PEACHTREE CITY WATER &
SEWERAGE AUTHORITY

(A COMPONENT UNIT OF PEACHTREE CITY, GEORGIA)

FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2025

PEACHTREE CITY WATER & SEWERAGE AUTHORITY
(A COMPONENT UNIT OF PEACHTREE CITY, GEORGIA)

FINANCIAL REPORT
SEPTEMBER 30, 2025

TABLE OF CONTENTS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Peachtree City Water & Sewerage Authority
(A Component Unit of Peachtree City, Georgia)
Peachtree City, Georgia

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the **Peachtree City Water & Sewerage Authority** (the "Authority"), a blended component unit of Peachtree City, Georgia, as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the finanicial position of the Authority as of September 30, 2025, and the changes in financial position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management 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; and for 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.

MAULDIN & JENKINS, LLC • 300 MULBERRY STREET • POST OFFICE BOX 1877 • MACON, GEORGIA 31202-1877
478-464-8000 • FAX 478-464-8051 • www.mjcpa.com
MEMBERS OF THE AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis ("MD&A") on pages 4 – 20 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board ("GASB") who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with generally accepted auditing standards, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 10, 2026, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Peachtree City Water and Sewerage Authority's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Macon, Georgia
March 10, 2026

Profile of the Peachtree City Water and Sewerage Authority

The Peachtree City Water and Sewerage Authority (referred to as the "Authority") is a public corporation established under the laws of the State of Georgia. It was created through an Act of the Georgia General Assembly, specifically the Peachtree City Water and Sewerage Authority Act (GA. Laws 1987, pp. 5085 et seq., as amended by GA. Laws 1996 pp. 3828 et seq. and further amended by GA. Laws 2018, HB 838). The Authority was initially formed on April 17, 1973, by the Georgia Legislature and operates as a public, nonprofit corporation under the provisions of House Bill Number 1132, Act 411, which was enacted during the 1987 legislative session.

As an independent governing entity, the Authority is tasked with delivering sewer services to the residents, businesses, and industries within Peachtree City. It is classified as a component unit of the City of Peachtree City.

Population

Located in Fayette County – Georgia's 21st most populous county – Peachtree City is the largest municipality among its neighbors, which include Fayetteville, Tyrone, Brooks, and Woolsey. Situated in the county's northwestern region, Peachtree City's population is estimated at 41,355 as of 2025. Within this growing community, the Authority provides essential sewer services to approximately 12,572 customer accounts.

Method of Governance

The Authority is governed by a five-member Board of Directors, which is composed of members from the Peachtree City Council and led by the Mayor of Peachtree City as Chairperson. This Board holds the primary responsibility for electing officers, approving the annual budget, setting billing rates, and authorizing capital projects and debt issuance for system maintenance.

On an operational level, the Authority is managed by its professional staff under the leadership of the General Manager. Mr. L.H. (Dan) Davis, Jr., P.E., of Integrated Science & Engineering, Inc., has served in this capacity since July 2018. Under his guidance, the Authority maintains a streamlined organizational structure where employees manage diverse roles and responsibilities. Currently, twenty-seven full-time employees ensure that all facilities remain operational 24/7, with additional personnel always on call to respond to emergencies.

Overview of the System

The Authority's main objective is to acquire, manage, and maintain facilities dedicated to the collection, treatment, and disposal of sewage. Fayette County currently operates a water system that serves the majority of the county, including customers within the Authority's service area.

The Authority is comprised of two wastewater treatment facilities and a comprehensive collection system. The Rockaway Wastewater Treatment Plant ("WWTP") and the Larry B. Turner Water Reclamation Facility ("WRF") have been well preserved and remain in excellent condition despite their age.

The Authority's collection system encompasses approximately 180 miles of gravity sewer, 37 pump stations, 18 miles of force main, and 4,000 manholes. This infrastructure serves around 12,572 residential, commercial, and industrial customers. The system was developed by various builders from the late 1950s to the 1980s, following non-municipal standards. Initially, reinforced plastic pipe, commonly referred to as RPM or truss pipe, was primarily used during the establishment of what is now Peachtree City. Following the transfer of ownership from Georgia Utilities to the Authority, initiatives were launched to upgrade the system to meet municipal standards.

Currently, the system operates effectively and is capable of collecting and treating wastewater in compliance with or exceeding the standards established by the Georgia Environmental Protection Division. Figure 1-1 below illustrates the types of pipe materials utilized in the gravity sewer system, detailing the total length of each material in miles.

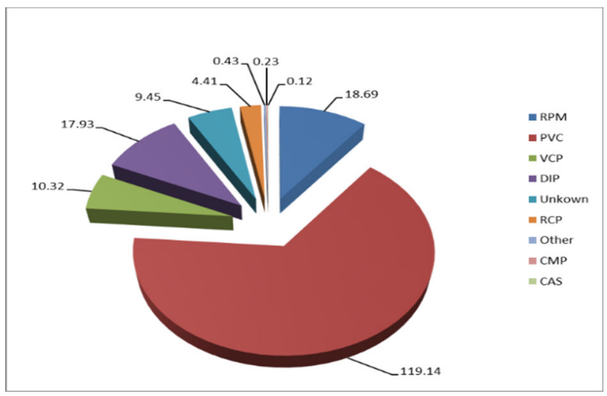


Figure 1-1: Gravity sewer system pipe material and length

Rockaway WWTP

Rockaway WWTP, constructed in 1988, underwent renovations in 1999 and 2002. Its treatment process primarily relies on four sequencing batch reactors (SBR), supplemented by cloth disk filters and an ultraviolet ("UV") disinfection system to enhance effluent quality. The facility is permitted to discharge up to four million gallons per day ("MGD") into Line Creek, with a peak daily flow capacity of 10 MGD. For a visual representation of the process flow diagram, refer to Figure 1-2.

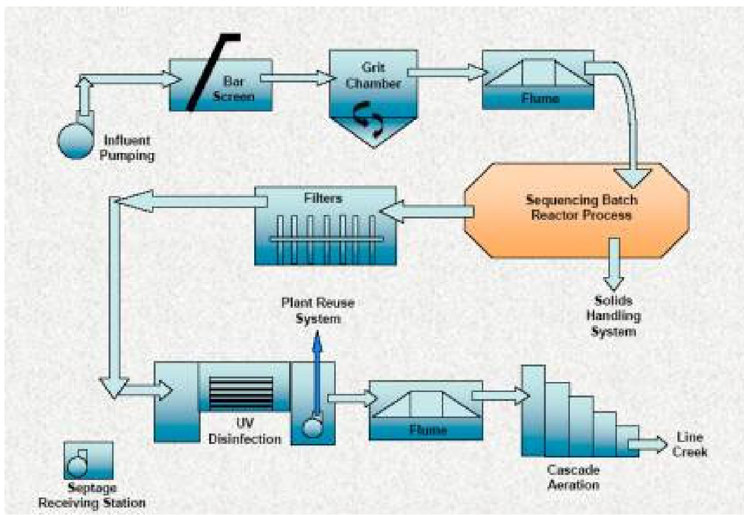


Figure 1-2: Rockaway WWTP process flow diagram

Larry B. Turner WRF

Constructed in 1980, the Larry B. Turner WRF underwent upgrades in 1985, 1999, and 2002. The facility treats wastewater using a system that includes two aeration basins, four clarifiers, cloth disk filters, and a UV disinfection system. Under its permit, it is authorized to treat up to two million gallons per day ("MGD") of wastewater, which can be discharged into Line Creek and Flat Creek. The plant is designed to accommodate a peak daily flow of five MGD.

Additionally, the Larry B. Turner WRF features a septage receiving station for wastewater from septic pumping trucks. These trucks discharge septage onto a concrete pad, where it is directed to a bar screen for solid waste removal. From there, a wet well and pump transfer the wastewater to the facility's headworks, where it joins the influent for treatment. For a visual representation of the process flow diagram, refer to Figure 1-3.

