COBB COUNTY-MARIETTA WATER AUTHORITY
MARIETTA, GEORGIA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2025



1170 Atlanta Industrial Drive, Marietta, GA 30066 770-514-5300, 770-514-5225 Fax

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MARIETTA, GEORGIA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2025

Prepared by:
Finance Division

Allison Clements
Director of Finance

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INTRODUCTORY SECTION

March 26, 2026

Cobb County-Marietta Water Authority Board
Customers and Stakeholders
Marietta, Georgia

We are pleased to submit the Annual Comprehensive Financial Report (ACFR) of the Cobb County-Marietta Water Authority (CCMWA) for the fiscal and calendar year ended December 31, 2025. This report is the responsibility of CCMWA's management and has been prepared in accordance with Generally Accepted Accounting Principles (GAAP), and in conformance with current accounting and financial reporting requirements and principles promulgated by the Governmental Accounting Standards Board (GASB). To the best of our knowledge and belief, the enclosed financial data is accurate in all material respects and represents the financial position, results of operations, and cash flows of CCMWA for the period then ended. All disclosures for the reader to gain an understanding of CCMWA's financial activities have been included.

CCMWA's management believes it has established internal controls that adequately protect assets and provide reasonable assurance of proper recording of financial transactions and presentation of financial reports and accompanying information. No matter how well-designed and -operated, internal controls cannot guarantee that an entity's objectives will be met because of inherent limitations in all internal control systems. However, management maintains a commitment to developing, implementing, and monitoring internal controls to ensure accurate, responsible, and transparent financial management.

Mauldin and Jenkins, LLC, Certified Public Accountants, conducted an independent audit of these financial statements in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. As a result of their audit procedures, Mauldin and Jenkins have issued an unmodified opinion on the financial statements of CCMWA for the fiscal year ended December 31, 2025. The auditor's report is located at the front of the financial section of this report.

In accordance with GAAP, a narrative introduction, overview, and analysis accompany the basic financial statements, in the form of Management's Discussion and Analysis (MD&A). The MD&A is located immediately following the independent auditor's report.

Organization of the Annual Comprehensive Financial Report

This Annual Comprehensive Financial Report may be read by a wide variety of people. Therefore, useful information has been provided, even to those who may not be familiar with CCMWA. Toward that end, this report is presented in the three major sections: Introductory, Financial, and Statistical.

The introductory section is meant to familiarize the reader with CCMWA's organizational structure, as well as the nature and scope of services provided. This transmittal letter, a list of CCMWA Board members, and an organizational chart comprise the introductory section.

The financial section includes the independent auditor's report on the basic financial statements; Management's Discussion and Analysis (MD&A) of CCMWA's financial position results of operations; and the audited financial statements, including accompanying note disclosures and required supplementary information.

The statistical section includes information regarding CCMWA's economic condition and environment and is divided into five sections: financial trends, revenue capacity, debt capacity, demographic and economic information, and other operating information.

Profile of Cobb County-Marietta Water Authority

General

The Cobb County-Marietta Water Authority was created in 1951 by an act of the General Assembly of the State of Georgia and is a political subdivision of the state. CCMWA is unique because it has one primary mission: to supply drinking water to its wholesale customers. CCMWA's service area includes customers in Cobb County, Cherokee County, Douglas County, Fulton County, and Paulding County. CCMWA's customers are all governmental water purveyors with the exception of Lockheed Martin Corporation, which shares its location and water system with the Dobbins Air Reserve Base complex in Marietta.

CCMWA has award-winning water treatment and testing facilities, which include the James E. Quarles Water Treatment Plant (Quarles WTP), the Hugh A. Wyckoff Water Treatment Plant (Wyckoff WTP), and the Calvin F. Simmons Microbiological Laboratory. Each facility is staffed with certified professionals, and the treatment facilities operate 24 hours a day, seven days a week. The two WTPs, which obtain water from separate river basins, provide production flexibility and reliability for the CCMWA service area. The laboratory ensures drinking water safety and

regulatory compliance, while also providing helpful data to operators and engineers for current and future water treatment needs.

The Quarles WTP was the first CCMWA water treatment plant, with the first phase built in 1952. Since that time, it has undergone many system improvements and expansions to meet the growing water needs of the region and is currently permitted to produce 87 million gallons per day. The original water treatment facility built on the Quarles WTP campus was replaced in 2021 by a new state-of-the-art water treatment plant. Source water for the Quarles WTP comes from the Chattahoochee River, which is part of the Apalachicola-Chattahoochee-Flint (ACF) River Basin. The Quarles WTP staff monitor, execute, and manage every aspect of the water treatment process using conventional treatment processes.

Originally built in the early 1960s with a major refurbishment in 2012 the Wyckoff WTP has expanded and enhanced its treatment capabilities over the years and is currently permitted to produce 86 million gallons of water per day. Source water for the Wyckoff WTP comes from Allatoona Lake, a U.S. Army Corps of Engineers impoundment on the Etowah River, which is part of the Alabama-Coosa-Tallapoosa (ACT) River Basin. The team of industry professionals at Wyckoff manage all aspects of the water treatment process, including advanced treatment using granular activated carbon, to ensure the highest standards.

CCMWA's Laboratory Division is responsible for testing the water that CCMWA provides to its wholesale customers to ensure that it meets state and federal drinking water standards. Certified Laboratory Analysts test approximately 600 regulatory water samples each month from raw water sources, the two drinking water plants, CCMWA's water transmission pipeline system, and wholesale customers' distribution systems. The Laboratory Division also provides, for a fee, microbiological water testing services to non-sole source wholesale drinking water customers, residents who have wells, and for various other purposes. The Microbiological Lab is certified by the State of Georgia Environmental Protection Division. Facilities include a research lab, chemistry lab, microbiology lab, level II microbiology lab, media prep lab, and incubator lab.

In addition to water treatment and testing facilities, a transmission pipeline network, including nearly two hundred miles of pipe, conveys drinking water to CCMWA's ten wholesale customers. The system includes pipes of diameters ranging from 16 to 64 inches, with most at least 36 inches in diameter. To provide additional water supply, CCMWA operates the Hickory Log Creek Reservoir, a pumped storage project located upstream of the Wyckoff WTP in the Etowah River Basin. Hickory Log Creek Reservoir covers approximately 411 acres and impounds about 5.7 billion gallons of water. The reservoir is jointly owned and operated by CCMWA and the City of Canton, with CCMWA owning 75% of the project and the City of Canton owning 25%. The reservoir was constructed with a designed yield of 44 million gallons per day, with 75% of the storage allocated to CCMWA.

Governance

CCMWA is governed by a seven-member board. CCMWA was created as a body corporate and politic which is deemed to be a political subdivision of the State of Georgia and a public corporation. The Board of CCMWA is composed of:

- The Chair of the Cobb County Board of Commissioners.
- One member selected by the governing authority of the City of Marietta.
- One member selected by the governing authority of the City of Smyrna.
- Four members selected by a caucus consisting of all members of the General Assembly whose districts are wholly or partially within Cobb County. The four members selected by the caucus include: one member from Cobb Commission District 1 or 4, excluding residents of Marietta and Smyrna; one member from Cobb Commission District 2 or 3, excluding residents of Marietta and Smyrna; and two members from unincorporated Cobb County.

Accounting and Financial Reporting

CCMWA is operated as a single enterprise fund. CCMWA is accounted for as a separate accounting entity with a separate self-balancing set of accounts. CCMWA utilizes the accrual basis of accounting; revenues are recorded when earned and expenses are recorded when liabilities are incurred. CCMWA's accounting procedures comply with the Governmental Accounting Standards Board (GASB) and Generally Accepted Accounting Principles (GAAP).

Budgetary Controls

CCMWA believes annual budget preparation, adoption, implementation, and continual monitoring is essential to fiscal responsibility, accountability, and transparency of operations. Accordingly, CCMWA develops and adopts an operating budget annually and updates its 5-year Capital Improvement Plan (CIP) budget each year. The purpose of the budget process is to authorize and control expenditures, project revenues, develop pro-forma financial statements, project cash flows, and meet obligations of bond covenants.

Other Relevant Information

General

CCMWA's core purpose is to provide safe, sustainable, and reliable drinking water that supports the region. Core values inherent at CCMWA include service, stewardship, and professionalism. CCMWA strives to employ a culture of safety, innovation, and transparency. At a minimum, CCMWA staff are expected to act with integrity, inspire trust, and apply the highest levels of technical expertise. CCMWA aims to acquire and treat sufficient sources of water for the customers and communities served, while leaving a legacy of sustainable water supplies for generations to come.

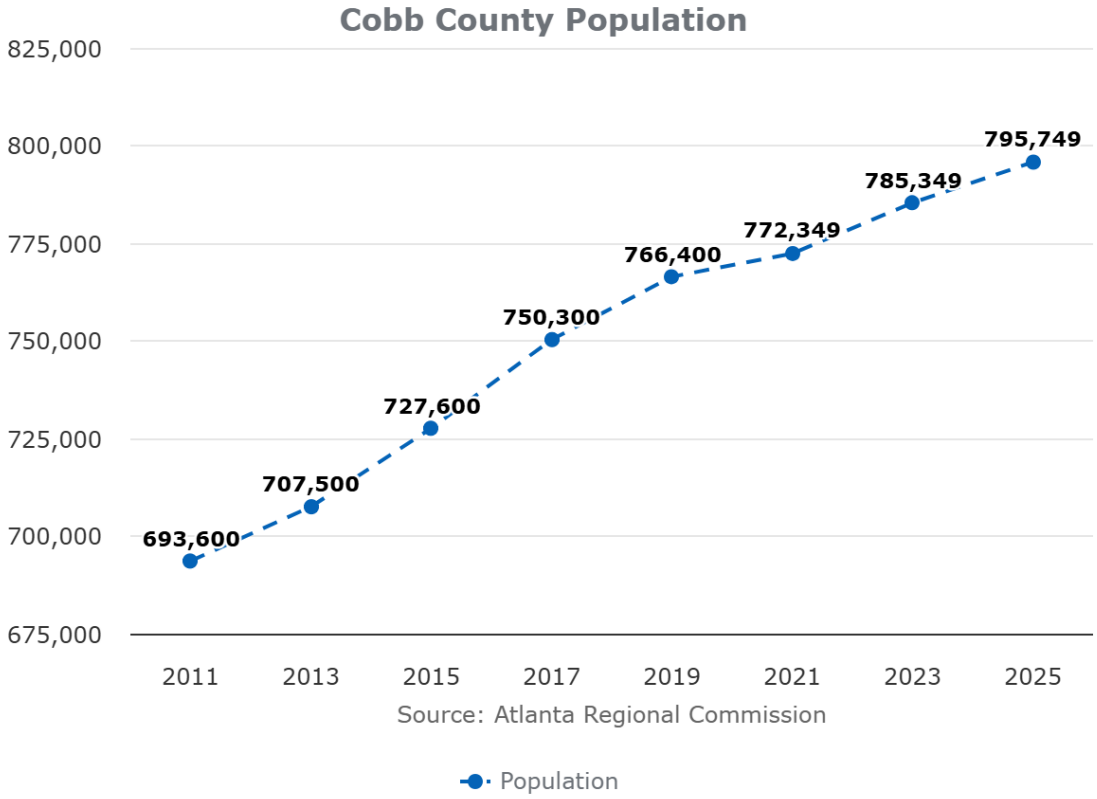
Through 2025, both of CCMWA's WTPs produced drinking water that met or exceeded state and federal regulations and permit requirements for all contaminants tested. The Quarles WTP did not monitor for radionuclide contaminants in 2025 as required by regulatory requirements, because the water samples taken were lost in shipment to Pace Analytical Laboratory in Greensburg, Pennsylvania and CCMWA was never notified. CCMWA is working with the Georgia Environmental Protection Division to retake drinking water samples for radionuclide testing at the Quarles WTP by March 31, 2026. In 2007 the Georgia Environmental Protection Division adopted rules requiring the Quarles WTP to test for radionuclides once every six years. Radionuclide samples were collected at the Quarles WTP in 2007, 2013, and 2019. In all sample testing, regulated radionuclides were either not detected or well below half of the Maximum Contaminant Levels. CCMWA's water transmission system, laboratories and water supply reservoir remained in full regulatory compliance throughout the year. In 2025, both water treatment plants received the Georgia Association of Water Professionals (GAWP) Platinum Award for the seventeenth year in a row, recognizing a minimum of 5 consecutive years of total compliance of water quality, monitoring, and reporting requirements. The Wyckoff Water Treatment Plant was awarded the Best Operated Plant of the Year by the American Water Works Association (AWWA) for the fifth time. The Transmission Division received the GAWP Water Distribution System of the Year Platinum Award for the fourth consecutive year, and the Laboratory Division received the GAWP Platinum Award for Laboratory Quality Assurance and Quality Control for the second year in a row. The Platinum Award designation in these categories recognizes a minimum of 5 consecutive years of Gold Award status. Additionally, CCMWA earned the Platinum Award for Utility Excellence from the Association of Metropolitan Water Agencies, one of only two utilities to win the national award since 2023.

