

Georgia Environmental
Finance Authority



2021 ANNUAL REPORT



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 \$5 billion in low-interest loans to cities, counties, and infrastructure authorities for more than 2,000 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:

COVID-19 changed the way government conducted business all across the state of Georgia. The Georgia Environmental Finance Authority (GEFA) adapted quickly to working remotely, limiting site visits, and communicating and meeting virtually. Thanks to the leadership of Governor Kemp and to the effort of our dedicated staff, GEFA's achievements during fiscal year 2021 (FY2021) were not limited by COVID-19.

To date, GEFA has provided more than \$5 billion in low-interest loans and assisted with more than 2,000 water, wastewater, solid waste, and land conservation projects for improvements to cities, counties, and infrastructure authorities across Georgia. In FY2021, there were 85 new projects and 11 increases to previously approved loans, which exceeded \$476 million and impacted 3 million Georgians. This is the highest loan amount ever awarded by GEFA in a single fiscal year.

The Solar Resiliency Technical Assistance Program (SRTAP) incentivized the installation of solar photovoltaic (PV) and backup batteries at critical facilities. GEFA funded eight feasibility studies in FY2021. The studies identified potential technical solutions for using solar PV plus energy storage to create resilient facilities. As a result of the feasibility studies, five communities received SRTAP grants to help with the installation of solar PV and backup batteries at critical facilities. An additional round of SRTAP funding will be available in FY2022.

The Weatherization Assistance Program (WAP) increases the energy efficiency of homes owned or occupied by low-income persons. In FY2021, WAP weatherized 772 homes positively impacting 1,321 Georgians.

With the COVID-19 restrictions, GEFA conducted a remote internal audit. The audit yielded no financial or programmatic findings and was complete by September 30, 2021, as required by state law. This is an example of how efficient GEFA worked in a year of uncertainty.

Effective environmental stewardship is accomplished by finding solutions to the energy, land, and water infrastructure challenges we face by working effectively together. FY2021 proved that GEFA has made important strides in continued program growth and development.

Sincerely,



Kevin Clark, Executive Director

ACCOMPLISHMENTS

Fiscal Year 2021

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. GEFA 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 (PV) systems and to increase renewable energy education.
- The Solar Resiliency Technical Assistance Program conducted eight feasibility studies and awarded five contracts to increase awareness and incentivize the installation of solar PV and backup batteries at critical facilities.
- The Weatherization Assistance Program weatherized 772 homes positively impacting 1,321 Georgians with an estimated energy savings of 22,619 MBtu.
- The Fuel Storage Tank Program provided oversight and monitoring services for 623 fuel storage tanks at 22 state agencies and departments.
- GEFA helped its agency partners pass nine 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 3.1 million Georgians.
- The Clean Water State Revolving Fund awarded 29 loans totaling \$274 million.
- The Drinking Water State Revolving Fund awarded 38 loans totaling \$169.4 million.
- The Georgia Fund awarded 18 loans totaling \$26.7 million.
- GEFA provided financing to 66 communities, with \$49.2 million in debt service savings.
- Four communities received WaterFirst designations – city of Carrollton, Clayton County, city of Perry, and the city of Villa Rica.

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.

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.



Solar Resiliency Technical Assistance Program

The Georgia Environmental Finance Authority (GEFA) works with the Georgia Emergency Management Agency (GEMA) as the lead agency for emergency support function #12. GEFA assists in times of natural disasters and other emergencies to help identify energy needs across the state. Through this effort, GEFA recognized the need to increase resiliency in critical facilities around Georgia.

According to the Office of Energy Efficiency and Renewable Energy, resiliency is defined as a power system that lessens the likelihood of long-duration electrical outages, limits the scope and impact of outages when they do occur, and rapidly restores power after an outage.

Through State Energy Program funding from the U.S. Department of Energy, GEFA created the Solar Resiliency Technical Assistance Program (SRTAP), incentivizing the installation of solar photovoltaic (PV) and backup batteries at critical facilities in communities across Georgia. This two-phase program helped local governments identify technical solutions available for creating resilient critical facilities using solar energy plus battery storage.

This program consisted of two phases. The first phase was a feasibility study to help local governments identify technical solutions available for creating solar energy and storage resiliency. The study included researching project options, a site visit, engineering cost estimates for the proposed technology, economic modeling, and preparation of a preliminary project budget(s). Eight communities completed the solar resiliency feasibility study.

The second phase incentivized the installation of solar PV and backup batteries at critical facilities. GEFA reimburses up to 85 percent of the balance of backup battery and solar PV costs and up to \$200,000 for one installation per applicant. At the end of FY2021, five communities were awarded contracts to take advantage of this program.

GEFA strives to conserve and improve Georgia's energy, land, and water resources. The SRTAP is an example of GEFA incentivizing solutions to help communities be more resilient in the future.

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.



Washington, Georgia, takes out the trash

Many projects financed by GEFA are underground infrastructure systems – out of sight and out of mind. Every now and then, GEFA funds a project that will have a major impact to a community that they will see and use every day.