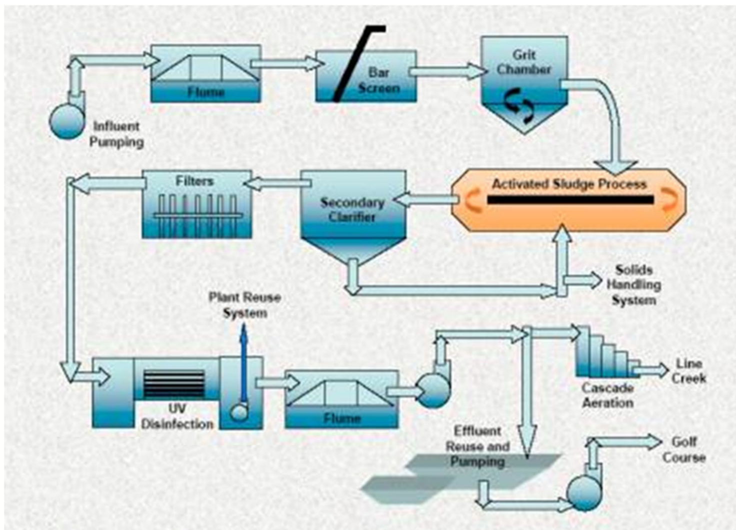


Figure 1-3: Larry B. Turner WRF process flow diagram

Wastewater treated flow is measured in million gallons per day or MGD to provide a standardized way of tracking the volume of water moving through a treatment plant over a twenty-four-hour period. This metric is essential for both operational management and regulatory compliance because it allows engineers to compare the actual amount of water being processed against the total design capacity of the facility. For instance, a plant might have a permitted capacity of five MGD but an average daily flow of only three MGD, which indicates the system has plenty of room for future population growth or heavy rain events.

Measuring flow in MGD also helps operators identify technical issues within the infrastructure. A sudden spike in the daily flow during dry weather might suggest a major water main break or a significant leak in the collection system, while a sharp drop could indicate a blockage or a pump failure at a lift station. Because wastewater treatment involves high energy usage for aeration and pumping, tracking the flow in millions of gallons allows the Authority to accurately budget for these costs and ensure that the treatment process remains efficient and environmentally safe. The average daily flow at the Rockaway WWTP and Larry B. Turner WRF has remained even over the last seven years.

Treated Wastewater Flow

	2019	2020	2021	2022	2023	2024	2025
Million Gallons Daily (MGD)	3.36	3.73	3.47	3.57	3.58	3.662	3.6

Service Area and Fee Structure

The Authority provides sewer services to residential, commercial, and industrial customers within the City's jurisdiction. To maintain steady cash flow, billing and collection services are managed by Fayette County through a four-cycle system that distributes billing evenly throughout each month. This structured approach ensures that revenue remains predictable and supports the Authority's financial stability.

The Authority charges customers through a two-part billing structure designed to ensure both day-to-day operational stability and long-term financial health. The most critical component of this structure is the base rate, which is a fixed monthly fee that every customer pays regardless of how much water they use. This base rate acts as a guaranteed revenue stream that the Authority uses to service its debt, specifically for bond payments. When an authority issues bonds to upgrade treatment plants or upgrade miles of underground piping, it proves to investors that it has a reliable way to pay back that debt over twenty or thirty years. By dedicating the base rate to these payments, the Authority maintains a high credit rating and will secure lower interest rates for future capital projects. Furthermore, a portion of this base fee is set aside in a restricted reserve fund to pay for future improvements, such as upgrading technology to meet new environmental regulations or expanding the system to accommodate a growing population.

Beyond the fixed costs of debt and expansion, the Authority also covers a wide range of recurring expenses through its usage charges, which are based on the volume of water a customer sends down the drain. These funds pay for the treatments of the wastewater, electricity required to run pumps and aeration blowers 24 hours a day, and the specialized labor of certified plant operators and collection crew. On a regular basis, the Authority must also invest in preventive maintenance to protect its infrastructure. This includes cleaning and inspecting sewer line to prevent backups, repairing manholes to stop rainwater from leaking into the system, and servicing heavy machinery like grit chambers and belt press. The Authority also manages the disposal of biosolids and maintains a fleet of service vehicles and emergency generators to ensure that the system remains functional even during power outages or natural disasters.

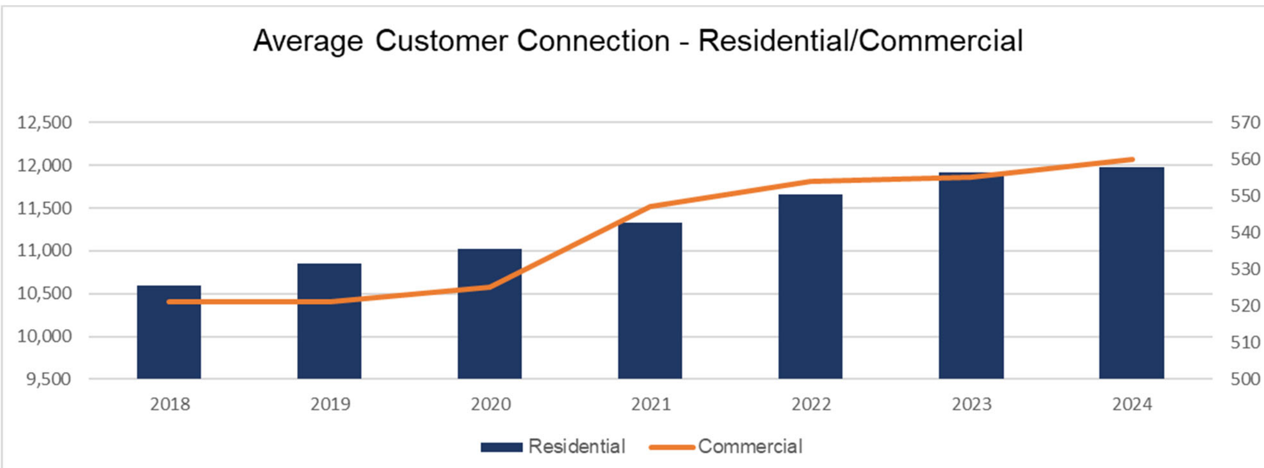
Customer Class	Base Charge	Volume Charge (per 1,000 gallons)
Residential/Single-Family	$26.00	$4.65
Commercial/Industrial/Multi-Family	$26.00	$6.15

Customer Connection								
	2018	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**
Residential	10,589	10,846	11,021	11,324	11,664	11,911	11,978	12,003
Commercial	454	453	457	477	479	486	491	500
Industrial	40	41	41	43	48	42	42	42
Multi-Family Residential	27	27	27	27	27	27	27	27
Total	11,110	11,367	11,546	11,871	12,218	12,466	12,538	12,572

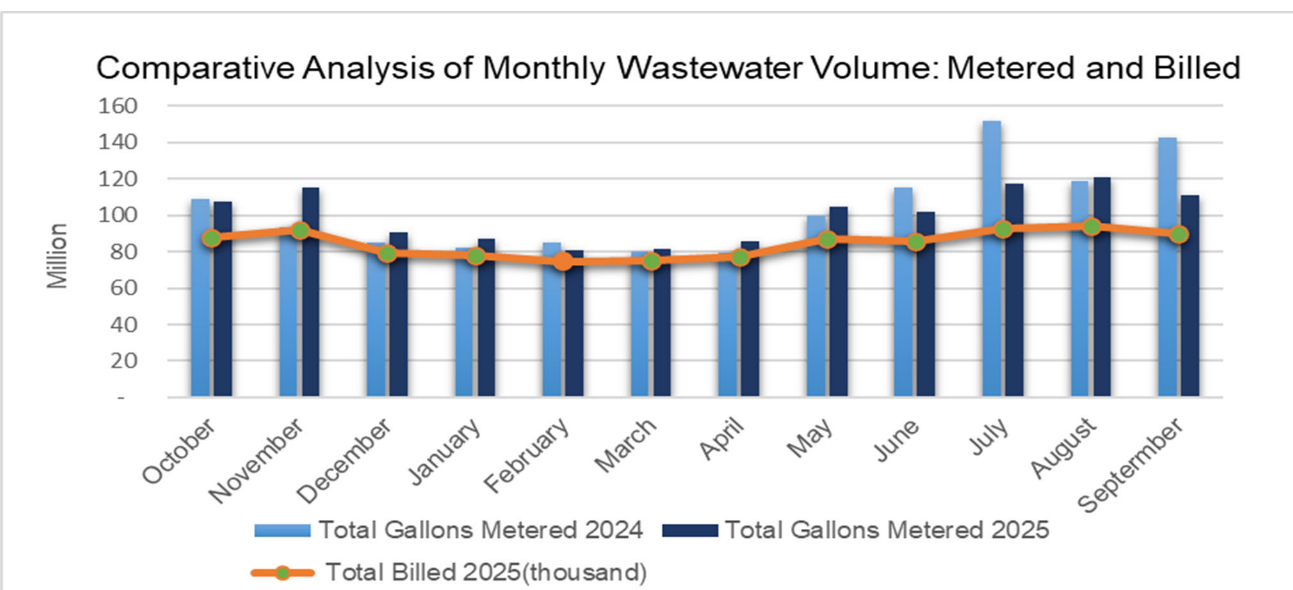
*Commercial includes Comm wat, restaurant and chemical as of September 30th.