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Cobb County-Marietta Water Authority for its annual comprehensive financial report for the fiscal year ended December 31, 2024. A government must publish an easily readable and efficiently organized annual comprehensive financial report to be awarded the Certificate of Achievement. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

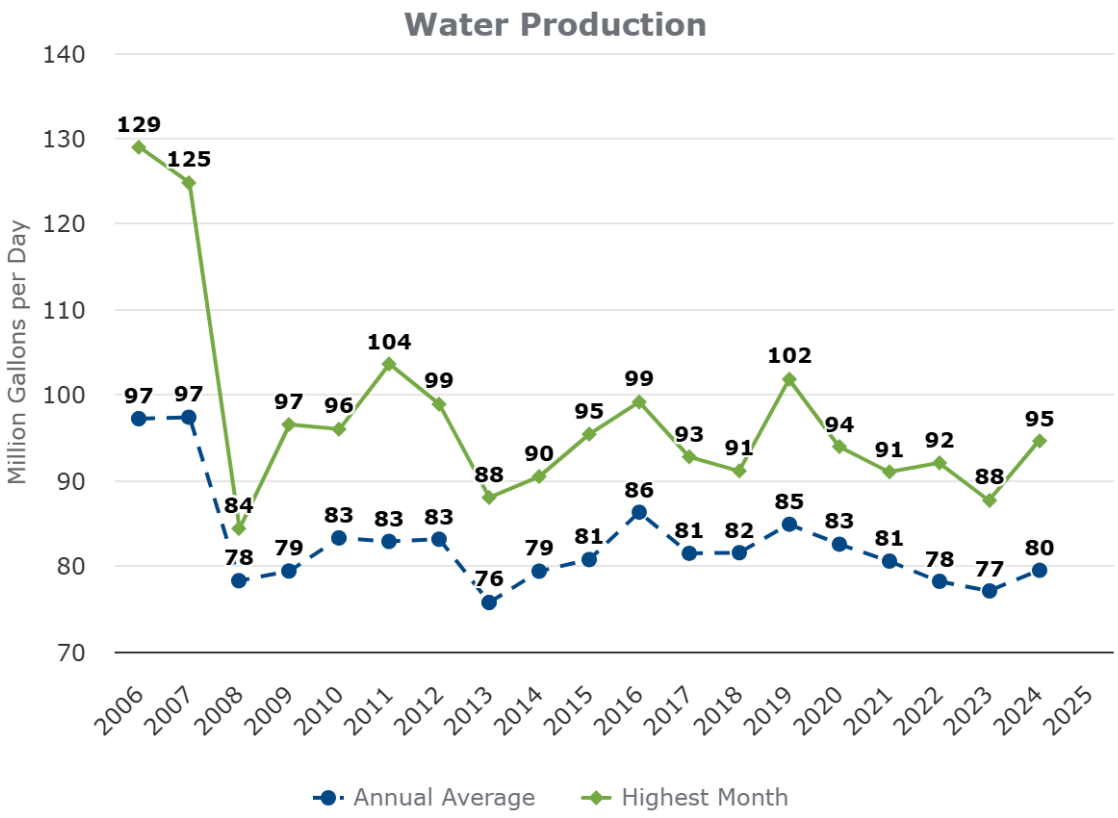
A Certificate of Achievement is valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

Current Economic Environment

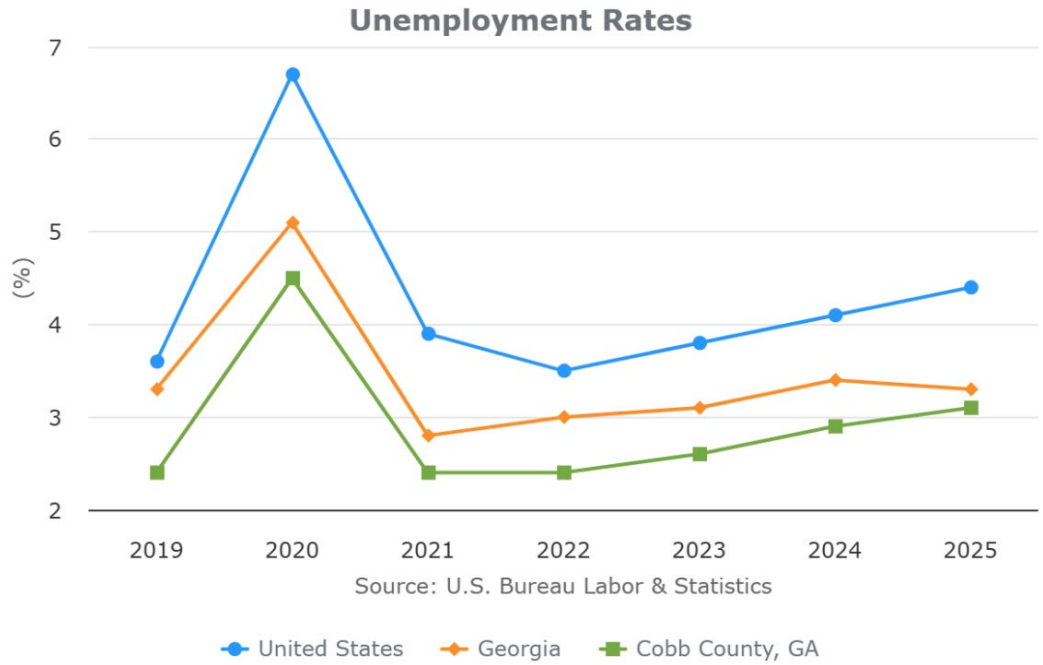
The population of Cobb County, the largest area served by CCMWA, has grown by more than 100,000 residents since 2011 as shown in the graph below. The Atlanta Regional Commission estimates Cobb County's population grew by 3,700 people in the last year and the county is the third most populated county in the 11-county Atlanta region.



However, despite the rapid population growth in our service area, CCMWA has experienced a downward trend in monthly water production, which can be seen on the graph below. Since 2008, CCMWA has only experienced two months with average production of over 100 million gallons per day, both due to hot and dry weather conditions.



Unemployment in Georgia remained lower than the national average in 2025 but have begun to increase in recent years. Unemployment in CCMWA's primary service area, Cobb County, is still lower than the national average, as shown in the graph below.



As previously mentioned, CCMWA has experienced reduced water sales over the last several years. Water conservation efforts, including tiered retail rate structures, have resulted in decreased consumer demand; however, demand is still impacted by weather conditions and customer changes. Over the last three years, CCMWA has seen a reduction in purchases from a larger customer, Paulding County. In August 2022, Paulding County's contract was modified due to the completion and operation of its own water treatment plant. The new contract includes a monthly base charge and a volumetric charge, which allows Paulding County to purchase up to 5.25 MGD per month without surcharges. This contract modification provides CCMWA with regular monthly revenue regardless of how much water is purchased by Paulding County. At the end of 2021, water sales to Paulding County made up approximately 12.7 percent of CCMWA's annual revenue, but this number had reduced to 4 percent of water sales by 2024. The percentage of sales to Paulding County may be reduced to near zero or be on an emergency-only basis by 2032 as their water treatment plant is expanded to meet their full system demand.

CCMWA's water sales averaged 76.2 million gallons per day (MGD) in 2025, a decrease from water sales of 79.5 MGD in 2024. Demand for 2025 was lower across all CCMWA's customers, but a major contributor to decreased demand was a 1 MGD decrease in purchases from Paulding County. Management reevaluates long-term water sales forecasts during the annual budgeting process and adjusts the Capital Improvement Plan accordingly. Unforeseen changes in water sales have less financial impact on CCMWA than on utilities with a higher debt ratio, because CCMWA is not highly leveraged. Detailed information on debt held by CCMWA can be found in the Notes to Financial Statements section.

CCMWA's operating expenses have increased due to inflation since 2022, and this is expected to continue into 2026. The CPI-U (Consumer Price Index for All Urban Consumers) for the Atlanta metro-region that includes CCMWA's service area increased 2.2% from the prior year as of December 31, 2025. While this is lower than the 2024 increase, the cost of goods purchased by CCMWA has not started to trend downwards. Total operating expenses for 2026 are anticipated to be 3.4% higher than the prior year.

CCMWA has been actively engaged in the tri-state dispute between Georgia, Florida, and Alabama over use of water in both the ACT and ACF river basins since 1990, as CCMWA has water treatment plants in each of these basins. CCMWA, the Atlanta Regional Commission, and the State of Georgia entered a lawsuit with the United States Army Corps of Engineers (USACE) in 2014 over USACE's failure to render a decision on reallocation of storage in Allatoona Lake for the purpose of water supply. CCMWA had requested USACE to reallocate storage in Allatoona Lake for water supply in 1981 but had yet to receive a decision from USACE. In September 2017, the U.S. District Court for the Northern District of Georgia agreed that USACE had unreasonably delayed making a decision regarding reallocation of Allatoona and ordered USACE to complete a reallocation study. The Final Environmental Impact Statement (FEIS) for the Allatoona Lake Water Supply Storage Reallocation Study was issued on November 13, 2020; it recommends

reallocating the entire amount of storage requested by the State of Georgia for water supply through 2050.

In 2016, the State of Alabama challenged the USACE 2015 Alabama-Coosa-Tallapoosa (ACT) Master Water Control Manual in federal court in Washington, D.C. CCMWA in cooperation with the Atlanta Regional Commission (ARC) intervened and filed motions for summary judgment in 2017, but the court did not rule on them. In 2021, CCMWA in cooperation with ARC again filed a supplemental motion for summary judgment, arguing that Judge Thrash's decision in the Apalachicola-Chattahoochee-Flint (ACF) litigation barred Alabama from relitigating the same issues in the ACT case. This motion was granted on November 9, 2023, dismissing all claims by all parties in the original complaint.

Before summary judgment was granted, however, the USACE in 2021 issued a record of decision authorizing a new water supply contract for the City of Cartersville and Bartow County, Georgia, and adopting a new "storage accounting" method to determine how much each water supply user (including CCMWA) is entitled to withdraw under its storage contract. This decision by USACE gives CCMWA full credit for treated wastewater "return flows" and "made inflows" from the Hickory Log Creek Reservoir. CCMWA had sued USACE to challenge its prior storage accounting methodology, and USACE agreed to reconsider its storage accounting methodology in a settlement agreement resolving that lawsuit. Under the new methodology, CCMWA's storage contract at Allatoona Lake should be sufficient to meet the needs of CCMWA's water supply customers through at least 2050.

The State of Alabama filed a "supplement" to its 2016 complaint challenging USACE's adoption of the new storage accounting methodology and reallocation report. This challenge is still pending in federal court in Washington, D.C., but was fully briefed in December 2024, and a decision is expected in 2026. The State of Georgia, CCMWA, and ARC will continue to vigorously defend the new storage accounting methodology and reallocation report.

Outlook

CCMWA currently has two outstanding debt issuances: a revenue bond issued in 2015 used to refinance previously issued debt and a revenue bond issued in 2025 to refinance a portion of the 2015 bonds and fund new projects. The 2025 revenue bonds were issued in the amount of $58.3 million, with $40.5 million for new capital projects and the remainder to refinance specific maturities of the 2015 bonds and achieve savings of $1.9 million. The remaining principal of the 2015 bonds after refinancing is $13.1 million.

The new issuance will fund two pipeline projects, which will deliver water to new parts of CCMWA's service area, the purchase of land to construct a new building, and the relocation of the entrance to an existing facility. The remaining projects in the 2026 – 2030 Capital Improvement Plan will be funded on a pay-as-you-go basis with cash reserved for capital spending.

CCMWA's current Capital Improvement Plan takes into consideration the expectation of modest economic growth in its service area in the next five years, along with the loss of most of its sales to Paulding County. Reduced capital spending, particularly on projects previously anticipated to meet a growing need for water in Paulding County, will also offset the revenue loss as Paulding County continues to increase its operating capacity within its own system.

CCMWA implemented its first multi-year rate program in January 2014 and has continued to plan and estimate future rates on a 5-year basis, in line with the Capital Improvement Program budget. During the development of the 2020 budget, a planning estimate of 2.5% annual rate increases for the 4-year period through 2024 was established. This rate program was not modified during the development of the 2024 budget, and the planned 2.5% increase was adopted for January 1, 2024, but higher future rates were projected. During the development of the 2025 budget, capital project cost estimates were increased to reflect current market conditions. This increase, combined with increasing operational expenses, resulted in a slight increase in planned future rates. The 2025 budget was adopted with a 4% rate increase effective January 1, 2025, and future rate increases were projected to be a 5% increase per year for 2026 through 2029. The 2026 budget was adopted with a 5% increase effective January 1, 2026, with no change to the estimate for future rates.

Rate increases will continue to be evaluated annually during the budget process to consider recent increases in the Consumer Price Index and the Construction Cost Index. By utilizing integrated long-term capital improvement planning, correlated rate adjustments, appropriate use of net position, and a continued focus on operational efficiency, CCMWA expects a positive financial future.

Long-Term Financial Considerations

The largest impact on cash flow, and consequently on revenue needs for CCMWA, is the Capital Improvement Plan. Below is a snapshot of anticipated cash flows through 2030:

Year	2026	2027	2028	2029	2030
Projected Water Demand (MGD)	77.1	78.0	79.0	80.0	81
Anticipated Rate Increase	5.00%	5.00%	5.00%	5.00%	6.00%
Revenues	$ 117.8	$ 118.9	$ 125.3	$ 131.4	$ 140.0
Expenses (Without Depreciation)	42.4	42.8	44.5	46.1	47.8
Net Income (After Depreciation)	47.0	47.3	51.4	54.7	60.7
Total CIP Spending	84.2	87.2	121.3	101.9	91.6
Ending Cash Balance	$ 306.3	$ 289.1	$ 242.6	$ 220.0	$ 214.6
Target Ending Cash Balance	$ 99.2	$ 105.3	$ 110.4	$ 121.5	$ 137.2

All Dollar Figures are in Millions

It should be noted that if projected water demand is revised downward, there is still enough projected positive cash flow for CCMWA to maintain its targeted minimum ending cash balances through 2030. Furthermore, CCMWA has ample debt capacity—$400 million approved by the Georgia General Assembly—should financial considerations warrant additional funding of capital improvements with sources other than cash reserves.

Major Initiatives

CCMWA will continue replacing critical transmission system water mains, defined as Aged Pipe Replacement (APR) projects, during the 2026-2030 timeframe. These projects were identified as part of the Engineering Division's pipe replacement prioritization program and will replace aging pre-stressed concrete cylinder pipe with ductile iron pipe. Since inception of the program, 20.8 miles of pipe have been replaced with another 4.8 miles planned for replacement in the next five years. The 2026-2030 capital program includes $106.7 million for pipe replacements as part of this program. The replacement of blow-off and critical values has also been prioritized in the capital program, with $2.1 million budgeted over the next five years. The largest project in the five-year Capital Improvement Plan is replacing the Quarles Water Treatment Plant chemical building, which has a budget of $117 million and is expected to be completed by 2028. Total capital spending is budgeted at $84.2 million in 2025, with $486.2 million estimated for the full five-year Capital Improvement Plan.

Climate change is and has always been a constant. According to the National Oceanic and Atmospheric Administration (NOAA), 2025 ranked as the third-warmest year since global records began in 1850, finishing 2.11°F above the 20th-century average of 57.0°F. This value narrowly missed the second-place currently held by 2023 (0.04°F) and trailed the all-time record set in 2024 by 0.22°F. Notably, the 10 warmest years in the 176-year record have all occurred since 2015.To help ensure the sustainability of CCMWA's water supply, Hickory Log Creek Reservoir was commissioned in 2007. The reservoir impounds 4.32 billion gallons of source water to supplement CCMWA's 4.06-billion-gallon water storage account in Allatoona Lake. In addition, CCMWA has secured credit from the U.S. Army Corps of Engineers for treated wastewater return flows into Allatoona Lake. Since the 1980s, CCMWA has accumulated property along Sharp Mountain Creek in the upper Etowah River basin for a water supply reservoir to further supplement CCMWA's water storage account in Allatoona Lake. CCMWA has secured approximately 90% of all the property necessary for a water supply reservoir on Sharp Mountain Creek, which will provide approximately 4.0 billion gallons of source water storage when constructed. Additionally, CCMWA is examining the possibility of using abandoned rock quarries as future locations for source water storage.