The city of Washington, Georgia, started to notice the need for a new city-wide solid waste management program. Its existing program consisted of sanitation personnel manually retrieving bagged garbage from the backyard of each resident throughout the city. This process was very labor intensive, inefficient, and exposed sanitation personnel to hazards.

The city wanted to make a change and applied for a Georgia Fund loan. The project consisted of purchasing a new 20-ton capacity sanitation truck and 2,100 rolling garbage cans to implement a mandatory curbside garbage pickup for all residents.

Curbside pickup will greatly improve solid waste management efficiencies for the city. It will also decrease risk by eliminating the need for city personnel to enter private yards and reducing the direct handling of residential garbage.

This project will provide a much-needed service that protects the public and safeguards the environment from the harmful effects of solid waste.

Financial Highlights

Fiscal Year 2021

The narrative overview and analysis of the agency's financial activities for the fiscal year ended June 30, 2021, 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 \$2.6 billion (net position). Of this amount, \$45 million was from governmental activities and \$2.6 billion was from business-type activities.
- GEFA's total net position increased by \$74.5 million. The net position in governmental activities decreased by \$1.4 million while the net position of business-type activities increased \$75.9 million, resulting in an overall \$11.7 million decrease from the increase experienced in 2020.
- Total governmental revenues decreased by \$1.4 million from 2020. The decreased revenue is mostly attributable to a decrease in operating grants and contributions because of decreased grant funding for program operations as well as a significant reduction in the rate of return on investments.
- Charges for services within business-type activities decreased by \$7.2 million. The decrease is primarily due to the GEFA's decision to offer a six-month forbearance to its borrowers to provide financial relief for areas affected by the ongoing worldwide pandemic.
- Operating grants and contributions within business-type activities increased by \$4.1 million. There was an increase in revenue of \$16.3 million for a newly authorized program administered by GEFA, offset by a significant decrease of \$13.8 million in investment income, as well as a \$1.5 million increase in grant funding for GEFA's water and wastewater programs.

FY2021 Net Position

	PRIMARY GOVERNMENT						INCREASE (DECREASE) %
	GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES		TOTAL		
	2021	2020	2021	2020	2021	2020	
Current and other assets	\$ 53,660,958	55,959,362	2,552,647,568	2,476,142,649	2,606,308,526	2,532,102,011	2.9%
Capital assets	70,760	132,977	—	—	70,760	132,977	(46.8%)
Total assets	53,731,718	56,092,339	2,552,647,568	2,476,142,649	2,606,379,286	2,532,234,988	2.9%
Deferred outflows of resources	946,508	1,025,881	—	—	946,508	1,025,881	(7.7%)
Long-term liabilities outstanding	5,490,730	5,528,328	—	—	5,490,730	5,528,328	(0.7%)
Other liabilities	2,857,929	3,072,943	2,563,950	1,953,705	5,421,879	5,026,648	7.9%
Total liabilities	8,348,659	8,601,271	2,563,950	1,953,705	10,912,609	10,554,976	3.4%
Deferred inflows of resources	1,295,082	2,135,839	—	—	1,295,082	2,135,839	(39.4%)
Net position:							
Investment in capital assets	70,760	132,977	—	—	70,760	132,977	(46.8%)
Restricted	38,048,328	40,142,232	1,956,581,173	1,882,645,322	1,994,629,501	1,922,787,554	3.7%
Unrestricted	6,915,397	6,105,901	593,502,445	591,543,622	600,417,842	597,649,523	0.5%
Total net position	\$ 45,034,485	46,381,110	2,550,083,618	2,474,188,944	2,595,118,103	2,520,570,054	3.0%

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

Financial Highlights

FY2021 Statement of Net Position

	PRIMARY GOVERNMENT			COMPONENT UNIT
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL	GA. ENVIRON. LOAN ACQ. CORP
Assets				
Cash	\$ 166,392	2,765,034	2,931,426	1,000
Investments	44,433,310	1,049,475,524	1,093,908,834	59,378,045
Due from other governments	4,923,614	2,399,869	7,323,483	—
Internal balances	3,817,150	(3,817,150)	—	—
Accrued interest receivable	—	5,199,104	5,199,104	87,115
Loans receivable	—	1,496,625,187	1,496,625,187	22,570,185
Net OPEB asset	320,492	—	320,492	—
Capital assets, net of accumulated depreciation	70,760	—	70,760	—
Total assets	53,731,718	2,552,647,568	2,606,379,286	82,036,345
Deferred Outflows of Resources				
Related to other postemployment benefits	230,252	—	230,252	—
Related to pensions	716,256	—	716,256	—
Total deferred outflows of resources	946,508	—	946,508	—
Liabilities				
Accounts payable and accrued liabilities	2,857,929	1,475,413	4,333,342	9,000
Due to other governments	—	3,074	3,074	—
Retainage payable	—	1,085,463	1,085,463	—
Compensated absences, current	137,012	—	137,012	—
Long-term liabilities:				
Compensated absences, net of current portion	411,036	—	411,036	—
Net OPEB liability	827,156	—	827,156	—
Net pension liability	4,115,526	—	4,115,526	—
Total liabilities	8,348,659	2,563,950	10,912,609	9,000
Deferred Inflows of Resources				
Related to other postemployment benefits	1,167,540	—	1,167,540	—
Related to pensions	127,542	—	127,542	—
Total deferred inflows of resources	1,295,082	—	1,295,082	—
Net Position				
Investment in capital assets	70,760	—	70,760	—
Restricted for:				
Debt service	—	—	—	—
Grant programs	3,000,254	—	3,000,254	—
Loan programs	35,048,074	1,956,581,173	1,991,629,247	—
Unrestricted	6,915,397	593,502,445	600,417,842	82,027,345
Total net position	\$ 45,034,485	2,550,083,618	2,595,118,103	82,027,345

See accompanying notes to basic financial statements.