Customers and Usage

Over the past few years, the Authority's customer base has remained steady due to a lack of geographic expansion and recent annexations. Growth has been limited to the city's existing footprint, while the sharp rise in interest rates since the pandemic has made borrowing for new construction more expensive. This has slowed the residential and commercial developments that typically drive new connections, leading to a plateau in growth even as maintenance costs continue to rise.



*Wastewater flow levels typically peak during the summer months due to increased seasonal water usage, though current data shows that metered gallons remained slightly lower than the levels recorded at this time last year. This type of year-over-year fluctuation is common in wastewater management and is frequently tied to local weather patterns rather than a shift in the customer base.



Top Ten Customer

While the Authority maintains a diverse revenue stream, approximately 9% of its $11 million annual revenue is generated by its top ten customers. These key accounts—consisting entirely of commercial and multi-family residential entities – provide a stable financial foundation. Overall, the Authority's revenue model is supported by 12,572 accounts, which generate $10,228,788 in rate revenues. Residential customers make up the vast majority of the system, accounting for 12,003 connections, or approximately 95.5% of the total. The remaining 569 accounts (4.5%) include commercial, industrial, and multi-family residential users. Despite their smaller numbers, these non-residential users have a significant fiscal impact due to higher discharge volumes and potential surcharges for high-strength waste.

Customer	Gallons Metered		Sewer Fees	% of Total
Universal Environmental Services	36,875,384	$	227,408	23.4%
Hoshizaki America	20,824,333	$	128,382	13.2%
Camden Apartments	16,952,880	$	104,884	10.8%
VR Balmoral Holding LP	15,578,800	$	96,122	9.9%
Shiloh MHP	14,087,610	$	86,951	9.0%
Retreat Apartments	12,907,050	$	79,690	8.2%
The Greens at Braelinn	11,311,120	$	68,716	7.2%
Aberdeen Woods Conference Center	10,865,830	$	67,137	6.9%
Peachtree Lodging Associates, LLC	10,143,010	$	62,692	6.4%
Sigvaris	7,765,787	$	48,072	4.9%
Total	**157,311,804**	**$**	**970,054**	**100%**

Long-term Financial Planning

To ensure long-term sustainability, the Authority utilizes a five-year cash flow model that forecasts system capacity, revenue growth, and debt obligations. This model is supported by an annually updated Capital Improvements Program, which identifies the most critical projects for system expansion and rehabilitation. Currently, the Authority prioritizes funding for these essential projects through a combination of operating revenue and capital reserves to avoid unnecessary debt. Looking further ahead, the General Manager and the finance team have developed a comprehensive seven-year financial plan to secure the funding needed for future infrastructure. This strategic plan is scheduled for presentation to the Board for formal approval once the Series 2013A Bond is fully repaid.

Furthermore, the General Manger has directed Integrated Science and Engineering ("ISE") to update the Authority's outdated 2018 infrastructure prioritization plan, with a target completion date of February 2027. The scope of work includes developing a digital sewer model to identify capacity deficiencies, conducting flow monitoring to analyze infiltration and inflow ("I&I"), and preparing documentation for re-permitting the Larry B. Turner Water Reclamation Facility ("WRF") to increase its capacity from **2 MGD to 3 MGD**. Additionally, the plan will evaluate the long-term needs of treatment facilities, create a preliminary 30% design for a consolidated biosolids management system, and rank collection system rehabilitation projects based on their condition and potential impact from failure.

In support of these sustainability goals, the Authority is also conducting a formal rate study to ensure that future infrastructure funding and bond capacity are built on a stable, self-sustaining foundation. This study provides the financial roadmap required to secure the necessary capital for the Authority to move forward with updating the 2018 infrastructure prioritization plan and addressing the system's evolving capacity needs.

Financial Performance and Highlights

The Authority strengthened its financial position for the fiscal year ending September 30, 2025, as its total net position rose 16.1% to $44,057,144. This $6,095,872 increase over the previous year was driven primarily by **American Rescue Plan ("ARP")** funding provided by the City of Peachtree City. Operationally, the Authority remained profitable, generating $11,065,181 in revenue against $8,732,686 in expenses.

The Authority is required by its bond agreements to maintain a coverage ratio of at least 110% of its annual debt service. For the 2025 fiscal year, it comfortably met this benchmark with a coverage ratio of **264%**. By the end of the period, the system served approximately 12,572 customers and treated 1.11 billion gallons of wastewater.

Overview of the Financial Statements

The financial section of the annual report consists of four key components: the independent auditor's report, required supplementary information, basic financial statements, and supplemental information. The independent auditor's report provides a third-party review of the Authority's financial statements to ensure compliance with accounting standards. The required supplementary information includes the Management's Discussion and Analysis ("MD&A"), which offers insights into financial trends and performance. The basic financial statements present the Authority's financial position and results of operations, while the supplemental information provides additional details that support the primary financial statements.

The analysis presented in this section introduces the financial statements of the Peachtree City Water and Sewerage Authority. As a utility enterprise, the Authority follows the economic resources measurement focus and applies the full accrual basis of accounting in its financial reporting. This approach ensures that financial transactions are recorded in a manner similar to private-sector businesses, providing a comprehensive view of both short-term and long-term financial activities. The Authority's financial statements focus on its business-type activities within the Sewer Fund and adhere to U.S. generally accepted accounting principles ("GAAP") established by the Governmental Accounting Standards Board ("GASB").

Key Financial Statements

The Authority's financial reporting consists of several critical statements. The Statement of Net Position provides a snapshot of the Authority's financial standing by detailing assets, liabilities, and deferred inflows and outflows of resources. This statement serves as a foundation for assessing capital structure, liquidity, and overall financial stability. The Statement of Revenues, Expenses, and Changes in Net Position summarizes the Authority's financial performance by consolidating all revenues and expenses incurred during the fiscal year. This statement helps evaluate whether operating revenues, primarily derived from user fees, are sufficient to cover expenses. The Statement of Cash Flows tracks cash inflows and outflows, categorizing them into operating, investing, and financing activities.

These financial statements are accompanied by Notes to the Financial Statements, which provide additional explanations, detailed disclosures, and tabular presentations for clarity. These notes are essential for a deeper understanding of the Authority's financial condition.

Statement of Net Position

The Authority's net position represents the difference between its total assets and liabilities. This figure serves as a primary indicator of financial health, where an increasing net position typically suggests stability and growth. To get a clear picture of the Authority's trajectory, this data must be considered alongside external factors like the local economy, population growth, weather patterns, and shifting environmental regulations.

.

Net Position	FY2025	FY2024	$ Variance	% Variance
Current Assets	$ 13,919,559	$ 13,082,794	$ 836,765	6.4%
Restricted Assets	2,488,786	2,170,703	318,083	14.7%
Capital Assets, net	31,332,358	27,798,336	3,534,022	12.7%
Total Assets	**$ 47,740,703**	**$ 43,051,833**	**$ 4,688,870**	**10.9%**
Deferred Outflow of Resources	633,332	699,999	(66,667)	(9.5%)
Current Liabilities	1,185,675	1,158,111	27,564	2.4%
Revenue Bonds Payable	1,514,854	1,454,468	60,386	4.2%
Long Term Liabilities	1,616,362	3,177,981	(1,561,619)	(49.1%)
Total Liabilities	**$ 4,316,891**	**$ 5,790,560**	**$ (1,473,669)**	**(25.4%)**
Net Position				
Net Investment in Capital Assets	28,210,996	23,180,355	5,030,641	21.7%
Restricted	2,478,932	2,156,235	322,697	15.0%
Unrestricted	13,367,216	12,624,682	742,534	5.9%
Total Net Position	**$ 44,057,144**	**$ 37,961,272**	**$ 6,095,872**	**16.1%**

Figure 1

For the fiscal year ended in 2025, the Authority's total net position rose 16.1% to $44,057,144. This growth was driven primarily by a $5,030,641 increase in capital asset investments, largely due to the near-completion of infrastructure projects funded by the **American Rescue Plan ("ARP")**. By combining these capital improvements with a reduction in outstanding bond debt, the Authority achieved a stronger financial position even after accounting for $1,807,571 in annual depreciation.