As development continues in North Georgia and the population grows, the likelihood of nonpoint and point-source pollution in the watersheds increases. In Lake Lanier, in the fall of 2025, the most prolific occurrence of 2-Methylisoborneol (MIB), a taste and odor-causing compound produced by naturally occurring algae, occurred. Lake Lanier is a 38,000-acre impoundment of the Chattahoochee River, a few miles upstream of CCMWA's Chattahoochee River intake. The

increase in algae and, consequently, MIB was likely driven by a combination of climatic factors and nutrient availability in Lake Lanier, resulting from development. In 2026, CCMWA will begin a study to determine the optimal advanced treatment method for removing taste- and odor-causing compounds and emerging contaminants. In CCMWA's Capital Improvement Plan, a project to install advanced treatment at the Quarles WTP, which sources water from the Chattahoochee River, is scheduled to begin design in 2029.

In 2023, CCMWA implemented dynamic pump optimization software. Dynamic pump optimization uses real-time electricity consumption, system pressures, hydraulic data, and individual pump's live pump curve to simulate all pump combinations and calculate the optimal energy efficiency for each combination. The dynamic pump optimization software then recommends to CCMWA operators the pump combination that delivers the required flow at the lowest possible kilowatt-hours (kWh) consumed per million gallons (MG) pumped. From solar panels, variable frequency drives, real-time energy monitoring, and utilization of multiple rate structures for optimization of electrical rates, CCMWA is not only working to reduce the cost of energy, but we are also looking to reduce the amount of energy used and make the energy we use more sustainable. These measures also prolong our valuable asset's life span and reduce preventative and corrective asset maintenance cost.

Diversity in an organization yields access to a greater range of talent and helps provide insight into the needs and motivations of your customer base. At CCMWA we believe diversity makes our organization more effective, more successful, and more efficient. CCMWA continues to improve the diversity of its workforce through implementation of initiatives, such as expanding recruiting efforts beyond industry-specific job boards to include minority organizations and diverse applicant pools; diversifying interview and hiring panels for all positions; expanded diversity training to include more opportunities for team building, group discussions, and diversity appreciation; and reviewing/rephrasing position titles to attract a larger applicant pool. These efforts have resulted in much more diversity at CCMWA. In 2023, CCMWA earned the Georgia Section of the American Water Works Association Champion of Diversity of Award. The diversity of CCMWA's staff reflects the diverse population we serve.

CCMWA's capital improvement plan aims to provide an equivalent level of service across the service area. Historically, Southern Cobb County has been less affluent than the northern half of Cobb County. However, CCMWA makes no differentiation in the level of service provided throughout Cobb County. In 2025 CCMWA completed a pipeline replacement project and a ground storage tank rehabilitation project in southern Cobb County to ensure drinking water storage and supply resiliency. In 2026, CCMWA will begin the design of a major pipeline replacement project which will result in drinking water supply sustainability for Southwestern Cobb County. CCMWA provides drinking water through a looped transmission system, which gives a dual water supply throughout its primary service area as well as a source of water from two river basins and two drinking water treatment plants. Even if one water treatment plant is out of service, the other plant can sustain average daily demand for drinking water.

Cobb County-Marietta Water Authority is fortunate that our predecessors took the long view from its creation. A strong foundation was laid to meet the region's long-term water needs, as CCMWA continues to strive to provide a sustainable system of water resources, treatment facilities, and transmission lines for today and tomorrow. Today's CCMWA Board and staff continue to incorporate this long view into the capital and financial planning processes.

While CCMWA is well-positioned for the future, it will not be without challenges that will require change. Battles over water rights will continue for the foreseeable future. Threats to water quality, both natural and manmade, are real and deserve proactive attention to mitigate and control. Variability in weather patterns, including drought, and uncertainty about future water demands from our customers add to the mix. Increasing regulation of drinking water contaminants, including some that currently have limited means of identifying and quantifying, will require advanced treatment technologies which will increase costs. Facilities will continue to age and deteriorate, requiring an ongoing commitment to responsibly fund depreciation and stay ahead of the failure curve. One of our greatest challenges will be to ensure that the depth of knowledge and commitment within our workforce can be sustained as we face retirements and stiff competition for talent.

Acknowledgments

We express our thanks to each division of CCMWA, all of whom have adhered to sound stewardship and financial practices, contributing significantly toward the fiscal stability of CCMWA. Thanks, must also be expressed to the CCMWA Board, who diligently consider each decision brought before it and keeps the best interests of both CCMWA and its customers in mind. The responsible and sound direction of the Board has been and will continue to be, the single most important attribute of CCMWA's financial stability.

Respectfully Submitted,

Cole E. Blackwell

Cole E. Blackwell
General Manager

Allison C. Clements

Allison C. Clements
Director of Finance

CCMWA Board

Seven members make up CCMWA's Board. Members are selected by virtue of their office or by appointment.

By Virtue of their Office:

- Chairman of the Cobb County Commission

Appointed by the Governing Authority of the:

- City of Marietta
- City of Smyrna

Appointed by the Cobb County Delegation to the Georgia General Assembly:

- One member from Cobb County Commission District 2 or 3, excluding residents of Marietta and Smyrna
- One member from Cobb County Commission District 1 or 4, excluding residents of Marietta and Smyrna
- Two members from unincorporated Cobb County



James Scott
Chairman



T. Daniel Buyers
Vice Chairman



Charlie N. Crowder
Secretary



Lisa Cupid
Member



James Balli
Member



Charles A. Welch
Member



Griffin L. Chalfant
Member

Our core purpose is to provide sustainable and reliable drinking water that supports public health, public safety and economic vitality of the region.

CCMWA Executive Team



Cole Blackwell
General Manager



Rita Neely
Director of
Engineering



Allison Clements
Director of
Finance



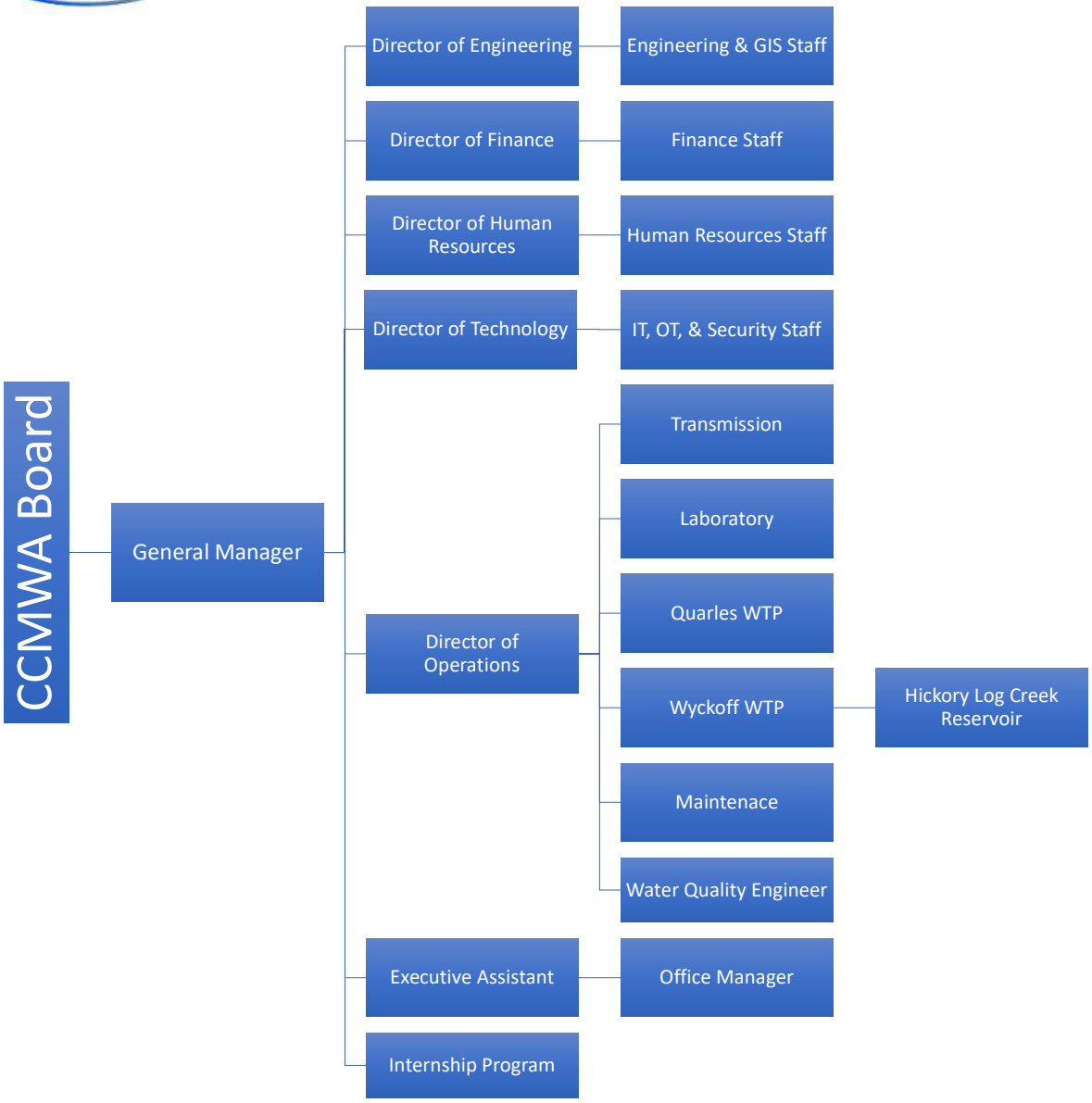
Patrick Henley
Director of
Human Resources



Dawn Lei
Director of
Operations



Lonnie Gilmore
Director of
Technology


CCMWA Board
General Manager
Director of Engineering
Engineering & GIS Staff
Director of Finance
Finance Staff
Director of Human Resources
Human Resources Staff
Director of Technology
IT, OT, & Security Staff
Director of Operations
Transmission
Laboratory
Quarles WTP
Wyckoff WTP
Hickory Log Creek Reservoir
Maintenace
Water Quality Engineer
Executive Assistant
Office Manager
Internship Program

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Cobb County-Marietta Water Authority
Georgia

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2024

Christopher P. Morrill

Executive Director/CEO

FINANCIAL SECTION

MAULDIN & JENKINS
CPAs & ADVISORS

INDEPENDENT AUDITOR'S REPORT

To the Members of the Board of
Cobb County-Marietta Water Authority
Marietta, Georgia

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the business-type activities and the remaining fund information of the **Cobb County-Marietta Water Authority** (the "Authority"), as of and for the year ended December 31, 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 accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the remaining fund information of the Authority, as of December 31, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) 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 opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

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 opinions. 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 GAAS 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 GAAS 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, the Schedule of Changes in the Authority's Net Pension Liability and Related Ratios, the Schedule of Authority Contributions, and the Schedule of Pension Investment Returns 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 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 auditing standards generally accepted in the United States of America, 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 Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 26, 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 Authority's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Atlanta, Georgia
March 26, 2026

Overview of the Financial Report

Our discussion and analysis of the Cobb County-Marietta Water Authority's financial performance provides an overview of the Authority's financial activities for the fiscal year ended December 31, 2025. Readers should review it in conjunction with the Authority's audited Financial Report to enhance their understanding of the Authority's financial performance.

Financial Highlights

Key financial highlights are as follows:

- Operating revenues decreased 0.4% from $101.1 million in 2024 to $100.7 million in 2025, a decrease of $400,000. Gallons sold decreased 4.5% from 29.1 billion gallons sold in 2024 to 27.8 billion gallons sold in 2025.
- Operating expenses increased 6.7% from $62.3 million in 2024 to $66.5 million in 2025, an increase of $4.2 million.
- Operating income for 2025 was $34.3 million, compared to $38.8 million in 2024, representing a decrease of $4.5 million or 11.6%.
- Interest income increased 5.3% from $11.4 million in 2024 to $12 million in 2025, an increase of $600,000.
- Revenue bond debt increased from $36.7 million in 2024 to $74.9 million in 2025, representing an increase of $38.2 million due to Series 2025 Revenue Bonds issued in August which refunded a portion of the Series 2015 Revenue Bonds and financed new projects.
- CCMWA's AAA bond rating was reaffirmed by all three rating agencies (Fitch Ratings, Moody's, and Standard & Poor's) in July 2025 before issuing the Series 2025 Revenue Bonds.
- CCMWA's pension fund experienced a net investment return of 12.5% for 2025, which was greater than the actuarially presumed net investment return of 7.0%. As a result, CCMWA's reported net pension asset increased by $2.6 million to $5.0 million for 2025.
- Total net position increased from $916.3 million in 2024 to $964.1 million in 2025, an increase of 5.2% or $47.8 million.
- At December 31, 2025, the Authority reported an unrestricted net position of $314.9 million, compared to $308.2 million in 2024, which is an increase of $6.7 million.

Authority Highlights

Highlights for 2025

Construction in Progress:

Projects in design in 2025:
- West Side Loop 3 Water Main Replacement
- Blow-off and Critical Valve Replacements – Round 9
- Bartow County Supply Water Main Phase 1
- Pine Mountain Tank No. 1 Replacement (5MG)

Projects under construction in 2025:
- Factory Shoals 36" and Six Flags 24" Water Main Replacements
- Mars Hill Church Rd to Pine Mountain 36" Water Main
- Stilesboro/White Circle/Old Hwy 41 Water Main Replacement
- Maner Road 36" Water Main Replacement
- Cedarcrest Connector 24" and 16" Water Main

- Quarles Chemical Building Replacement
- Quarles Reservoir Cleaning
- Quarles Plant 2 SCADA Replacement

Projects completed in 2025:
- Critical Valve Replacements at the Quarles Water Treatment Plant
- Blow-off and Critical Valve Replacements – Round 8
- Quarles Plant 2 High Service Pump Station Roof Replacement
- Quarles 2MG Clearwell Repairs

Other Items:

- Cobb County-Marietta Water Authority's average daily demand decreased 4.2% from 79.5 million gallons per day (MGD) in 2024 to 76.2 MGD in 2025. Average rainfall decreased 20.2% in CCMWA's service area during 2025 with a total of 41.5 inches compared to 52 inches in the prior year.

- The Capital Improvement Plan (CIP) and Financial Model were revised to reflect needs over the next 50 years including: updated demand projections, anticipated regulatory requirements, and increasing construction costs. The total value of the revised five-year CIP is $486.2 million for 2026 through 2030, a decrease of $23.9 million from the prior five-year period due to project prioritization which pushed some projects beyond the five-year period.

- The Authority's Finance Division received two awards from the Government Finance Officers Association: The Distinguished Budget Presentation Award for the 2025 budget document and the Certificate of Achievement for Excellence in Financial Reporting for the 2024 Annual Comprehensive Financial Report.

- The Laboratory Division performed 33,217 tests of chemical and bacteriological samples and received the Platinum Award from the Georgia Association of Water Professionals (GAWP) recognizing five consecutive years of achievement for laboratory quality assurance and controls.

- GAWP conducted "Best Operated Plant of the Year" inspections at the Wyckoff and Quarles Treatment Divisions in 2025 and the Wyckoff Water Treatment Plant was chosen as the winner of their state-wide category. The Wyckoff Plant has won this award in four previous years.