FY2021 Statement of Activities

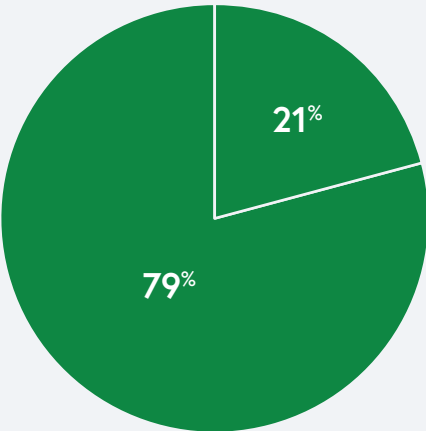
		PROGRAM REVENUES				NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION			
		EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	GOVERNMENT ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL	COMPONENT UNIT
Functions/Programs:									
Governmental activities:									
General government	\$ 5,305,547	—	9,126,969	—	3,821,422	—	3,821,422		
Water and wastewater	11,042,170	4,370,649	7,792,580	—	1,121,059	—	1,121,059		
Energy and environment	10,207,792	—	10,209,850	—	2,058	—	2,058		
Total governmental activities	26,555,509	4,370,649	27,129,399	—	4,944,539	—	4,944,539		
Business-type activities:									
Water and wastewater	12,544,218	—	12,544,218	—	—	—	—		
Storage tank maintenance	904,241	1,074,150	1,389	—	—	171,298	171,298		
Outdoor stewardship and land conservation	4,328,655	—	16,399,960	—	—	12,071,305	12,071,305		
General and administrative	230,575	19,879,492	37,625,806	—	—	57,274,723	57,274,723		
Total business-type activities	18,007,689	20,953,642	66,571,373	—	—	69,517,326	69,517,326		
Total primary government	\$ 44,563,198	25,324,291	93,700,772	—	4,944,539	69,517,326	74,461,865		
Component Unit:									
Georgia Environmental Loan									831,976
Acquisition Corporation	\$ 31,905	756,273	107,608	—					
Total Component Units	\$ 31,905	756,273	107,608	—					
General revenues:									
Unrestricted investment earnings					\$ 71,435	—	71,435	—	
Miscellaneous					14,749	—	14,749	142	
Transfers					(6,377,348)	6,377,348	—	—	
Total general revenues and transfers					(6,291,164)	6,377,348	86,184	832,118	
Change in net position					\$ (1,346,625)	75,894,674	74,548,049	832,118	
Net position – July 1					46,381,110	2,474,188,944	2,520,570,054	81,195,227	
Net position – June 30					\$ 45,034,485	2,550,083,618	2,595,118,103	82,027,345	

See accompanying notes to basic financial statements.



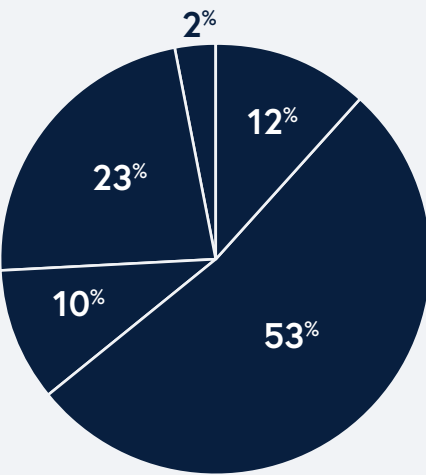
Financial Highlights

2021 Revenues and Expenses



Fiscal Year 2021 Revenues

Charges for Services and Other Revenue*	\$25,339,040	21%
Investment Earnings, Unrestricted	\$71,435	0%
Operating Grants and Contributions	\$93,700,772	79%
Total Revenues	\$119,111,247	100%



Fiscal Year 2021 Expenses

General Government	\$5,305,547	12%
Water and Wastewater	\$23,586,388	53%
Outdoor Stewardship and Land Conservation	\$4,328,655	10%
Energy and Environment	\$10,207,792	23%
Storage Tank Maintenance	\$904,241	2%
General and Administrative	\$230,575	0%
Total Expenses	\$44,563,198	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 GEFA budget.

Human Resources

Human Resources facilitates the general administration of GEFA by 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 secure electronic access to information and services, and protects information systems and data.

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City of McRae-Helena

*As of June 2021

Senior Staff

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Executive Director
- Kristofor Anderson**
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- Tammi Fuller**
Director of Legal Services
- David Gipson**
Director of Water Resources
- Jammie Harden**
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Georgia Environmental Finance Authority

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