The restricted net position, which is set aside for bond requirements and future projects, grew to $2,478,932. This 15% increase reflects the strategic use of reserves to manage the final years of current bond debt while preparing for upcoming system needs.

The unrestricted net position also saw a modest 5.9% increase, ending the year at $13,367,216. This change was mainly due to the settlement of a prior-year reimbursement from the City of Peachtree City for ARPA-funded projects.

Analysis of Assets

The Authority's current assets – the funds available for operations over the next year—grew by $836,765 (6.4%) for the fiscal year ending September 30, 2025. This increase was driven by stronger cash flow and lower bond payments, allowing the Authority to maintain a solid liquid position even after reinvesting significantly into capital improvements.

Prepaid expenses declined by $15,384, or 14.2%, while inventory saw a significant increase of $245,360, or 86.7%. This rise was primarily due to the strategic purchase of a spare pump and other critical "on the shelf" parts to support daily maintenance and upcoming capital improvement projects. Meanwhile, Accounts Receivable fell by $277,279 (10.6%) because the City of Peachtree City fully reimbursed all outstanding **American Rescue Plan ("ARP")** funds for FY2025.

The Authority's investment strategy remains centered on the Georgia Fund One, which reached a balance of $8,670,172. This account generated $376,373 in interest income at an average rate of 4.57%, providing a secure and liquid return on idle funds. Furthermore, the Authority maintained its restricted cash reserves within a Sinking Fund to satisfy debt service requirements and provide a stable funding source for future capital projects.

Asset Category	FY2025	FY2024	$ Variance	% Variance	% of Total
Unrestricted Assets					
Cash and Cash Equivalents	$ 2,297,242	$ 1,789,547	$ 507,695	28.4%	14.0%
Investments - Georgia Fund One	8,670,172	8,293,799	376,373	4.5%	52.8%
Accounts Receivable, net	2,330,472	2,607,751	(277,279)	(10.6%)	14.2%
Prepaid Expenses	93,327	108,711	(15,384)	(14.2%)	0.6%
Inventory	528,346	282,986	245,360	86.7%	3.2%
Total Unrestricted	**13,919,559**	**13,082,794**	**836,765**	**6.4%**	**84.8%**
Restricted Assets					
Cash and Cash Equivalents	2,488,786	2,170,703	318,083	14.7%	15.2%
Total Restricted	**2,488,786**	**2,170,703**	**318,083**	**14.7%**	**15.2%**
Total Current Assets	**$ 16,408,345**	**$ 15,253,497**	**$ 1,154,848**	**7.6%**	**100.0%**
Combined Cash Position	**$ 13,456,200**	**$ 12,254,049**	**$ 1,202,151**	**9.8%**	—

Analysis of Net Investments in Capital Assets

Capital Assets		FY2025	FY2024	$ Variance	% Variance
Land & Construction in Progress	$	7,202,618	$ 3,190,941	$4,011,677	125.7%
Capital Assets, Gross		68,320,118	68,283,123	36,995	0.1%
Less: Accumulated Depreciation		44,190,378	43,675,728	(514,650)	(1.2%)
Capital Assets, Net		24,129,740	24,607,395	(477,655)	(1.9%)
Total Capital Assets	**$**	**31,332,358**	**$27,798,336**	**$3,534,022**	**12.7%**

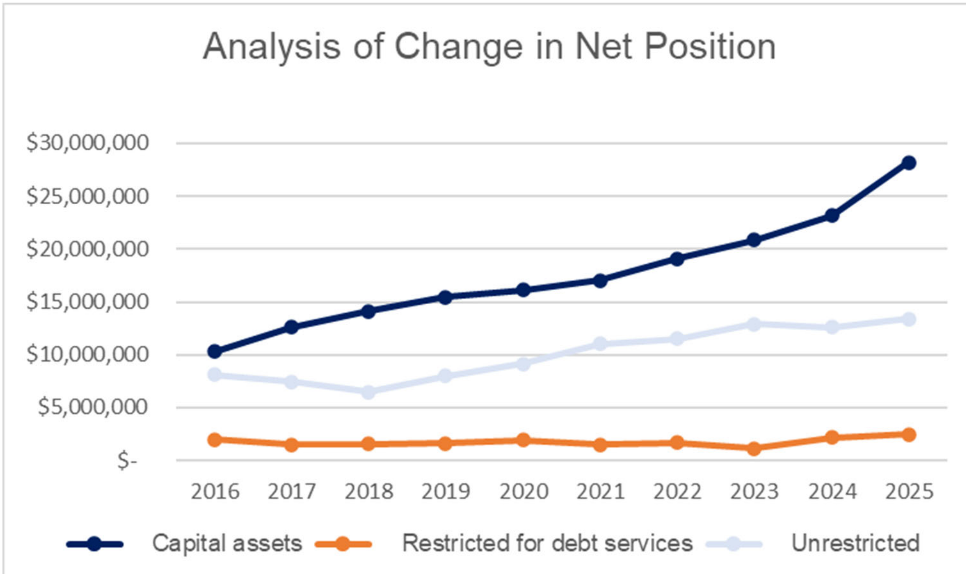
A sizable portion of the Authority's net position is tied to its investment in capital assets, which are essential for providing sewer services but cannot be liquidated for other expenditures. For the 2025 fiscal year, the Net Investment in Capital Assets reached $28,210,996*(see Figure 1 on Page 8),* representing 64.0% of the total net position. This reflects a 21.7% increase ($5,030,641) over the previous year, calculated by subtracting $3,121,362 in outstanding bonds from the $31,332,358 depreciated value of assets.

Capital assets not being depreciated saw a major increase of 125.72%, or $4,011,677, primarily driven by a surge in construction in progress. This growth is largely tied to ongoing Wastewater Treatment Facility Improvements and the Governors Square Main Gravity Sewer Line, both of which are scheduled for completion in FY2026. Because these projects are still under construction, they are not yet subject to annual depreciation expenses.

Total capital assets being depreciated also increased by $1,316,830 *(note to financial statements, page 32)* as several key projects reached completion and were moved into active service. Notable additions included the rehabilitation of the Pump Station 2 wet well, various plant upgrades, and the purchase of new vehicles, pumps, and generators. These investments directly enhance the system's operational reliability and service capacity.

Additionally, finance staff conducted a thorough review of the fixed asset registry to improve data accuracy. This cleanup involved disposing of old assets that are no longer on the property. By offsetting these fully depreciated assets against their accumulated depreciation, the Authority was able to remove obsolete items from the books without impacting on the overall net position, ensuring a more transparent and up-to-date accounting of the Authority's physical holdings.

The growth investment in capital assets shows the Authority's commitment to maintaining and upgrading its infrastructure. While these investments strengthen the Authority's long-term sustainability, it is important to note that the debt used to fund them must be repaid from other revenue sources, such as sewer billings, as the assets themselves remain illiquid.



Analysis of Liabilities

In financial accounting, liabilities represent the Authority's obligations arising from past transactions or events. These obligations may require the transfer or use of assets, the provision of services, or other economic outflows in the future. This section examines the claims that creditors and vendors have on the Authority's assets, which are expected to be settled within the next twelve months.

Liabilities	FY2025	FY2024	$ Variance	% Variance	% of Total Liabilities
Accounts Payable	$ 1,185,675	$ 1,158,111	$ 27,564	2.4%	27.5%
Interest Payable	9,854	14,468	(4,614)	(31.9%)	0.2%
Revenue Bond Payable	1,505,000	1,440,000	65,000	4.5%	34.9%
Short-Term Liabilities	$ 2,700,529	$ 2,612,579	$ 87,950	3.4%	62.6%
Long-Term Liabilities	$ 1,616,362	$ 3,177,981	$ (1,561,619)	(49.1%)	37.4%
Total Liabilities	**$ 4,316,891**	**$ 5,790,560**	**$ (1,473,669)**	**(25.4%)**	**100.0%**

Accounts Payable, including accrued expenses, increased by $27,564 (2.3%) compared to the previous year. This change is primarily due to differences in vendor payment timing and the proper allocation of expenses in the year they were incurred.

The Authority's debt portfolio is comprised of revenue bonds and associated bond premiums. In March 2025, the Authority reduced this liability by making a $1,505,000 payment toward the 2013A bond series. By the end of the fiscal year on September 30, 2025, the total outstanding debt stood at $3,199,300, which consists of $3,075,000 in principal and $124,300 in accrued interest.