- Both treatment plants also received the GAWP Gold Level Safety Award which recognizes the commitment and teamwork demonstrated by staff at both facilities, who consistently strive to maintain and exceed industry safety standards.

- The Transmission Division received and reviewed 9,491 pipeline location inquiries through the Utilities Protection Center. The division provided field locations of Authority facilities for 1,723 of the inquiries. The division also received a Platinum Award in the GAWP Water Distribution System Award program, recognizing eight consecutive years of this achievement.

- The Authority received the Platinum Award for Utility Excellence from the Association of Metropolitan Water Agencies (AMWA) in 2025. After being awarded the Gold Award in 2021, the Authority was eligible to apply for Platinum status three years later. This award recognizes the exceptional performance of water systems to create sustainable environments that produce ample supplies of high-quality and safe drinking water.

- The Authority reviews its outlook for proposed rate increases on an annual basis. CCMWA adopted a rate increase of 4.0% for 2025 as part of a multi-year rate program. However, in response to increasing operating expenses, capital needs, and projected revenues, CCMWA planned for and adopted a higher rate increase of 5.0% for 2026 and anticipates similar annual increases will be needed in the next five years.

Financial Statements

Cobb-County Marietta Water Authority's financial statements report information about the Authority using accounting methods similar to those used by private sector companies. These statements offer short- and long-term financial information about its activities. The Statement of Net Position reports the Authority's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and components of net position. This report provides information about the nature and amounts of investments in resources (assets) and obligations to creditors (liabilities). It also provides the basis for computing rate of return, evaluating the capital structure of the Authority and assessing the liquidity and financial flexibility of the Authority. All the current year's revenues and expenses are

accounted for in the Statement of Revenues, Expenses and Changes in Net Position. This statement measures the success of the Authority's operations over the past year and can be used to determine whether the Authority has successfully recovered all its costs through its user fees and other charges, profitability, and credit worthiness.

Finally, the Statement of Cash Flows provides information about the Authority's cash receipts and cash payments during the reporting period. The statement reports cash receipts, cash payments and net changes in cash resulting from operations, investing, capital and non-capital financing activities.

Financial Analysis of the Authority

The Statements of Net Position for 2025 and 2024 are summarized in a Condensed Statement of Net Position. (See Table I). The Authority's net position increased by 5.2% in 2025, due primarily to increased investments in capital assets. Deferred inflows and outflows of resources reported in the Authority's Statement of Net Position are related to changes in the actuarial valuation of the Authority's pension plan and deferred charges related to its Series 2019 Bond refunding. Deferred inflows of resources increased by $3.1 million to $6.2 million in 2025 and can be mainly attributed to actual plan experience and changes in plan assumptions. Deferred outflows of resources decreased by $600,000 to $1.7 million in 2025 due to the net effect of earnings on pension plan investments.

The rate of return on pension plan investments also contributed to a $5 million net pension asset, compared to the prior year's $2.4 million net pension asset. A net pension asset occurs when the fair value of plan assets is greater than the present value of estimated pension obligations.

More detailed information about the Authority's deferred inflows and outflows can be found in Note 1 of the Notes to Financial Statements. More detailed information about the Authority's pension plan can be found in Note 6 of the Notes to Financial Statements.

Table I
Condensed Statement of Net Position
(Amounts Expressed in Millions of Dollars)

	2025	2024
Assets:		
Current and Other Assets	$350.8	$324.1
Capital Assets (Net of Accumulated Depreciation)	705.8	647.6
Net Pension Asset	5.0	2.4
Total Assets	1,061.6	974.1
Deferred Outflows of Resources	1.7	2.3
Liabilities:		
Current Liabilities	18.0	20.1
Long-Term Debt Outstanding	73.1	35.0
Other Liabilities	1.9	1.9
Total Liabilities	93.0	57.0
Deferred Inflows of Resources	6.2	3.1
Net Position:		
Net Investment in Capital Assets	643.9	607.7
Restricted Debt Service	0.3	0.4
Restricted for Net Pension Asset	5.0	0.0
Unrestricted	314.9	308.2
Total Net Position	$964.1	$916.3

The Statements of Revenues, Expenses and Changes in Net Position for 2025 and 2024 are summarized in a Condensed Statement of Changes in Net Position (See Table II). The Authority achieved an increase in net position of $47.8 million for the year ended December 31, 2025, which was $3.6 million less than the $51.4 million increase achieved in 2024.

Table II Condensed Statement of Changes in Net Position
(Amounts Expressed in Millions of Dollars)

	2025	2024
Operating Revenues:		
Water Sales and Testing	$100.7	$101.1
Total Operating Revenue	100.7	101.1
Operating Expenses:		
General Expenses	2.6	2.8
Administration	1.2	1.0
Administration and Rental Buildings	0.1	0.2
Finance	0.7	0.7
Engineering Division	2.2	2.0
Human Resources	0.6	0.5
Information Technology	2.8	2.4
Research and Development	1.2	1.7
Hickory Log Creek Division	0.5	0.5
Wyckoff Plant Division	10.0	9.8
Quarles Plant Division	10.8	10.3
Maintenance	2.8	2.7
Laboratory	1.7	1.7
Transmission	3.2	2.8
Depreciation	26.0	23.1
Total Operating Expenses:	66.4	62.2
Non-Operating Revenues (Expenses):		
Interest Income	12.0	11.4
Net Increase in the Fair Value of Investments	1.3	2.7
Interest Expense and Fiscal Charges	(2.3)	(1.3)
Rental Income	0.1	0.1
Loss on Disposal of Capital Assets	-	(0.4)
Other Income	2.4	-
Total Non-Operating Revenues (Expenses), Net:	13.5	12.5
Increase in Net Position	$47.8	$51.4
Net Position, Beginning of Year	$916.3	$864.9
Net Position, End of Year	$964.1	$916.3

Revenues

The Authority's total operating revenue of $100.7 million reflects a decrease of $400,000 compared to 2024 due to lower water sales than in the prior year. (See Condensed Statement of Changes in Net Position – Table II). Operating revenue consists of water sales and testing services. Non-operating revenues include interest income, rental income, other income, and changes in the fair value of investments. Interest income increased by $600,000 to $12 million in 2025, compared to $11.4 million in the prior year. Rental income remained constant between 2024 and 2025. Other income for 2025 of $2.4 million was due to the receipt of settlement funds. Changes in the fair value of investments in 2025 resulted in an unrealized gain of $1.3 million.

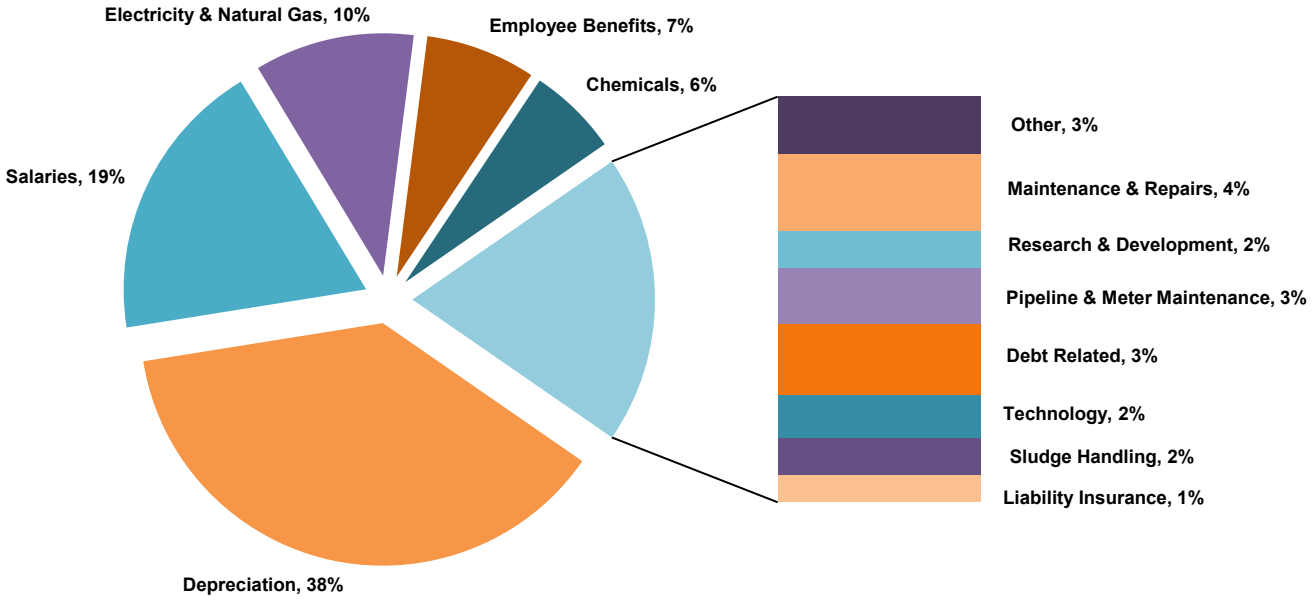
Expenses

The Authority's total operating expenses for 2025 were $66.4 million, a $4.2 increase over 2024 total expenses of $62.2 million (See Condensed Statement of Changes in Net Position – Table II). The Authority's top five expense categories each year are depreciation expense, salaries, electricity and natural gas, employee benefits, and chemicals.

Depreciation expense increased 12.6% in 2025 to $26 million due to the number of projects completed during the year and increased overall construction costs. Salaries and overtime increased 5.9% year over year to $13 million, and employee benefits increased by 7.3% to $5.0 million due to increases in pension contributions and group health insurance premiums. Electricity and natural gas increased 10.7% in 2025 to $7.3 million due to supplier price increases and multiple events requiring the use of emergency back-up power. Chemical expenses increased 6.0% year over year to $4.1 million due to increases in the per ton cost of several chemicals used for water treatment.

Debt-related expenses, included in non-operating expenses, increased from $1.3 million to $2.3 million due to the issuance of revenue bonds during the year.

2025 Expenses by Type



Capital Assets and Debt Administration

At the end of 2025, the Authority had $705.8 million invested in a broad range of capital assets, a $58.1 million increase (net of depreciation) over the prior year. During 2025, the Authority invested $84.1 million in capital assets but accumulated $26 million in additional depreciation expense (See Capital Assets as of December 31 – Table III). More detailed information about capital assets can be found in Note 4 of the Notes to Financial Statements.

Table III
Capital Assets as of December 31
(Net of Accumulated Depreciation)

	2025	2024
Land and Easements	$34,087,174	$33,079,848
Buildings	$23,491,674	$24,270,600
Furniture and Fixtures	54,742	79,345
Vehicles	1,363,411	1,134,815
Machinery and Equipment	41,980,872	46,429,293
Distribution Lines	257,290,190	232,219,969
Pumping Stations	9,835,466	10,432,672
Treatment Plants	178,160,425	183,094,002
Water Tanks	11,707,427	12,628,097
Water Resources	29,951,626	30,882,547
	587,923,007	574,251,188
Construction in Progress	112,657,458	70,133,881
Retainage on Construction Contracts	5,177,075	3,236,590
Net Capital Assets	$705,757,540	$647,621,659

Debt Administration

The Authority had $74.9 million in outstanding long-term revenue bond debt (net of unamortized premium) at the end of 2025 (See Outstanding Long-Term Debt - Table IV) and total long-term liabilities of $75 million. The Authority's legal debt limit is $400 million. Total long-term liabilities are comprised of three components: Revenue Bonds Payable, Net Pension Liability (Asset), and Compensated Absences payable. More detailed information about long-term debt can be found in Note 5 of the Notes to Financial Statements.

In June 2015, the Authority issued Revenue Bonds, Series 2015 for the purpose of retiring $51,717,789 in notes payable to the Georgia Environmental Finance Authority (GEFA). The bonds were issued in the principal amount of $47,315,000 with interest rates ranging from 2.00% to 5.00%, interest payments due semiannually on May 1 and November 1, and principal payments due annually on November 1 with the bonds maturing on November 1, 2042. In August 2025, $20,075,000 of the outstanding bonds were advance refunded through the issuance of the Authority's Revenue Bonds, Series 2025.

In August 2025, the Authority issued Revenue Bonds, Series 2025 in the principal amount of $58,255,000. The proceeds from the bonds were used to: (i) refund a portion of the Authority's outstanding Revenue Bonds, Series 2015, (ii) finance the costs of making additions, extensions, and improvements to the water system, and (iii) pay the costs of issuance. The bonds were issued with interest rates ranging from 3.00% to 5.00%, with interest payments due semiannually on May 1 and November 1, and principal payments due annually on November 1. The bonds mature on November 1, 2055. The advance refunding resulted in a decrease of total debt service payments of $1,902,738 and a net present value of savings (economic gain) of $1,427,950.

Table IV
Outstanding Long-Term Debt

	2025	2024
Revenue Bonds Payable - Principal	$71,365,000	$34,850,000
Unamortized Premium	3,533,690	1,870,604
Less Current Bonds Payable	(1,750,000)	(1,665,000)
Total Revenue Bonds, Long-Term	73,148,690	35,055,604
Net Pension Liability (Asset)	(5,024,378)	(2,389,350)
Compensated Absences Payable	2,980,592	2,970,699
Less Current Compensated Absences Payable	(1,109,945)	(1,055,300)
Total Long-Term Liabilities	$69,994,959	$34,581,653

Looking forward to 2026

Water Sales and Testing:

- Production forecast – 77.1 MGD (28.1 billion gallons), a 0.9 MGD increase from 2025 actual production of 76.2 MGD (27.8 billion gallons).
- In-county rate $3.67 per 1000 gallons, a $0.17 increase from 2025.
- Out-of-county rate $4.05 per 1000 gallons, a $0.19 increase from 2025.
- Water testing fee of $85 per sample, a $5 per sample increase from the prior year.
- Total operating revenue is budgeted at $108.9 million, an $8.2 million increase from 2025 actual operating revenue.

Construction in Progress:

Projects scheduled to begin design in 2026:

- Trickum Road 20" Water Main Replacement
- Bartow Feed – Highway 41 to Third Army Rd to County Line 16" Water Main
- Quarles Plant 2 Pump Station Valve and Actuator Replacements
- Quarles Thickener #3 Addition and Replacement of Thickeners #1 & #2
- Wyckoff Press Filtrate Discharge Pre-Treatment
- Wyckoff Dewatering Building Replacement and Thickener Additions
- Wyckoff Raw Water Pump Station Bridge and Crane Structural Repairs
- Factory Shoals Tank Site Access Improvements

Projects scheduled to begin construction in 2026:

- Bartow Feed – Third Army Road to County Line 12" Water Main
- Blow Off and Critical Valve Replacements (Round 9)
- Pine Mountain Tank Replacement

Projects scheduled for completion in 2026:

- Factory Shoals 36" and Six Flags 24" Water Main Replacements
- Mars Hill Church Rd to Pine Mountain 36" Water Main
- Stilesboro/White Circle/Old Hwy 41 Water Main Replacement
- Blow Off and Critical Valve Replacements (Round 9)
- Maner Road 36" Water Main Replacement
- Cedarcrest Connector 24" and 16" Water Main
- Bartow Feed – Third Army Road to County Line 12" Water Main
- Forty-six (46) small capital projects and purchases scheduled for design, construction, and completion at a cost of $6.4 million

The Authority's 2026 Capital Improvement Program budget is $84.2 million, including $78.8 million in capital projects, a $3.4 million reservation for Department of Transportation led projects, and a $2 million general contingency. The Authority plans to fund most of the 2026 capital budget with net income and capital reserves, and $3.9 million in capital improvements will be funded by proceeds from the Series 2025 Revenue Bonds.

