayment figures and accrued construction-period loan interest; monitors borrowers for debt service coverage; and reviews compliance limits for GEFA customers. Team members provide consultations to communities on underwriting; prepare and submit financial reports to state and federal authorities; process invoices; monitor division accounts; and manage the agency's budget.

Human Resources

Human Resources facilitates the general administration of the agency through developing, maintaining, and communicating office policy. Key responsibilities include developing and implementing hiring and recruiting policies, compensation and salary administration, conducting employee relations, developing official documentation on workplace ethics/code of conduct, employee handbooks, employee training programs, and award programs.

Public Affairs

The Public Affairs Division educates internal and external stakeholders about GEFA's infrastructure and financing programs, and state energy, land, and water conservation initiatives and policies.

Information Technology

The Information Technology Division develops GEFA's internal and external technical architecture; facilitates electronic access to agency information and services; and protects information systems and data.



Board of Directors

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Vice Chairman
Chattooga County Sole Commissioner

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Jammie Harden

Director of Fiscal Services

Shane Hix

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Glendale Jones

Director of Human Resources

Susan Lucki

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**As of June 2020*



**GEORGIA ENVIRONMENTAL
FINANCE AUTHORITY**

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