Analysis of Revenues

The Authority's billing base is diverse, with residential users comprising the majority of customers. In addition to residential accounts, the billing base includes a stable and growing segment of commercial and industrial users. The rate structure has remained unchanged since the last increase in Fiscal Year 2011.

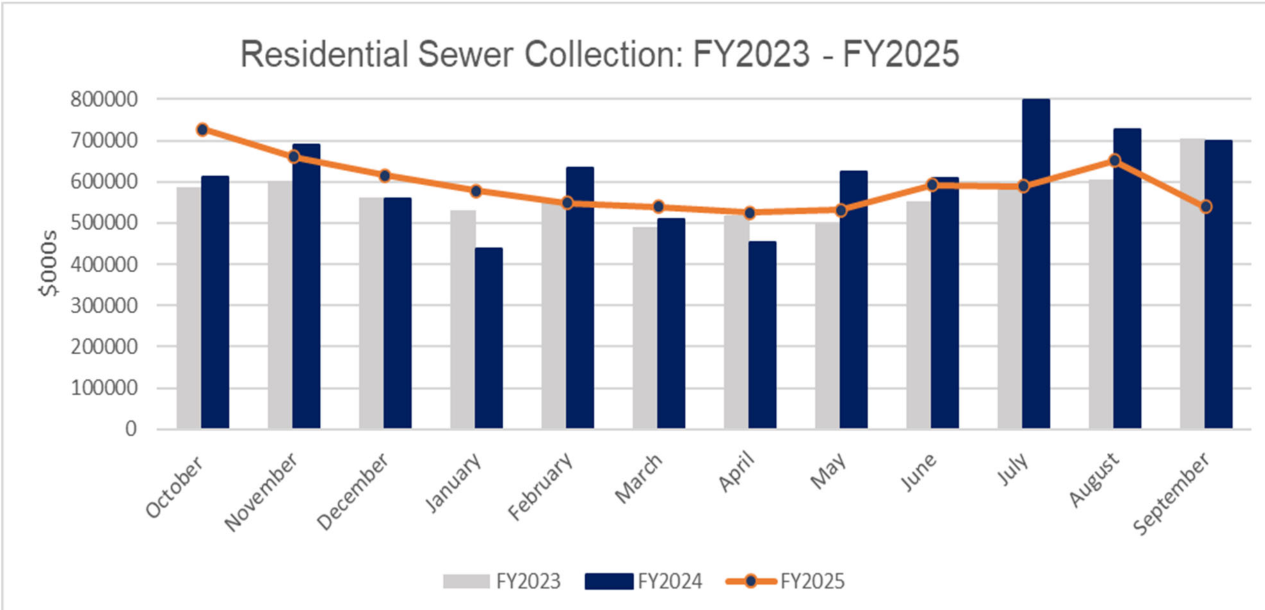
Operating Revenues		FY2025		FY2024		$ Variance	% Variance
Sewer Services	$	10,228,789	$	10,205,219	$	23,570	0.2%
Septage		556,580		320,950		235,630	73.4%
Other Operating Revenue		279,812		328,956		(49,144)	(14.9%)
Total Operating Revenues	$	11,065,181	$	10,855,125	$	210,056	1.9%
Non-Operating Revenues		**FY2025**		**FY2024**		**$ Variance**	**% Variance**
Interest Income		379,873		369,926		9,947	2.7%
Contribution from Gov Agency		3,465,504		748,334		2,717,170	363.1%
Gain on Sale of Capital Assets		8,566		8,928		(362)	(4.1%)
Total Non-Operating Revenues	$	3,853,943	$	1,127,188	$	2,726,755	241.9%
Total Revenues	**$**	**14,919,124**	**$**	**11,982,313**	**$**	**2,936,811**	**24.5%**

In Fiscal Year 2025, operating revenues reached $11,065,181, marking a 1.9% increase of $210,055 over the previous year. While commercial sewer revenue rose by $59,861, residential revenue saw a $246,228 decrease, due to the timing of billings.

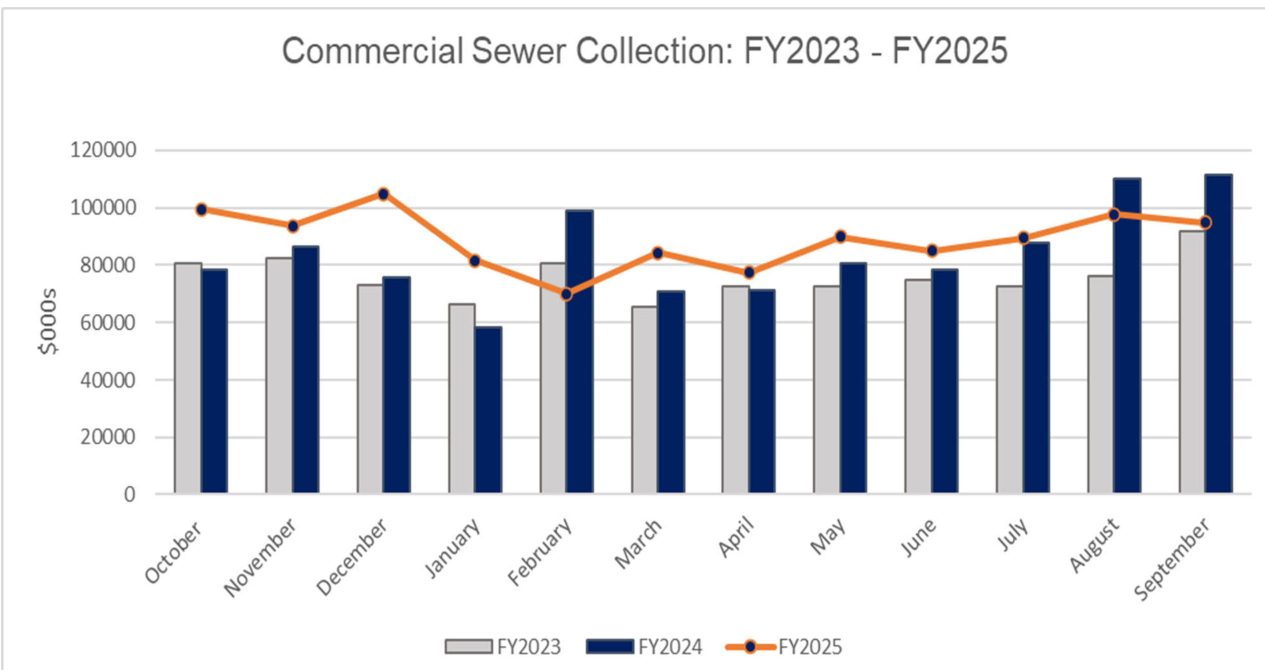
Connection fee revenue, a key indicator of local development, reflected a slowdown in the residential sector with only $52,500 collected in FY2025. In contrast, commercial connection fees remained steady at $216,904. Because these fees are often collected months before a project is finished, timing differences frequently occur between the receipt of revenue and the start of actual service usage.

Other revenue streams showed varying trends, with investment earnings remaining flat as the Authority continued to benefit from higher Federal Reserve interest rates. Septage service income, however, surged by $235,630, a 73% increase. This growth was made possible by the May 2024 installation of a new septage screen, which allowed the Authority to resume accepting full loads after previously limiting capacity due to equipment overflow issues.

On August 2, 2022, The City of Peachtree City reallocated **American Rescue Plan ("ARP")** funds totaling $5,598,182.45, with $3,526,985 designated for capital projects and $2,071,197.42 for revenue recovery. In FY2025, the Authority received $3,465,504 of these funds to offset capital improvement expenses paid to Reynolds Construction, LLC.