Other Items:

The Capital Improvement Plan and Financial Model will continue to be revised to reflect changing demand projections and increasing regulatory requirements. Construction costs for capital projects were updated during the 2026-2030 Capital Improvement Plan to better reflect market conditions. In addition, a 4% per year inflation factor was applied to all capital cost estimates and a 3% per year inflation factor was applied to all operational cost estimates. The 2026 budget includes a 3.4% increase in operating costs over the prior year's budget, including depreciation expense which is much lower than the prior year's 9.8% increase. Although this budget increase is closer to our long-term inflation assumptions, if the impact of inflation continues to outpace our assumptions over time, adjustments will be made to the long-term financial plan.

Requests for Information

This financial report is designed to provide a general overview of the Cobb County-Marietta Water Authority's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Cobb County-Marietta Water Authority, Attn: Director of Finance, 1170 Atlanta Industrial Drive, Marietta, GA 30066.

COBB COUNTY-MARIETTA WATER AUTHORITY
BUSINESS-TYPE ACTIVITIES
STATEMENT OF NET POSITION
DECEMBER 31, 2025

ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$	96,247,818
Receivables:		
Accounts		8,005,575
Accrued interest receivable		1,685,979
Investments		242,408,606
Restricted cash and cash equivalents		925,757
Prepaid items		1,707
Inventory		1,568,031
Total current assets		350,843,473
NONCURRENT ASSETS		
Capital assets:		
Land		34,087,174
Buildings		33,367,142
Utility plant and distribution lines		781,888,084
Furniture and fixtures		168,572
Machinery and equipment		110,398,042
Vehicles		3,189,819
Construction in progress		117,834,532
		1,080,933,365
Less accumulated depreciation		375,175,825
Total capital assets, net of accumulated depreciation		705,757,540
Net pension asset		5,024,378
Total noncurrent assets		710,781,918
Total assets		1,061,625,391
DEFERRED OUTFLOWS OF RESOURCES		
Pension-related items		1,749,774

Continued

See Notes to Financial Statements.

LIABILITIES		
CURRENT LIABILITIES		
Payable from current assets:		
Accounts payable	$	8,432,548
Accrued expenses and other liabilities		917,016
Retainage payable		5,177,075
Compensated absences payable		1,109,945
		15,636,584
Payable from restricted assets:		
Revenue bonds payable		1,750,000
Accrued interest payable		634,091
		2,384,091
Total current liabilities		18,020,675
LONG-TERM LIABILITIES		
Compensated absences payable		1,870,647
Revenue bonds payable, net		73,148,690
Total long-term liabilities		75,019,337
Total liabilities		93,040,012
DEFERRED INFLOWS OF RESOURCES		
Deferred charge on refunding		1,155,472
Pension-related items		5,048,366
Total deferred inflows of resources		6,203,838
NET POSITION		
Net investment in capital assets		643,965,014
Restricted for debt service		291,666
Restricted for net pension asset		5,024,378
Unrestricted		314,850,257
Total net position	$	964,131,315

See Notes to Financial Statements.

COBB COUNTY-MARIETTA WATER AUTHORITY
BUSINESS-TYPE ACTIVITIES
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
YEAR ENDED DECEMBER 31, 2025

Operating revenues:		
Charges for services:		
Water sales and testing	$	100,733,642
Total operating revenues		100,733,642
Operating expenses:		
General expenses		2,645,192
Administration		1,179,189
Administration and rental buildings		143,820
Finance		717,929
Engineering		2,211,059
Human resources		571,271
Information technology		2,790,311
Research and development		1,198,385
Hickory Log Creek division		505,344
Wyckoff Plant division		9,982,434
Quarles Plant division		10,751,569
Maintenance		2,814,014
Laboratory		1,748,950
Transmission		3,153,200
Depreciation		26,040,558
Total operating expenses		66,453,225
Operating income		34,280,417
Nonoperating revenues (expenses):		
Interest income		11,974,906
Net increase in the fair value of investments		1,346,645
Interest expense and fiscal charges		(2,349,275)
Rental income		132,132
Loss on disposal of capital assets		(7,216)
Other income		2,421,607
Total nonoperating revenues (expenses), net		13,518,799
Change in net position		47,799,216
Net position, beginning of year		916,332,099
Net position, end of year	$	964,131,315

See Notes to Financial Statements.

COBB COUNTY-MARIETTA WATER AUTHORITY
BUSINESS-TYPE ACTIVITIES
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2025

CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers and users	$	100,309,399
Payments for goods and services		(30,768,365)
Payments to employees		(11,901,561)
Net cash provided by operating activities		57,639,473
CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES		
Rent payments received		132,132
Net cash provided by noncapital financing activities		132,132
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Payments for purchases and construction of capital assets		(82,407,295)
Proceeds from sales of capital assets		164,125
Principal payments on long-term borrowings		(1,665,000)
Proceeds from issuance of refunding bonds		58,255,000
Premium from issuance of refunding bonds		2,849,805
Deposit with escrow agent for refunding		(19,896,278)
Issuance costs paid		(693,696)
Interest paid on long-term borrowings		(1,476,728)
Net cash used in capital and related financing activities		(44,870,067)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of investments		(110,931,656)
Proceeds from sales of investments		99,367,821
Interest received		12,163,244
Net cash provided by investing activities		599,409
Net increase in cash and cash equivalents		13,500,947
Cash and cash equivalents:		
Beginning of year		83,672,628
End of year	$	97,173,575
Classified as:		
Cash and cash equivalents	$	96,247,818
Restricted cash and cash equivalents		925,757
	$	97,173,575

Continued

COBB COUNTY-MARIETTA WATER AUTHORITY
BUSINESS-TYPE ACTIVITIES
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2025

RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating income	$	34,280,417
Adjustments to reconcile operating income to net cash provided by operating activities		
Depreciation expense		26,040,558
Changes in assets and liabilities:		
Increase in customer accounts receivable		(424,243)
Decrease in other receivables		2,421,607
Increase in inventory		(94,342)
Decrease in prepaid items		6,108
Decrease in deferred outflows of resources - pension items		612,338
Increase in net pension asset		(2,635,028)
Decrease in accounts payable		(4,953,537)
Increase in compensated absences		72,893
Increase in accrued expenses and other liabilities		383,873
Increase in deferred inflows of resources - pension items		1,928,829
Net cash provided by operating activities	$	57,639,473
NONCASH INVESTING ACTIVITIES		
Increase in fair value of investments	$	1,346,645
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES		
Retainage payable	$	1,940,485

See Notes to Financial Statements.

COBB COUNTY-MARIETTA WATER AUTHORITY
FIDUCIARY ACTIVITIES
STATEMENT OF FIDUCIARY NET POSITION
DECEMBER 31, 2025

	Pension Trust Fund
ASSETS	
Cash	$ 1,160,899
Investments:	
U.S. Government and agency bonds	6,974,145
Domestic corporate bonds	9,046,406
Foreign corporate bonds	792,010
Mortgage backed obligation	1,303,614
Municipal bonds	2,465,295
Domestic equities	11,396,168
International equities	10,539
Corporate obligations	103,151
Mutual funds - equity	9,182,718
Mutual funds - corporate bonds	3,006,277
Mutual funds - exchange traded funds	12,550,242
Accrued interest receivable	215,261
Total assets	58,206,725
NET POSITION	
Net position restricted for pension benefits	$ 58,206,725

The accompanying notes are an integral part of these financial statements.

COBB COUNTY-MARIETTA WATER AUTHORITY
FIDUCIARY ACTIVITIES
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
YEAR ENDED DECEMBER 31, 2025

	Pension Trust Fund
ADDITIONS	
Contributions	
Employer contributions	$ 1,332,641
Total contributions	1,332,641
Investment earnings	
Net increase in fair value of investments	5,480,309
Interest and dividends	1,342,693
Total investment gain	6,823,002
Investment expenses	56,318
Net investment gain	6,766,684
Total additions	8,099,325
DEDUCTIONS	
Benefit payments	2,386,451
Administrative expenses	226,377
Total deductions	2,612,828
Change in net position	5,486,497
NET POSITION RESTRICTED FOR PENSION BENEFITS	
Beginning of year	52,720,228
End of year	$ 58,206,725

The accompanying notes are an integral part of these financial statements.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Cobb County-Marietta Water Authority (the "Authority") was created by Act No. 319 of the General Assembly of the State of Georgia in 1951 and has been amended from time to time by other Acts of the General Assembly. The Act provides that the general purpose of the Authority is to acquire an adequate source or sources of water supply, treatment of such water, and distribution of water to the Cobb County Water system and the various municipalities in the County and environs, including adjoining counties and municipalities located therein.

The Authority consists of seven members who are selected as follows: (1) one member is the chairperson of the Board of Commissioners of Cobb County, Georgia; (2) one member is selected by the governing board of the City of Marietta, Georgia; (3) one member is selected by the governing body of the City of Smyrna, Georgia; (4) four members are selected by a caucus consisting of all members of the General Assembly of the State of Georgia whose districts are wholly or partially within Cobb County. The four members selected by a caucus shall include one member from the Cobb County Commission District 1 or 4 and one member from the Cobb County Commission District 2 or 3, excluding residents of Marietta and Smyrna; and two members from unincorporated Cobb County.

Fiduciary Component Unit

The Authority has appointed a Pension Committee to manage and administer the Retirement Plan. The Committee consists of not less than three members, nor more than nine, who may, but need not be, Members of the Board of Directors of the Authority, officers or employees of the Authority, or retired participants of the Retirement Plan. The members of the Committee serve at the pleasure of the Authority and any or all members may be removed by the Authority at any time and successor members of the Committee shall be named by the Authority.

The Committee has the power and duty to do all things necessary or convenient to affect the intent and purposes of the Retirement Plan. However, the authority to amend or terminate the Retirement Plan as well as the authority to direct the trustee in the investment of the trust fund remains with the Cobb County-Marietta Water Authority. The Retirement Plan is reported as a fiduciary component unit in accordance with Governmental Accounting Standards Board Statement Number 84.

Fund Accounting

The Authority uses one fund to report on its financial position and the results of its operations and a second fund to account for and provide separate information for the Authority's Retirement Plan. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions and activities.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Accounting (Continued)

A fund is a separate accounting entity with a self-balancing set of accounts. The funds presented in this report are a Proprietary Fund Type - Enterprise Fund and a Fiduciary 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. Fiduciary Funds are used to account for resources held for the benefit of parties outside the Authority. The accounting used for the fiduciary fund is much like that used for proprietary funds.

Measurement Focus/Basis of Accounting

The accounting and financial reporting treatment applied to the funds is determined by their measurement focus and basis of accounting. The Authority's financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of the timing of the related cash flows.

In accounting and reporting for its proprietary operations, the Authority applies all Governmental Accounting Standards Board (GASB) pronouncements. The Authority distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with the Authority's principal ongoing operations. The Authority's principal operating revenue is water sales while the operating expenses include direct general and administrative expenses, distribution, laboratory, water plant, depreciation, and other operating expenses. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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.

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, to be cash equivalents.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Investments (Continued)

The local government investment pool, "Georgia Fund 1," created by OCGA 36-83-8, is a stable asset value investment pool, which follows Fitch's criteria for AAAf-rated money market funds and is regulated by the Georgia Office of the State Treasurer. The pool is not registered with the SEC as an investment company. The pool's primary objectives are safety of capital, investment income, liquidity, and diversification while maintaining principal ($1 per share value). The asset value is calculated weekly to ensure stability. The pool distributes earnings (net of management fees) on a monthly basis and determines participants' shares sold and redeemed based on $1 per share. The pool also adjusts the value of its investments to fair value as of year end and the Authority's investment in the Georgia Fund 1 is reported at fair value. The Authority considers amounts held in Georgia Fund 1 as cash equivalents for financial statement presentation.

The Authority's nonparticipating interest-earning investment contracts are recorded at cost. The remaining investments are recorded at fair value. Increases or decreases in the fair value during the year are recognized as a component of interest income.

Restricted Assets

Certain resources set aside for the repayment of the Authority's revenue bonds are classified as restricted assets on the statement of net position because their use is limited by applicable covenants.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in the Authority's financial statements.

Inventories

Inventories of materials and supplies are stated at cost using the first-in, first-out (FIFO) method. The Authority uses the consumption method of accounting for inventory in that as items are purchased they are added to inventory then as subsequently used are recorded to expense.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Outflows/Inflows of Resources

The Authority has deferred outflows of resources and deferred inflows of resources related to the recording of changes in its net pension liability (asset). Certain changes in the net pension liability (asset) are recognized as pension expense over time instead of all being recognized in the year of occurrence. Experience gains or losses result from periodic studies by the Authority's actuary which adjust the net pension liability (asset) for actual experience for certain trend information that was previously assumed, for example the assumed dates of retirement of plan members. These experience gains or losses are recorded as deferred outflows of resources or deferred inflows of resources and are amortized into pension expense over the expected remaining service lives of plan members. Changes in actuarial assumptions, which adjust the net pension liability (asset), are also recorded as deferred outflows of resources or deferred inflows of resources and are amortized into pension expense over the expected remaining service lives of plan members. The difference between projected investment return on pension investments and actual return on those investments is also deferred and amortized against pension expense over a five-year period. The Authority also reports a deferred inflow of resources related to a deferred charge on debt refunding. The deferred charge on refunding represents the difference between the reacquisition price of old debt and its net carrying amount, deferred and amortized as a component of interest expense over the shorter life of the refunded or refunding debt.

Bond Premiums, Discounts, and Issuance Costs

Bond premiums and discounts are deferred and amortized over the term of the bonds using the effective interest method. Additionally, bond premiums and discounts are presented as an addition and reduction, respectively, of the face amount of bonds payable in the statement of net position. Issuance costs are expensed when paid in the statement of revenues, expenses, and changes in net position.