Residential Sewer Collection: FY2023 - FY2025
800000
700000
600000
500000
400000
300000
200000
100000
0
$000s
October
November
December
January
February
March
April
May
June
July
August
September
FY2023
FY2024
FY2025



Commercial Sewer Collection: FY2023 - FY2025
120000
100000
80000
60000
40000
20000
0
$000s
October
November
December
January
February
March
April
May
June
July
August
September
FY2023
FY2024
FY2025

Analysis of Expenses

Operating Expenses		FY2025		FY2024		$ Variance	% Variance
Salaries, Wages, and Benefits	$	3,422,219	$	3,206,305	$	215,914	6.7%
Plant Operations		2,379,617		2,114,443		265,174	12.5%
Consulting and Legal		899,071		705,101		193,970	27.5%
Other Operating Expenses		157,541		977,423		(819,882)	(83.9%)
Operating Expense Before Amort.		6,858,448		7,003,272		(144,824)	(2.1%)
Depreciation and Amortization		1,874,238		1,831,341		42,897	2.3%
Total Operating Expenses	$	8,732,686	$	8,834,613	$	(101,927)	(1.2%)
Non-Operating Expenses		**FY2025**		**FY2024**		**$ Variance**	**% Variance**
Interest Expense		90,566		121,174		(30,608)	(25.3%)
Total Non-Operating Expenses	$	90,566	$	121,174	$	(30,608)	(25.3%)
Total Expenses	**$**	**8,823,252**	**$**	**8,955,787**	**$**	**(132,535)**	**(1.5%)**

The Authority maintained a strong financial position through the implementation of responsible fiscal practices. In Fiscal Year 2025, operating expenses totaled $6,858,448, representing a decrease of $144,824 (2.1%) from the previous year's total of $7,003,272.

Salaries and benefits saw an increase of $215,914, or 6.73%, compared to the prior year. To address inflationary pressures, the Board of Directors approved a 3.00% Cost-of-Living Adjustment ("COLA"). Furthermore, while insurance costs rose only slightly, expenses were impacted by higher employee participation in health insurance plans and the attainment of near-full staffing levels.

The Board awarded Reynolds Construction LLC a $5,992,200 contract in FY2023 for wastewater treatment facility improvements. This project is nearing completion as of February 2026. All payments made to Reynolds Construction were reimbursed by the City of Peachtree City as part of the **American Rescue Plan ("ARP")** funds, with the corresponding receivable reflected within the current assets section of the financial statements.

Inflationary pressures contributed to rising costs across all operational areas, including electricity, sludge processing, and general operating supplies. Plant operations expenses increased by $50,468 (2.4%) due to the escalating costs of equipment and labor. To improve the management of these assets, the Authority has begun implementing an inventory system for critical items such as pumps and generators. While actual other operating expenses for FY2025 were $402,541, adjustments were made to repair, maintenance, and operating supply accounts to reflect the increase in inventory. The finance team is currently recording on-hand inventory using the BS&A Inventory module purchased at the beginning of FY2026.

Debt Administration

The Authority utilizes revenue bonds to finance capital projects as needed. To ensure financial stability, debt obligations are structured to maintain steady debt service payments over time. Additionally, the Authority is required by bond ordinances to maintain a debt service reserve and a bond sinking fund. A portion of annual interest and principal payments is allocated to the sinking fund on a monthly basis, with interest payments made semiannually and principal payments made annually.

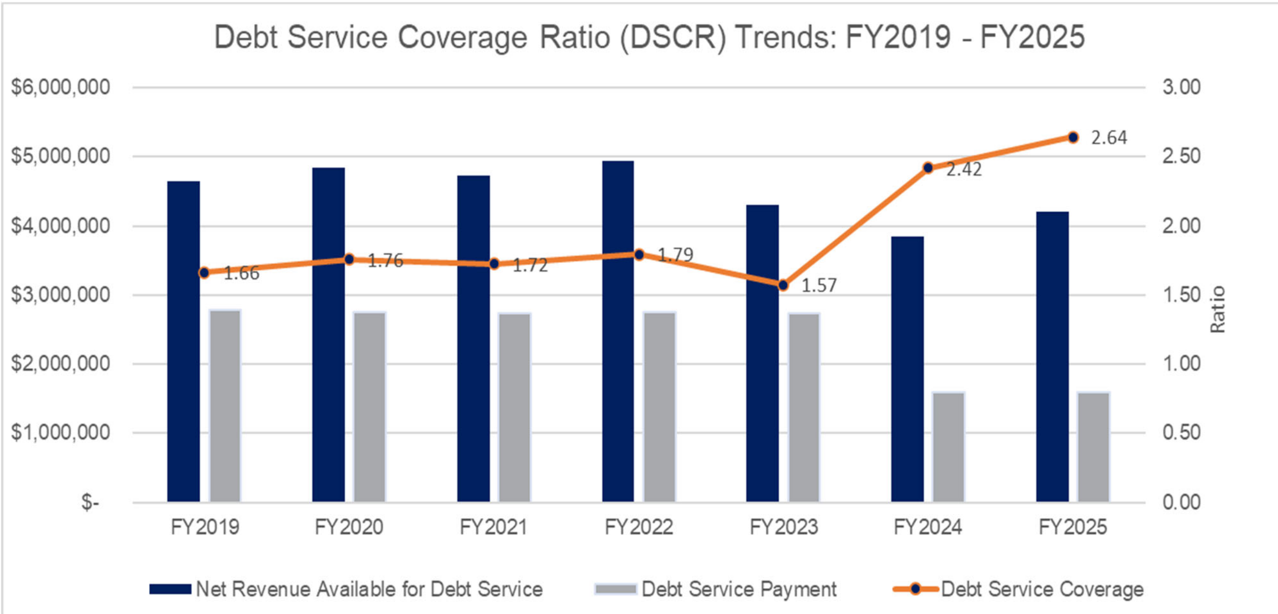
Per bond resolutions, the Authority must establish and collect sufficient fees and charges to ensure annual net earnings equal to or exceeding 110% of the total annual debt service for all outstanding bonds. Management has set a higher internal target of 150%, which the Authority has successfully exceeded for the past six fiscal years.

Surplus net earnings from debt-related charges are allocated to future capital projects. To support ongoing improvements, $178,000 is transferred monthly from the operating checking account to the capital improvements account. As of September 30, 2025, the Authority's annual debt service obligations are detailed in the following table:

2013A Series Bond			
Fiscal Year	**Principal**	**Interest**	**Total Debt Service**
FY2026	$ 1,505,000	$ 92,900	$ 1,597,900
FY2027	1,570,000	31,400	1,601,400
Total	**$ 3,075,000**	**$ 124,300**	**$ 3,199,300**

Debt Service Coverage Ratio (DSCR) Trends: FY2019 - FY2025							
	FY2019	**FY2020**	**FY2021**	**FY2022**	**FY2023**	**FY2024**	**FY2025**
Operating Revenue	$10,078,705	$10,059,012	$10,374,446	$10,857,358	$10,459,049	$10,855,125	$ 11,065,181
Operating Expenses	5,437,946	5,224,858	5,643,511	5,925,122	6,147,487	7,003,272	6,858,448
Net Revenue Available for Debt Service	4,640,759	4,834,154	4,730,935	4,932,236	4,311,562	3,851,853	4,206,733
Annual Debt Service	2,789,430	2,747,677	2,744,697	2,749,787	2,740,543	1,593,300	1,591,799
Debt Service Coverage Ratio	**1.66**	**1.76**	**1.72**	**1.79**	**1.57**	**2.42**	**2.64**

**Note: The decrease in Annual Debt Service for FY2024 is due to the full repayment of the 2013B Series in Q2 of FY2024*



Requests for Information

This financial report provides an overview of the Authority's financial status. For additional details or further inquiries, please contact the Peachtree City Water and Sewerage Authority at 1127 Highway 74 South Peachtree City, Georgia 30269.

FINANCIAL STATEMENTS

PEACHTREE CITY WATER & SEWERAGE AUTHORITY
(A COMPONENT UNIT OF PEACHTREE CITY, GEORGIA)

STATEMENT OF NET POSITION
SEPTEMBER 30, 2025

ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$	2,297,242
Investments		8,670,172
Accounts receivable, net		2,330,472
Prepaid expenses		93,327
Inventory		528,346
Total current assets		13,919,559
RESTRICTED ASSETS		
Cash and cash equivalents		2,488,786
Total restricted assets		2,488,786
CAPITAL ASSETS		
Non-depreciable		7,202,618
Deprecicable, net of accumlated depreciation		24,129,740
Total capital assets, net		31,332,358
Total assets		47,740,703
DEFERRED OUTFLOWS OF RESOURCES		
DEFERRED OUTFLOWS OF RESOURCES		
Goodwill		633,332
Total deferred outflows of resources		633,332

(Continued)

PEACHTREE CITY WATER & SEWERAGE AUTHORITY
(A COMPONENT UNIT OF PEACHTREE CITY, GEORGIA)

STATEMENT OF NET POSITION
SEPTEMBER 30, 2025

LIABILITIES		
CURRENT LIABILITIES		
Payable from current assets:		
Accounts payable and accrued expenses	$	1,185,675
		1,185,675
Payable from restricted assets:		
Interest payable		9,854
Revenue bonds payable, current		1,505,000
		1,514,854
Total current liabilities		2,700,529
LONG-TERM LIABILITIES		
Revenue bonds payable, net		1,616,362
Total liabilities		4,316,891
NET POSITION		
NET POSITION		
Net investment in capital assets		28,210,996
Restricted for debt service		2,478,932
Unrestricted		13,367,216
Total net position	$	44,057,144

See Notes to Financial Statements.