Net Position Flow Assumption

Sometimes the Authority will fund outlays for a particular purpose from both restricted (e.g., bond proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the statement of net position, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Authority's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets

The Authority has established minimum capitalization thresholds for its various classes of capital assets. These assets are depreciated using the straight-line method according to the following estimated ranges of useful lives:

Capital Asset Class	Threshold	Estimated Useful Life
Computer Hardware and Software	> $5,000	3 Years
Furniture, Fixtures, and Other Equipment	> $5,000	5-7 Years
Laboratory and Monitoring Equipment	> $5,000	10 Years
Building and Building Improvements	> $10,000	25-50 Years
Infrastructure	> $10,000	10-50 Years
Machinery and Equipment	> $10,000	5-25 Years
Vehicles	> $10,000	5 Years
Intangible Assets	> $25,000	3-50 Years

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Construction in progress and the related retainage consist of costs associated with distribution lines, pumping stations, water storage and plant construction which were not completed as of year end. Because these projects are incomplete and not ready for their intended use, no depreciation is recorded.

Compensated Absences

Annual leave hours are available to employees after the first pay period of employment in a full-time position. The maximum annual leave accruals for employees who work 40-hour weeks and 12-hour shifts are 400 hours and 600 hours, respectively.

Employees hired after February 29, 2004 earn sick leave for each pay period up to a maximum of 65 days (520 hours for 40-hour week employees and 780 hours for 12-hour shift employees). Employees hired prior to February 29, 2004 earn sick leave for each pay period up to a maximum of 90 days (720 hours for 40-hour week employees and 1080 hours for 12-hour shift employees). Accumulated sick leave over 65 days in both cases is allowed as “Earned Time.” Earned time may be taken as time off.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Pensions

Cobb County-Marietta Water Authority uses a single fiduciary fund to maintain its financial records. The fiduciary fund is accounted for on a flow of economic resources measurement focus. Revenues are recognized when earned and expenses are recognized at the time they are incurred. Employer contributions are recognized when due and employee contributions are recognized when due and payable in accordance with the terms of the Plan. Contribution refunds are recognized when due and payable in accordance with the terms of the Plan and Authority procedures for termination.

NOTE 2. DEPOSITS AND INVESTMENTS

Primary Government

Total deposits and investments as of December 31, 2025, are summarized as follows:

As reported in the Statement of Net Position		
Cash and cash equivalents	$	96,247,818
Investments		242,408,606
Restricted:		
Cash and cash equivalents		925,757
	$	339,582,181
Deposits with financial institutions	$	80,633,037
Georgia Fund 1		16,540,538
U.S. Government Agency Securities		79,044,191
U.S. Treasury Notes		163,364,415
	$	339,582,181

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 and state government instruments) to be collateralized by depository insurance, obligations of the U.S. Government, or bonds of public authorities, counties, or municipalities. Amounts that exceed standard depository insurance limits are required to be collateralized either: (1) individually by the financial institutions through pledged obligations of the U.S. Government, obligations backed by the full faith and credit of the U.S. Government, obligations of the State of Georgia or other states, or obligations of counties, municipalities, or public authorities of the State of Georgia, or (2) participation in the State of Georgia Secure Deposit Program. As of December 31, 2025, all of the financial institutions holding the Authority's deposits are participants of the State of Georgia Secure Deposit Program, which is administered by the Office of the State Treasurer, and requires participating banks holding deposits of public funds to pledge collateral at varying rates depending on tier assigned by the State. As of December 31, 2025, all of the Authority's bank balances were insured and/or collateralized as defined by GASB and required by state statutes.

NOTE 2. DEPOSITS AND INVESTMENTS (CONTINUED)

Primary Government (Continued)

Credit Risk. State statutes authorize the Authority to invest in U.S. Government obligations; U.S. Government agency (or other corporation of the U.S. Government) obligations; obligations fully insured or guaranteed by the U.S. Government or a U.S. Government agency; obligations of the State of Georgia or other states; obligations of other counties, municipal corporations and political subdivisions of the State of Georgia; negotiable certificates of deposit issued by any bank or trust company organized under the laws of any state of the United States of America; prime bankers' acceptances; repurchase agreements; and pooled-investment programs sponsored by the State of Georgia for the investment of local government funds.

Operating funds of the Authority are currently invested in the Georgia Fund 1 or U.S. Treasuries and U.S Government agencies.

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 December 31, 2025, the Authority held the following investments:

Investment	Weighted-Average Maturity (Years)	Credit Rating	Balance
United States Treasury Notes	1.33	AA+	$ 163,364,415
United States Government Agency Securities	0.97	AA+	79,044,191
Georgia Fund 1	0.14	AAAf	16,540,538
			$ 258,949,144

NOTE 2. DEPOSITS AND INVESTMENTS (CONTINUED)

Primary Government (Continued)

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 Authority has the following recurring fair value measurements as of December 31, 2025:

Investment	Level 1	Level 2	Fair Value
United States Treasury Notes	$ 122,080,115	$ 41,284,300	$ 163,364,415
United States Government Agency Securities	10,004,900	69,039,291	79,044,191
Total Investments Measured at Fair Value	$ 132,085,015	$ 110,323,591	242,408,606
Investments not subject to level disclosure:			
Georgia Fund 1			16,540,538
Total Investments			$ 258,949,144

The United States Treasury Notes and United States Government Agency Securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those investments. The United States Government Agency Securities and United States Treasury Notes classified as Level 2 of the fair value hierarchy are valued using option-adjusted and present value of expected future cash flow models.

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. 39. As a result, the Authority does not disclose the investment in the Georgia Fund 1 within the fair value hierarchy.

NOTE 2. DEPOSITS AND INVESTMENTS (CONTINUED)

Retirement Plan

The Authority's Retirement Plan investment policy stipulates that equity investments should be high in overall quality, reasonably diversified, and show strong or improving financial position. With regard to fixed-income investments, the investment policy stipulates that they should be primarily investment grade corporate debt securities, U.S. Treasury obligations, assets, and mortgage-backed securities.

Credit Risk – The Retirement Plan's investment policy establishes a long-term, strategic asset allocation that mitigates overall expected portfolio risk (volatility) and maximizes expected return. The Retirement Plan seeks to achieve a long-term rate of return (net of investment related fees) which meets or exceeds the assumed actuarial rate of the Retirement Plan as stated in the most recent actuarial report (currently, 7.00%). As such, the current target allocation percentages by asset class are as follows: Domestic Equities – 47.5%; International Equities – 10.0%; and Domestic Fixed Income – 42.5%.

To achieve these objectives, the trustee for the Retirement Plan has invested its funds in U.S. Government and agency bonds, corporate obligations, state and local obligations, exchange-traded funds (ETFs) in equity securities, real estate investment trusts in equity securities, domestic equities, international equities, mutual funds in equity securities, and proprietary fund investments in fixed-income securities. The U.S. Government and agency bonds have a credit rating of Aaa, and the corporate obligations and state and local obligations have a credit rating ranging from Baa1 – AAA. The remaining investments are not rated by any of the major credit ratings agencies. The Retirement Plan's weighted-average maturities (in years) as of December 31, 2025, are as follows: Corporate Bonds – 5.33; Municipal Bonds – 5.18; Mortgage Backed Securities – 3.31; U.S. Government and Agency Bonds – 9.63; Corporate Obligations – 2.24.

Rate of Return – For the year ended December 31, 2025, the annual money-weighted rate of return on Retirement Plan investments, net of pension plan investment expense, was 12.5%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Long-Term Expected Rate of Return – The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

NOTE 2. DEPOSITS AND INVESTMENTS (CONTINUED)

Retirement Plan (Continued)

Fair Value Measurements – The Retirement Plan 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 Authority Retirement Plan has the following recurring fair value measurements as of December 31, 2025:

Investment	Level 1	Level 2	Fair Value
United States Government and agency bonds	$ 6,074,417	$ 899,728	$ 6,974,145
Domestic corporate bonds	-	9,046,406	9,046,406
Foreign corporate bonds	-	792,010	792,010
Mortgage backed obligation	-	1,303,614	1,303,614
Municipal bonds	-	2,465,295	2,465,295
Domestic equities	7,506,823	3,889,345	11,396,168
International equities	-	10,539	10,539
Corporate obligations	-	103,151	103,151
Mutual funds - equity	9,182,718	-	9,182,718
Mutual funds - corporate bonds	3,006,277	-	3,006,277
Mutual funds - exchange traded funds	12,550,242	-	12,550,242
Total investments measured at fair value	$ 38,320,477	$ 18,510,088	$ 56,830,565

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 and state government instruments) to be collateralized by depository insurance, obligations of the U.S. Government, or bonds of public authorities, counties, or municipalities. Amounts that exceed standard depository insurance limits are required to be collateralized either: (1) individually by the financial institutions through pledged obligations of the U.S. Government, obligations backed by the full faith and credit of the U.S. Government, obligations of the State of Georgia or other states, or obligations of counties, municipalities, or public authorities of the State of Georgia, or (2) participation in the State of Georgia Secure Deposit Program. As of December 31, 2025, the Authority's Retirement Plan had deposits with one (1) financial institution collateralized by the State of Georgia Secure Deposit Program, which is administered by the Office of the State Treasurer, and requires participating banks holding deposits of public funds to pledge collateral at varying rates depending on tier assigned by the State.

NOTE 3. RECEIVABLES

Receivables consisted of the following at December 31, 2025:

Receivables:	
Accounts	$ 8,005,575
Accrued interest	1,685,979
Total receivables	$ 9,691,554

NOTE 4. CAPITAL ASSETS

Capital assets activity for the year ended December 31, 2025 is as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Capital assets, not being depreciated:					
Land	$ 33,079,848	$ -	$ -	$ 1,007,326	$ 34,087,174
Construction in progress	73,370,471	84,347,780	-	(39,883,719)	117,834,532
Total	106,450,319	84,347,780	-	(38,876,393)	151,921,706
Capital assets, being depreciated:					
Buildings	33,393,627	-	(26,485)	-	33,367,142
Utility plants/distribution lines	746,888,390	-	(2,250,369)	37,250,063	781,888,084
Machinery and equipment	119,749,244	-	(10,434,375)	1,083,173	110,398,042
Furniture and fixtures	175,205	-	(6,633)	-	168,572
Vehicles	2,910,933	-	(264,271)	543,157	3,189,819
Total	903,117,399	-	(12,982,133)	38,876,393	929,011,659
Less accumulated depreciation for:					
Buildings	(9,123,027)	(776,884)	24,441	-	(9,875,470)
Utility plants/distribution lines	(277,631,103)	(19,406,302)	2,094,457	-	(294,942,948)
Machinery and equipment	(73,319,951)	(5,518,207)	10,420,991	-	(68,417,167)
Furniture and fixtures	(95,860)	(24,603)	6,633	-	(113,830)
Vehicles	(1,776,118)	(314,562)	264,270	-	(1,826,410)
Total	(361,946,059)	(26,040,558)	12,810,792	-	(375,175,825)
Total capital assets, being depreciated, net	541,171,340	(26,040,558)	(171,341)	38,876,393	553,835,834
Total capital assets, net	$ 647,621,659	$ 58,307,222	$ (171,341)	$ -	$ 705,757,540

NOTE 5. LONG-TERM DEBT

Long-term debt activity for the year ended December 31, 2025 is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Series 2015 Revenue Bonds	$ 34,850,000	$ -	$ (21,740,000)	$ 13,110,000	$ -
Series 2025 Revenue Bonds	-	58,255,000	-	58,255,000	1,750,000
Plus unamortized premium	1,870,604	2,849,805	(1,186,719)	3,533,690	-
Revenue Bonds, net	36,720,604	61,104,805	(22,926,719)	74,898,690	1,750,000
Net pension liability (asset)	(2,389,350)	(7,872,948)	5,237,920	(5,024,378)	-
Compensated absences *	2,907,699	72,893	-	2,980,592	1,109,945
Total long-term liabilities	$ 37,238,953	$ 53,304,750	$ (17,688,799)	$ 72,854,904	$ 2,859,945

* The change in the compensated absences liability is presented as a net change.

Revenue Bonds

In June 2015, the Authority issued Revenue Bonds, Series 2015 for the purpose of retiring $51,717,789 in notes payable to the Georgia Environmental Finance Authority. The bonds were issued in the principal amount of $47,315,000 with interest rates ranging from 2.00% to 5.00%, interest payments due semiannually on May 1 and November 1, and principal payments due annually on November 1 with the bonds maturing on November 1, 2042. In August 2025, $20,075,000 of the outstanding bonds were advance refunded through the issuance of the Authority's Revenue Bonds, Series 2025. Net refunding escrow deposits of $19,896,278 were used to purchase U.S. Government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the refunded bonds. As a result, $20,075,000 of Series 2015 Bonds are considered to be defeased in substance and that portion of liability for those bonds has been removed.

In August 2025, the Authority issued Revenue Bonds, Series 2025 in the principal amount of $58,255,000. The proceeds from the bonds were used to: (i) refund a portion of the Authority's outstanding Revenue Bonds, Series 2015, (ii) finance the costs of making additions, extensions, and improvements to the water system, and (iii) pay the costs of issuance. The bonds were issued with interest rates ranging from 3.00% to 5.00%, with interest payments due semiannually on May 1 and November 1, and principal payments due annually on November 1. The bonds mature on November 1, 2055. The advance refunding resulted in a decrease of total debt service payments of $1,902,738 and a net present value of savings (economic gain) of $1,427,950. The Series 2025 refunding of a portion of the previously issued Series 2015 Bonds resulted in a difference between the acquisition price and net carrying amount of the old debt of $1,178,582 and this deferred charge on refunding is amortized over the remaining life of the old debt.

NOTE 5. LONG-TERM DEBT (CONTINUED)

Debt service requirements to maturity on the 2015 and 2025 Revenue Bonds are as follows:

Fiscal Year Ending December 31,	Principal	Interest	Total
2026	$ 1,750,000	$ 3,804,542	$ 5,554,542
2027	2,380,000	3,172,700	5,552,700
2028	2,500,000	3,053,700	5,553,700
2029	2,630,000	2,928,700	5,558,700
2030	2,760,000	2,797,200	5,557,200
2031-2035	15,330,000	12,453,287	27,783,287
2036-2040	15,520,000	8,737,688	24,257,688
2041-2045	8,750,000	5,909,451	14,659,451
2046-2050	8,675,000	4,051,625	12,726,625
2051-2055	11,070,000	1,660,175	12,730,175
Total	$ 71,365,000	$ 48,569,068	$ 119,934,068

The Authority's revenue bonds are special limited obligations of the Authority payable solely from and secured by a pledge of and lien on all operating revenues derived by the Authority from the ownership and operation of its water system, remaining after the payment of expenses of operating, maintaining, and repairing the system. These revenues are pledged to secure the revenue bonds of the Authority until such time that all outstanding principal has been satisfied on the bonds.

Net revenues include operating revenues less operating expenses, excluding depreciation. For the fiscal year ended December 31, 2025, net revenues totaled $60,320,975 and debt service related to the revenue bonds totaled $3,136,625.

NOTE 6. DEFINED BENEFIT PENSION PLAN

Plan Description

Plan Administration. The Authority's pension plan, the Cobb County-Marietta Water Authority Retirement Plan (the "Retirement Plan") is a single-employer, defined benefit pension plan, and is overseen by a Pension Committee and administered by a third party. The Pension Committee consists of not less than three members, nor more than nine who may, but need not be, Members of the Board of Directors of the Authority, officers or employees of the Authority, or retired participants of the Retirement Plan. The members of the Committee serve at the pleasure of the Authority and any or all members may be removed by the Authority at any time and successor members of the Committee will be named by the Authority. The Committee has the power and duty to do all things necessary to affect the intent and purposes of the Retirement Plan. However, the authority to amend or terminate the Retirement Plan as well as the authority to direct the trustee in the investment of the trust fund remains with the Authority. For the year ended December 31, 2025, the Retirement Plan did not issue separate financial statements.

Plan Membership. The Retirement Plan covers all full-time employees who are employed by and receive compensation from the Authority. At December 31, 2025, Retirement Plan membership consisted of the following:

Inactive participants currently receiving benefits	78
Inactive participants entitled to, but not receiving benefits	6
Active plan members	117
Total	201

Benefits Provided. The Retirement Plan provides retirement, disability, and death benefits. The normal retirement benefits begin at age 65 for participants who have completed five (5) years of credited service. At that time, the participant becomes eligible to receive basic annual benefits. The basic benefit is equal to 2% of the participant's average monthly compensation (those thirty-six consecutive months of credited service that produce the highest average) multiplied by the years of credited service accumulated to date, up to thirty (30) years, plus 1% of the participant's average monthly compensation (as defined above) to date multiplied by credited service in excess of thirty (30) years. These benefits are payable in the normal form, that is, a monthly annuity payable for the life of the participant. Early retirement is allowed on the last day of any month in which a participant's employment terminates and the participant has attained age fifty-five (55) and has completed at least ten (10) years of credited service. The early retirement benefit is calculated in the same manner as the normal retirement benefit and is then reduced by 1.5% for each year by which the participant's benefit commences prior to his or her normal retirement date.

NOTE 6. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Plan Description (Continued)

Benefits Provided (continued). A participant who becomes totally and permanently disabled after ten (10) years of service will receive a monthly accrued benefit commencing on the first day of the month following his or her normal retirement date. The monthly accrued benefit is calculated based upon credited service only up to inception of disability. The average monthly plan compensation for the period of disability will be determined based upon the assumption that the participant's compensation will continue at the same rate as during the last full calendar year preceding inception of disability. To be considered totally and permanently disabled, a participant must quality for Social Security disability benefits.

If a participant dies before his or her normal retirement date and has ten or more years of credited service, his or her beneficiary will receive 120 guaranteed monthly payments, commencing immediately. If a participant dies on or after his or her normal retirement date, his or her beneficiary will receive the benefit payable under the normal form elected by the participant, commencing immediately.

Contributions. A resolution by the Board of Directors of the Authority grants the authority to establish and amend the contribution requirements of the Authority to the Pension Committee, subject to the approval of the Board. The Board establishes rates based on an actuarially determined rate recommended by an independent actuary. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by Retirement Plan members during the year, with an additional amount to finance any unfunded accrued liability. The Authority is required to contribute the difference between the actuarially determined rate and the contribution rate of plan members. Currently, employees of the Authority do not contribute to the Retirement Plan. For the year ended December 31, 2025, the Authority's contribution rate was 11.28% of annual payroll.

Net Pension Liability of the Authority

The Authority's net pension liability was measured as of December 31, 2025, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of that date.

Actuarial Assumptions. The total pension liability in the December 31, 2025 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.35%
Salary increases	5.75%, compounded annually, including inflation
Investment rate of return	7.00%, net of investment expenses, including inflation

NOTE 6. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Net Pension Liability of the Authority (Continued)

Mortality rates were based on the RP-2012 Mortality for Healthy Lives with fully generational using 1/2 of Scale MP-2021 (for healthy annuitants) and the RP-2012 Mortality for Disabled Lives with fully generational using 1/2 of Scale MP-2021 (for disabled lives).

The actuarial assumptions used in the December 31, 2025 valuation were based on the results of an actuarial experience study for the period of January 1, 2016 through December 31, 2024.

The long-term expected rate of return on Retirement Plan investments was determined using a building-block method in which best-estimates of expected future nominal rates of return (expected returns, net of investment expenses) are developed for each major asset class. Multiplying the weights by the target asset allocation percentage and adding expected inflation produces the long-term expected rate of return. Best estimates of arithmetic nominal rates of return for each major asset class included in the Retirement Plan's target asset allocation as of December 31, 2025 are:

Asset Class	Target Allocation Percentage	Long-Term Expected Real Rate of Return
Domestic Equity	47.5%	9.06%
International Equity	10.0%	9.44%
Domestic Fixed Income	42.5%	4.85%

* The nominal rates of return are increased by a 2.35% inflation assumption to arrive at Expected Real Rate of Return

Discount Rate. The discount rate used to measure the total pension liability was 7.00%, which was the same as the prior year rate. The projection of cash flows used to determine the discount rate assumed that Authority contributions will continue to be made at the current rates. Based on those assumptions, the Retirement Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current Retirement Plan members.

NOTE 6. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Net Pension Liability of the Authority (Continued)

Changes in the Net Pension Liability of the Authority. The changes in the components of the net pension liability (asset) of the Authority for the year ended December 31, 2025 were as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balances at December 31, 2024	$ 50,330,878	$ 52,720,228	$ (2,389,350)
Changes for the year:			
Service cost	1,329,300	-	1,329,300
Interest	3,534,099	-	3,534,099
Differences between expected and actual difference	374,521	-	374,521
Contributions—employer	-	1,332,641	(1,332,641)
Net investment earnings (losses)	-	6,766,684	(6,766,684)
Benefit payments, including refunds of employee' contributions	(2,386,451)	(2,386,451)	-
Administrative expenses	-	(226,377)	226,377
Net changes	2,851,469	5,486,497	(2,635,028)
Balances at December 31, 2025	$ 53,182,347	$ 58,206,725	$ (5,024,378)

The required schedule of changes in the Authority's net pension liability (asset) and related ratios immediately following the notes to the financial statements presents multiyear trend information about whether the value of plan assets is increasing or decreasing over time relative to the total pension liability. The fiduciary net position as a percentage of the total pension liability was 109.4%.

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate. The following presents the net pension liability (asset) of the Authority, calculated using the discount rate of 7.00%, as well as what the Authority's net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Authority's net pension liability (asset)	$ 1,035,255	$ (5,024,378)	$ (10,188,452)

NOTE 6. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Net Pension Liability of the Authority (Continued)

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revisions as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the substantive plan in effect as of December 31, 2025 and the current sharing pattern of costs between employer and employee.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended December 31, 2025, the Authority recognized pension expense of $1,238,779. At December 31, 2025, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 1,749,774	$ 11,385
Changes in assumptions	-	2,327,754
Net difference between projected and actual earnings on pension plan investments	-	2,709,227
Total	$ 1,749,774	$ 5,048,366

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ending December 31:	
2026	$ 584,724
2027	(1,690,583)
2028	(1,252,374)
2029	(810,366)
2030	(184,330)
Thereafter	54,337
Total	$ (3,298,592)

NOTE 7. COMMITMENTS AND CONTINGENCIES

Contractual Commitments

For the year ended December 31, 2025, contractual commitments on uncompleted contracts were $113,552,736.

Contingencies and Claims

The Authority has received federal grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to the disallowance of certain expenses previously reimbursed by those agencies. Based upon prior experience, management of the Authority believes such disallowances, if any, will not be significant.

NOTE 8. 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 carries insurance for all risks of loss, including general liability and errors and omission coverage through a private insurance company. The Authority carries commercial insurance for risks of loss related to property, general liability, equipment, automobiles, and crime to cover torts, theft of and damage to assets, injuries, errors and omissions, and natural disaster. Significant losses are covered by the commercial insurance underlying these programs.

There have been no significant reductions of insurance coverage from coverage in the prior year, and settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

NOTE 9. JOINT VENTURES

On May 2, 2000, Cobb-County Marietta Water Authority (the “Authority”) and the City of Canton entered into a joint project agreement for the construction of the Hickory Log Creek Reservoir. This project includes the construction of a dam, approximately 411-acre reservoir with approximately 15 miles of shoreline, pump station and intake facility, and a pipeline connecting the Reservoir with the Etowah River. The City of Canton’s entitlement share or ownership of the project is 25% while the Authority’s share is 75%. The term of the agreement between both parties is fifty (50) years from its beginning date. Both the City of Canton and the Authority have decided it would be wasteful and a needless expense to create a separate entity to construct, administer, and operate the project. Therefore, there are no separate financial statements prepared other than the annual audited financial statements of both entities and monthly settlement statements.

NOTE 10. ECONOMIC DEPENDENCY

The Cobb County-Marietta Water Authority has ten customers for which the Authority is the source of water supply. However, one of these customers account for a significant portion of the Authority's overall operating revenues.

Cobb County, Georgia purchases its water supply from the Authority pursuant to a long-term contract that expires on May 15, 2032. For the year ended December 31, 2025, revenues from Cobb County amounted to $75,404,189 or 74.86% of the Authority's operating revenues.

REQUIRED SUPPLEMENTARY INFORMATION

COBB COUNTY-MARIETTA WATER AUTHORITY
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE AUTHORITY'S
NET PENSION LIABILITY AND RELATED RATIOS

	2025	2024	2023	2022	2021
Total pension liability					
Service cost	$ 1,329,300	$ 1,198,270	$ 1,149,220	$ 974,082	$ 890,251
Interest on total pension liability	3,534,099	3,480,404	3,386,927	3,102,455	2,899,478
Differences between expected and actual experience	374,521	(15,991)	1,108,452	2,008,510	1,145,791
Changes in assumptions	-	(1,735,347)	(2,112,697)	-	-
Changes in benefit terms	-	-	(906)	-	-
Benefit payments	(2,386,451)	(2,199,407)	(2,288,290)	(2,107,363)	(2,131,587)
Net change in total pension liability	2,851,469	727,929	1,242,706	3,977,684	2,803,933
Total pension liability - beginning	50,330,878	49,602,949	48,360,243	44,382,559	41,578,626
Total pension liability - ending (a)	$ 53,182,347	$ 50,330,878	$ 49,602,949	$ 48,360,243	$ 44,382,559
Plan fiduciary net position					
Contributions - employer	$ 1,332,641	$ 1,345,432	$ 944,000	$ 936,000	$ 936,000
Net investment income (loss)	6,766,684	5,323,017	6,813,427	(6,882,252)	5,968,323
Administrative expenses	(226,377)	(200,009)	(183,787)	-	-
Benefit payments	(2,386,451)	(2,199,407)	(2,288,290)	(2,107,363)	(2,131,587)
Net change in plan fiduciary net position	5,486,497	4,269,033	5,285,350	(8,053,615)	4,772,736
Plan fiduciary net position - beginning	52,720,228	48,451,195	43,165,845	51,219,460	46,446,724
Plan fiduciary net position - ending (b)	$ 58,206,725	$ 52,720,228	$ 48,451,195	$ 43,165,845	$ 51,219,460
Authority's net pension liability (asset) - ending (a) - (b)	$ (5,024,378)	$ (2,389,350)	$ 1,151,754	$ 5,194,398	$ (6,836,901)
Plan fiduciary net position as a percentage of the total pension liability (asset)	109.4%	104.7%	97.7%	89.3%	115.4%
Covered payroll	$ 11,813,378	$ 11,011,868	$ 10,340,696	$ 8,885,646	$ 8,197,791
Net pension liability (asset) as a percentage of covered payroll	-42.5%	-21.7%	11.1%	58.5%	-83.4%

2020	2019	2018	2017	2016
$ 778,678	$ 755,949	$ 713,658	$ 716,431	$ 620,318
2,860,753	2,717,409	2,589,156	2,442,341	2,352,652
(1,215,248)	-	(176,554)	26,445	168,602
1,192,315	(152,063)	(117,313)	-	105,001
-	-	-	-	-
(1,411,012)	(1,324,250)	(1,241,649)	(1,076,086)	(972,975)
2,205,486	1,997,045	1,767,298	2,109,131	2,273,598
39,373,140	37,376,095	35,608,797	33,499,666	31,226,068
$ 41,578,626	$ 39,373,140	$ 37,376,095	$ 35,608,797	$ 33,499,666
$ 926,000	$ 912,500	$ 902,000	$ 891,500	$ 881,500
5,066,268	6,998,923	(1,532,574)	5,357,129	1,887,368
-	-	-	-	-
(1,411,012)	(1,324,250)	(1,241,649)	(1,076,086)	(972,975)
4,581,256	6,587,173	(1,872,223)	5,172,543	1,795,893
41,865,468	35,278,295	37,150,518	31,977,975	30,182,082
$ 46,446,724	$ 41,865,468	$ 35,278,295	$ 37,150,518	$ 31,977,975
$ (4,868,098)	$ (2,492,328)	$ 2,097,800	$ (1,541,721)	$ 1,521,691
111.7%	106.3%	94.4%	104.3%	95.5%
$ 8,188,674	$ 7,878,930	$ 7,840,847	$ 7,729,785	$ 7,271,634
-59.4%	-31.6%	26.8%	-19.9%	20.9%

COBB COUNTY-MARIETTA WATER AUTHORITY
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF AUTHORITY CONTRIBUTIONS

	2025	2024	2023	2022	2021
Actuarially determined contribution	$ 1,229,773	$ 1,274,074	$ 823,120	$ 781,937	$ 768,953
Contributions in relation to the actuarially determined contribution	1,332,641	1,345,432	944,000	936,000	936,000
Contribution deficiency (excess)	$ (102,868)	$ (71,358)	$ (120,880)	$ (154,063)	$ (167,047)
Covered payroll	$ 11,813,378	$ 11,011,868	$ 10,340,696	$ 8,885,646	$ 8,197,791
Contributions as a percentage of covered payroll	11.28%	12.22%	9.13%	10.53%	11.42%

	2020	2019	2018	2017	2016
Actuarially determined contribution	$ 772,136	$ 772,136	$ 809,176	$ 752,109	$ 866,779
Contributions in relation to the actuarially determined contribution	926,000	912,500	902,000	891,500	881,500
Contribution deficiency (excess)	$ (153,864)	$ (140,364)	$ (92,824)	$ (139,391)	$ (14,721)
Covered payroll	$ 8,188,674	$ 7,878,930	$ 7,840,847	$ 7,729,785	$ 7,271,634
Contributions as a percentage of covered payroll	11.31%	11.58%	11.50%	11.53%	12.12%

Notes to the Schedule:

(1) Actuarial Assumptions

Valuation Date	January 1, 2026
Cost Method	Entry Age Normal
Actuarial Asset Valuation Method	The difference in the expected return and the actual return are spread evenly over five (5) years, adjusted if necessary to within 20% of fair value
Assumed Rate of Return on Investments	7.00% compounded annually net of investment expenses
Projected Salary Increases	5.75% compounded annually
Cost-of-Living Adjustment	Liabilities are loaded 1.0% to account for future ad-hoc COLAs
Amortization Method	Closed level percentage of pay
Remaining Amortization Period	10 years (closed)

COBB COUNTY-MARIETTA WATER AUTHORITY

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PENSION INVESTMENT RETURNS

	2025	2024	2023	2022	2021
Annual money-weighted rate of return, net of investment expenses	12.5%	10.7%	15.6%	-13.6%	13.0%

	2020	2019	2018	2017	2016
Annual money-weighted rate of return, net of investment expenses	12.2%	20.0%	-4.1%	16.8%	6.3%

STATISTICAL SECTION

This part of the Cobb County-Marietta Water Authority's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Authority's overall financial health.