PEACHTREE CITY WATER & SEWERAGE AUTHORITY
(A COMPONENT UNIT OF PEACHTREE CITY, GEORGIA)

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

Operating revenues:	
Charges for services	$ 11,065,181
Operating expenses:	
Salaries, wages and employee benefits	3,422,219
Plant operations	3,278,688
Amortization expense	66,667
Depreciation expense	1,807,571
Other operating expenses	157,541
Total operating expenses	8,732,686
Operating income	2,332,495
Non-operating revenues (expenses):	
Interest income	379,873
Interest expense	(90,566)
Gain on sale of capital assets	8,566
Total non-operating revenues (expenses), net	297,873
Income before capital contributions	2,630,368
Capital contributions	3,465,504
Change in net position	6,095,872
Net position, beginning of year	37,961,272
Net position, end of year	$ 44,057,144

See Notes to Financial Statements.

PEACHTREE CITY WATER & SEWERAGE AUTHORITY
(A COMPONENT UNIT OF PEACHTREE CITY, GEORGIA)

STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers and users	$ 11,342,460
Payments to suppliers	(3,631,343)
Payments to employees	(3,429,517)
Net cash provided by operating activities	4,281,600
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Purchases of capital assets	(5,442,517)
Proceeds from sale of capital assets	109,490
Principal payments on long-term debt	(1,440,000)
Payment of interest on bonds	(151,799)
Capital contributions	3,465,504
Net cash used in capital and related financing activities	(3,459,322)
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of investments	(376,373)
Interest received	379,873
Net cash provided by investing activities	3,500
Change in cash and cash equivalents	825,778
Cash and cash equivalents (including restricted amounts of $2,170,703), beginning of year	3,960,250
Cash and cash equivalents (including restricted amounts of $2,488,786), end of year	$ 4,786,028
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating income	$ 2,332,495
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation and amortization expense	1,874,238
Changes in assets and liabilities:	
Decrease in accounts receivable	277,279
Decrease in prepaid expenses	15,384
Increase in inventory	(245,360)
Increase in accounts payable	34,862
Decrease in accrued payroll and compensated absences	(7,298)
Net cash provided by operating activities	$ 4,281,600

See Notes to Financial Statements.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. NATURE OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Business

On March 31, 1987, the General Assembly of the State of Georgia approved enabling legislation to create the Peachtree City Water & Sewerage Authority (the “Authority”).

The purpose of the Authority is to manage the sewer systems of Peachtree City, Georgia (the “City”) and they are empowered to do all things necessary to accomplish this purpose. The Authority is a utility charged with the collection and treatment of public, commercial and industrial wastewater within the City. The Authority owns and operates the entire sewer system infrastructure located in the City. The Authority’s related services include waste treatment, maintenance of sewer lines and installation of new sewer lines.

The Authority is considered to be a blended component unit of the City, as defined by Governmental Accounting Standards Board (“GASB”) Statement No. 14, *The Financial Reporting Entity*, as amended by GASB Statements No. 39 and 61, as amended. The City exercises significant influence. Significant influence or accountability is based primarily on operational or financial relationships with the City (as distinct from legal relationships). The Authority’s governing body is the same as that of the City. The Authority and the City have entered into a sewer agreement whereby the City is obligated to make contract payments when the Authority has insufficient funds to meet the debt service requirements. The contract represents a general obligation of the City to which its full faith and credit are pledged.

Significant Accounting Policies

The accounting policies of the Authority conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The following is a summary of the more significant accounting policies:

Basis of Presentation

The Authority’s financial statements include provisions of GASB Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – For State and Local Governments;* Statement No. 37, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments: Omnibus;* and Interpretation No. 6, *Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements.*

NOTE 1. NATURE OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Significant Accounting Policies (Continued)

Fund Accounting

The Authority uses one fund to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions and activities.

A fund is a separate accounting entity with a self-balancing set of accounts. The fund presented in this report is a Proprietary Fund Type – *Enterprise Fund.* Enterprise Funds are used to account for those operations that are financed and operated in a manner similar to private business or where the Board has decided that the determination of revenues earned, costs incurred and/or net income is necessary for management accountability.

Measurement Focus

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Proprietary Funds are accounted for on the *flow of economic resources measurement focus* and use the *accrual basis of accounting*. With this measurement focus, all assets and liabilities associated with the operation of these funds are included in the Statement of Net Position. Net position is segregated into net investment in capital assets and restricted and unrestricted net position components. Proprietary Fund operating statements present increases (revenues) and decreases (expenses) in net position. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

Management Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates.

NOTE 1. NATURE OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Significant Accounting Policies (Continued)

Cash and Investments

Cash includes amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the Authority.

For purposes of the Statement of Cash Flows, the Authority considers all highly liquid investments (including restricted assets) with an original maturity date of three months or less, and customer deposits to be cash equivalents. Investments are stated at fair value.

Prepaid Expenses

Payments made to vendors for services that will benefit periods beyond September 30, 2025, are recorded as prepaid expenses.

Receivables

All receivables are reported at their gross value and are reduced by the estimated portion that is expected to be uncollectible. Unbilled revenues are recognized at the end of each fiscal year based on billings during the month following the close of the fiscal year.

Restricted Assets

The Authority, because of certain bond covenants, is required to establish and maintain prescribed amounts of resources (consisting of cash and temporary investments) that can be used only to service outstanding debt and purchase additional equipment and improvements.

Capital Assets

Capital assets are carried at cost. Donated capital assets are recorded at acquisition value. Capital assets of the Authority are depreciated using the straight-line method over the following useful lives:

Vehicles	5 years
Equipment	10 years
Sewer plants	10 – 25 years
Pump stations	20 years
Pipeline	50 years
Buildings	50 years
Infrastructure	50 years

NOTE 1. NATURE OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Significant Accounting Policies (Continued)

Capital Assets (Continued)

Maintenance and repairs of capital assets are charged to operations and major improvements are capitalized. Upon retirement, sale or other disposition of capital assets, the cost and accumulated depreciation is eliminated from the accounts and a gain or loss is recognized.

Net Position

Net position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on its use, either through constitutional provisions or enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Restricted net position is those amounts, because of certain bond covenants, that can be used only to service outstanding debt and purchase additional equipment and improvements.

Bond Premium/Discount and Issuance Costs

Bond premiums and discounts are deferred and amortized over the term of the bonds using the effective interest method. Bond premiums and discounts are presented as an addition and reduction, respectively, of the face amount of bonds payable. Bond issuance costs are expensed in the period incurred.

Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net 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 assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. The Authority had one item that qualified for reporting in this category: goodwill. Goodwill results under circumstances in which an asset is acquired and the consideration provided exceeds the net position acquired. This amount is deferred and amortized over the useful life of the asset acquired, starting at the acquisition date.

NOTE 1. NATURE OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Significant Accounting Policies (Continued)

Deferred Outflows/Inflows of Resources (Continued)

In addition to liabilities, the Statement of Net 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 that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Authority had no items that qualified for reporting in this category.

Revenues and Expenses

Operating revenues and expenses consist of those revenues and expenses that result from the ongoing principal operations of the Authority. Operating revenues consist primarily of charges for services. Non-operating revenues and expenses consist of those revenues and expenses that are related to financing and investing types of activities and result from non-exchange transactions or ancillary activities. When an expense is incurred for purposes for which there are both restricted and unrestricted net position available, it is the Authority's policy to apply those expenses to restricted net position to the extent such are available and then to unrestricted net position.

Capital Contributions

Capital contributions consist of capital grants or contributions from developers, customers and other governmental entities.

NOTE 2. DEPOSITS AND INVESTMENTS

Custodial Credit Risk – Deposits. Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes require all deposits and investments (other than federal or state government instruments) to be collateralized by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties, or municipalities. As of September 30, 2025, the Authority's deposits were properly insured and collateralized as defined by GASB pronouncements and the official code of the State of Georgia.

NOTE 2. DEPOSITS AND INVESTMENTS (CONTINUED)

Interest Rate Risk. The Authority does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

As of September 30, 2025, the Authority had the following investments:

Investment Type	Maturities (Days)	Fair Value
Georgia Fund 1	17	$ 8,670,172
Total Fair Value		$ 8,670,172

Fair Value Measurements. The Authority categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. The only investments held by the Authority as of September 30, 2025 are maintained in Georgia Fund 1 and are not subject to level disclosure.

The Georgia Fund 1 is an investment pool which does not meet the criteria of GASB Statement No.79 and is thus valued at fair value in accordance with GASB Statement No. 31. As a result, the Authority does not disclose its investment in the Georgia Fund 1 within the fair value hierarchy.

NOTE 3. RECEIVABLES

Receivables, including the applicable allowances for uncollectible accounts, consisted of the following at September 30, 2025:

Accounts receivable	$ 2,384,521
Less allowance for uncollectibles	(54,049)
Net total receivables	$ 2,330,472

NOTE 4. CAPITAL ASSETS

Capital asset activity for the Authority for the year ended September 30, 2025, is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	$ 1,466,826	$ -	$ -	$ 1,466,826
Construction in progress	1,224,115	4,125,687	(114,010)	5,235,792
Assets to be disposed of	500,000	-	-	500,000
Total	3,190,941	4,125,687	(114,010)	7,202,618
Capital assets, being depreciated:				
Land improvements	310,031	-	-	310,031
Buildings	1,931,821	-	-	1,931,821
Vehicles and equipment	5,177,226	290,076	(1,279,835)	4,187,467
Infrastructure	395,853	-	-	395,853
Sewer plants and pump stations	39,981,249	842,194	-	40,823,443
Pipeline	20,486,943	184,560	-	20,671,503
Total	68,283,123	1,316,830	(1,279,835)	68,320,118
Less accumulated depreciation for:				
Land improvements	58,319	20,658	-	78,977
Buildings	800,240	38,636	-	838,876
Vehicles and equipment	4,588,475	175,807	(1,292,921)	3,471,361
Infrastructure	113,436	9,683	-	123,119
Sewer plants and pump stations	30,823,542	1,147,038	-	31,970,580
Pipeline	7,291,716	415,749	-	7,707,465
Total	43,675,728	1,807,571	(1,292,921)	44,190,378
Depreciable property, net	24,607,395	(490,741)	13,086	24,129,740
Total capital assets, net	$ 27,798,336	$ 3,634,946	$ (100,924)	$ 31,332,358

Depreciation expense for the year ended September 30, 2025, was $1,807,571.

NOTE 5. LONG-TERM DEBT

The following is a summary of long-term debt activity of the Authority as of and for the year ended September 30, 2025:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Revenue bonds	$ 4,515,000	$ -	$ (1,440,000)	$ 3,075,000	$ 1,505,000
Bond premium	102,981	-	(56,619)	46,362	-
Revenue bonds, net	4,617,981	-	(1,496,619)	3,121,362	1,505,000
Compensated absences (in accrued expenses)	87,012	-	(15,927)	71,085	71,085
	$ 4,704,993	$ -	$ (1,512,546)	$ 3,192,447	$ 1,576,085

On January 30, 2013, the Authority issued $7,800,000 in 2013A Series sewer system revenue bonds with interest rates ranging from 2.0% to 4.0% to fully refund the 2002 Series bonds.

Annual principal installments are due on March 1 and semi-annual interest installments are due on March 1 and September 1, beginning September 1, 2013. The debt service requirements to maturity are as follows:

Fiscal year ending September 30,	Principal	Interest	Total
2026	1,505,000	92,900	1,597,900
2027	1,570,000	31,400	1,601,400
	$ 3,075,000	$ 124,300	$ 3,199,300

On January 30, 2013, the Authority issued $20,800,000 in 2013B sewer system revenue bonds with interest rates ranging from .48% to 2.67% in order to advance refund $18,975,000 of outstanding 2005 Series bonds. The proceeds were deposited into an escrow account to provide for the future debt service payments on the 2005 Series bonds. As a result, that portion of the Series 2005 bonds is considered defeased and have been removed from the Authority's financial statements. The outstanding principal of the defeased bonds is $3,460,000 as of September 30, 2025.

NOTE 6. PROFIT SHARING AND SAVINGS PLANS

All employees of the Authority over 18 years of age and after completing six consecutive months of service are eligible to participate in the Peachtree City Water & Sewerage Authority Profit Sharing and Savings Plan (the “Plan”). Participants are 100% vested in profit sharing and matching accounts after five years of service.

The Authority contributes 8% of defined compensation for all eligible employees. If the employee also contributes between 4% and 8% to the Plan, the Authority matches 100% of the employee’s contribution up to a max of 8% of the employee’s salary.

Retirement expense for the year ended September 30, 2025 was $271,823. These plans were effective June 1, 1998.

NOTE 7. RISK MANAGEMENT

The Authority is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Authority has joined together with other governmental entities in the state as part of the Georgia Municipal Association Group Self-Insurance Workers' Compensation Fund, a public entity risk pool currently operating as a common risk management and insurance program for member local governments.

As part of this risk pool, the Authority is obligated to pay all contributions and assessments as prescribed by the pool; to cooperate with the pool’s agents and attorneys; to follow loss reduction procedures established by the fund; and to report as promptly as possible, and in accordance with any coverage descriptions issued, all incidents which could result in the fund being required to pay any claim of loss. The Authority is also to allow the pool’s agents and attorneys to represent the Authority in investigation, settlement discussions and all levels of litigation arising out of any claim made against the Authority within the scope of loss protection furnished by the fund.

The fund is to defend and protect the members of the fund against liability or loss as prescribed in the member government contract and in accordance with the workers' compensation law of Georgia. The fund is to pay all cost taxed against members in any legal proceeding defended by the members, all interest accruing after entry of judgment, and all expenses incurred for investigation, negotiation or defense.

NOTE 7. RISK MANAGEMENT (CONTINUED)

Additionally, the Authority has purchased private insurance to cover all other exposure related to risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

Settled claims have not exceeded the coverages in the last three fiscal years.

NOTE 8. CONTRACTUAL COMMITMENTS

As of September 30, 2025, the Authority had contractual commitments on uncompleted construction contacts in the amount of approximately $1,973,375 as of September 30, 2025.

NOTE 9. IMPAIRMENT OF LONG-LIVED ASSETS

In August 2001, the Financial Accounting Standards Board ("FASB") issued Statement No 144, *Accounting for the Impairment of Disposal of Long-lived Assets*. This statement requires that a single accounting model be used for long-lived assets to be disposed of by sale and broadens the presentation of discontinued operations to include more disposal transactions. The statement requires impairment losses to be recorded on long-lived assets used in operations when indicators of impairment are present and the undiscounted cash flows estimated to be generated by those assets are less than the assets' carrying amounts. Subsequent to September 30, 2003, the Authority made a decision to shut down a wastewater treatment facility. This facility had an approximate book value of $653,000. Estimated undiscounted cash flows are expected to be approximately $500,000; consequently, an impairment loss of approximately $153,000 was recognized in the year ended September 30, 2003. The facility is now classified as "assets to be disposed of".

REPORT ON COMPLIANCE AND ON INTERNAL CONTROL

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Directors
Peachtree City Water & Sewerage Authority
(A Component Unit of Peachtree City, Georgia)
Peachtree City, Georgia

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States, the financial statements of the Peachtree City Water & Sewerage Authority (the "Authority"), a blended component unit of Peachtree City, Georgia, as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated March 10, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting ("internal control") as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Peachtree City Water & Sewerage Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Mauldin & Jenkins, LLC

Macon, Georgia
March 10, 2026

PEACHTREE CITY WATER & SEWERAGE AUTHORITY
(A COMPONENT UNIT OF PEACHTREE CITY, GEORGIA)

SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

SECTION I
SUMMARY OF AUDIT RESULTS

Financial Statements

Type of report the auditor issued on whether the financial statements were prepared in accordance with GAAP.	Unmodified
Internal control over financial reporting: Material weaknesses identified?	_____ Yes __X__ No
Significant deficiencies identified not considered to be material weaknesses?	_____ Yes __X__ No
Noncompliance material to financial statements noted?	_____ Yes __X__ No

Federal Awards

There was not an audit of major federal award programs as of September 30, 2025 due to the total amount expended being less than $1,000,000.

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES

None reported.

SECTION III
FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

Not applicable.

SECTION IV
STATUS OF PRIOR YEAR AUDIT FINDINGS

No prior year audit findings.