Page

Financial Trends **44**

These schedules contain trend information to help the reader understand how the Authority's financial performance and well-being have changed over time.

Revenue Capacity **53**

These schedules contain information to help the reader assess the Authority's most significant revenue source – water sales and testing revenues.

Debt Capacity **57**

These schedules present information to help the reader assess the affordability of the Authority's current levels of outstanding debt and the Authority's ability to issue additional debt in the future.

Demographic and Economic Information **59**

These schedules offer demographic and economic indicators to help the reader understand the environment within which the Authority's financial activities take place.

Operating Information **61**

These schedules contain service and infrastructure data to help the reader understand how the information in the Authority's financial report relates to the services the Authority provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial report for the relevant year.

COBB COUNTY-MARIETTA WATER AUTHORITY
NET POSITION BY COMPONENT
LAST TEN YEARS
Unaudited

	2025	2024	2023	2022	2021
Net Investment in Capital Assets	$643,965,014	$607,664,465	$558,139,122	$542,541,491	$533,840,041
Restricted for Pension Asset (1)	5,024,378	-	-	-	-
Restricted for Debt Service	291,666	452,667	439,334	426,833	414,334
Unrestricted	314,850,257	308,214,967	306,296,998	274,238,794	249,913,171
Total Net Position	$964,131,315	$916,332,099	$864,875,454	$817,207,118	$784,167,546

***Source:** Cobb County-Marietta Water Authority historical financial records

(1) Restriction equal to Authority's net pension asset in 2025.

2020	2019	2018	2017	2016
$507,328,882	$467,442,390	$424,485,679	$409,392,434	$381,028,358
-	-	-	-	-
407,667	396,834	1,223,500	1,189,333	1,151,833
230,932,254	218,783,782	209,286,900	181,532,594	170,543,951
$738,668,803	$686,623,006	$634,996,079	$592,114,361	$552,724,142

COBB COUNTY-MARIETTA WATER AUTHORITY
CHANGES IN NET POSITION
LAST TEN YEARS
Unaudited

	2025	2024	2023	2022	2021
Operating Revenues	$100,733,642	$101,096,130	$95,114,351	$94,082,282	$94,853,735
Operating Expenses	66,453,225	62,256,975	57,067,946	56,173,074	48,582,789
Operating Income	34,280,417	38,839,155	38,046,405	37,909,208	46,270,946
Non-Operating Revenue (Expense)	13,518,799	12,617,490	9,621,931	(4,869,636)	(772,203)
Change in Net Position	47,799,216	51,456,645	47,668,336	33,039,572	45,498,743
Net Position - Beginning	916,332,099	864,875,454	817,207,118	784,167,546	738,668,803
Net Position - Ending	$964,131,315	$916,332,099	$864,875,454	$817,207,118	$784,167,546

*Note: Additional detail for Operating Revenues, Operating Expenses, and Non-Operating Revenue (Expense) as shown above can be found in the schedules that immediately follow.

***Source:** Cobb County-Marietta Water Authority historical financial records

2020	2019	2018	2017	2016
$95,455,151	$96,051,075	$90,478,252	$86,582,223	$89,655,464
48,490,645	48,309,734	48,964,073	46,093,835	46,224,169
46,964,506	47,741,341	41,514,179	40,488,388	43,431,295
5,081,291	3,885,586	1,367,539	(1,098,169)	(661,803)
52,045,797	51,626,927	42,881,718	39,390,219	42,769,492
686,623,006	634,996,079	592,114,361	552,724,142	509,954,650
$738,668,803	$686,623,006	$634,996,079	$592,114,361	$552,724,142

COBB COUNTY-MARIETTA WATER AUTHORITY
OPERATING REVENUES BY SOURCE
LAST TEN YEARS
Unaudited

FISCAL YEAR	WATER AND LABORATORY REVENUES	TOTAL
2016	$ 89,655,464	$ 89,655,464
2017	86,582,223	86,582,223
2018	90,478,252	90,478,252
2019	96,051,075	96,051,075
2020	95,455,151	95,455,151
2021	94,853,735	94,853,735
2022	94,082,282	94,082,282
2023	95,114,351	95,114,351
2024	101,096,130	101,096,130
2025	100,733,642	100,733,642

*__Source:__ Cobb County-Marietta Water Authority historical financial records

COBB COUNTY-MARIETTA WATER AUTHORITY
OPERATING EXPENSES BY FUNCTION
LAST TEN YEARS
Unaudited

	2016	2017		2018	2019	2020
General and Administration (1)	$ 3,861,947	$ 3,432,161		$ 4,836,136	$ 4,107,007	$ 2,787,557
Engineering Division	1,137,137	1,178,530		1,311,121	1,336,931	1,525,894
Research and Development	1,413,167	905,015		939,966	1,164,539	1,365,021
Hickory Log Creek Reservoir	409,310	438,619		371,783	409,057	381,711
Wyckoff Treatment Division	8,440,087	7,336,272	(2)	7,429,745	7,988,668	8,496,854
Quarles Treatment Division	8,079,773	6,449,373	(2)	7,068,289	6,992,325	7,290,587
Maintenance	-	2,516,400	(2)	2,904,182	2,959,008	3,055,743
Laboratory Division	1,038,546	1,035,550		1,044,719	1,131,117	1,179,088
Transmission Division	1,717,536	1,825,471		2,237,226	2,797,248	2,933,330
Depreciation	20,126,666	20,976,444		20,820,906	19,423,834	19,474,860
	$ 46,224,169	$ 46,093,835		$ 48,964,073	$ 48,309,734	$ 48,490,645

***Source:** Cobb County-Marietta Water Authority historical financial records

(1) General and Administration expense includes General, Administration, Administration and Rental Buildings, Finance, Information Technology, and Human Resources.

(2) In 2017, the Authority created the Maintenance Division through reclassification of current employees from the Quarles and Wyckoff Divisions.

2021	2022	2023	2024	2025
$ 2,803,293	$ 5,747,204	$ 5,720,440	$ 7,612,194	$ 8,047,712
1,551,020	1,688,897	1,901,480	2,026,751	2,211,059
798,599	891,085	1,103,796	1,744,773	1,198,385
470,710	544,259	499,608	474,955	505,344
7,928,961	8,476,394	8,964,294	9,825,709	9,982,434
7,837,154	8,593,495	9,480,487	10,291,577	10,751,569
3,110,378	3,375,364	3,518,913	2,665,952	2,814,014
1,206,994	1,396,126	1,517,439	1,658,719	1,748,950
2,934,333	3,767,750	2,784,710	2,809,513	3,153,200
19,941,347	21,692,500	21,576,779	23,146,832	26,040,558
$ 48,582,789	$ 56,173,074	$ 57,067,946	$ 62,256,975	$ 66,453,225

COBB COUNTY-MARIETTA WATER AUTHORITY
NON-OPERATING REVENUES (EXPENSES)
LAST TEN YEARS
Unaudited

	2016	2017	2018	2019	2020
Interest Income	$ 1,553,449	$ 1,699,327	$ 2,871,370	$ 4,222,543	$ 3,876,258
Gain (Loss) on Fair Value of Investments (1)	327,490	(640,113)	329,979	2,182,538	2,326,543
Interest Expense and Fiscal Charges	(2,832,098)	(2,610,302)	(2,416,357)	(2,052,593)	(1,549,417)
Intergovernmental	-	-	-	-	167,595
Rental Income	177,238	96,394	95,648	76,373	107,174
Gain (Loss) on Disposal of Capital Assets	37,303	13,865	(11,462)	(81,043)	22,021
Loss on Defeasance of Debt (2)	-	-	-	(571,790)	-
Other Income	74,815	342,660	498,361	109,558	131,117
Total Nonoperating Revenues (Expenses), Net	$ (661,803)	$ (1,098,169)	$ 1,367,539	$ 3,885,586	$ 5,081,291

(1) The gain (loss) reported on the fair value of the Authority's investments will vary based upon market conditions each reporting period.

(2) The outstanding Series 2009 Revenue Bonds were defeased in 2019.

(3) Increase attributable to funds received for PFA's "forever chemicals" settlement for water systems testing and filtration.

*__Source:__ Cobb County-Marietta Water Authority historical financial records

2021	2022	2023	2024	2025	
$ 2,748,223	$ 3,143,167	$ 8,134,266	$ 11,431,578	$ 11,974,906	
(2,843,842)	(6,772,609)	2,424,369	2,768,877	1,346,645	
(1,494,197)	(1,452,983)	(1,390,835)	(1,325,468)	(2,349,275)	
-	-	-	-	-	
114,291	117,089	109,212	164,104	132,132	
159,549	(41,707)	180,418	(435,464)	(7,216)	
-	-	-	-	-	
543,773	137,407	164,501	13,863	2,421,607	(3)
$ (772,203)	$ (4,869,636)	$ 9,621,931	$ 12,617,490	$ 13,518,799	

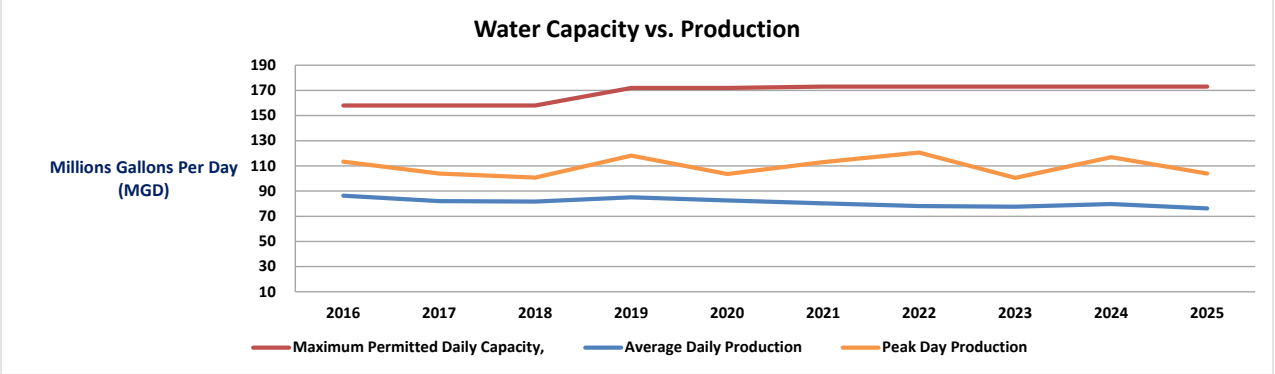
COBB COUNTY-MARIETTA WATER AUTHORITY
WATER CAPACITY COMPARED WITH ANNUAL AVERAGE DAILY FLOW
LAST TEN YEARS
(ALL NUMBERS EXPRESSED IN MILLIONS OF GALLONS)
Unaudited

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Maximum Permitted Daily Capacity, MGD of Water Treatment Plants (WTPs):										
Quarles WTP	86	86	86	86	86	87	87	87	87	87
Wyckoff WTP (1)	72	72	72	86	86	86	86	86	86	86
	158	158	158	172	172	173	173	173	173	173
Average Daily Production	86	82	82	85	83	80	78	78	80	76
Percent of Capacity Used	54.65	51.90	51.66	49.42	48.02	46.36	45.12	44.81	46.13	44.06
Peak Day Production	113	104	101	118	104	113	121	101	117	104
Percent of Capacity Used	71.75	65.82	63.73	68.70	60.23	65.32	69.72	58.09	67.60	60.13

Note: In 2025, the Authority revised the reported 2019-2024 percent of capacity used.

(1) Wyckoff Water Treatment Plant's permitted capacity was increased to 86 million gallons per day by the Georgia Environmental Protection Division in February 2019 to match the Plant's permitted withdrawals from Lake Allatoona.

***Source:** Cobb County-Marietta Water Authority Historical Records



COBB COUNTY-MARIETTA WATER AUTHORITY

NUMBER OF CUSTOMERS
LAST TEN YEARS
Unaudited

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Wholesale Water Customers										
In-County Governmental Customers (2)	5	5	5	4	4	4	4	4	4	4
In-County Industrial/Private Customers	1	1	1	1	1	1	1	1	1	1
Out-of-County Governmental Customers (1)	6	6	6	6	6	6	6	5	5	5
	12	12	12	11	11	11	11	10	10	10

***Source:** Cobb County-Marietta Water Authority Historical Records

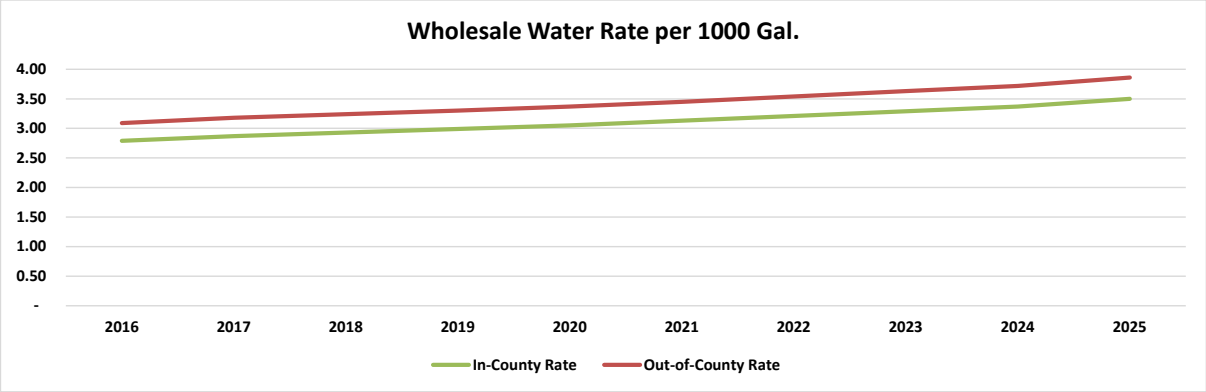
(1) Although six out-of-county governmental customers are listed, one of those customers, Fulton County, has not purchased water in over 10 years.
(2) During 2019, the City of Powder Springs sold its water system to Cobb County Water System, thereby voiding its contract with CCMWA. Sales to Cobb County Water System now includes water usage for the City of Powder Springs.

COBB COUNTY-MARIETTA WATER AUTHORITY

WHOLESALE WATER RATES
LAST TEN YEARS
Unaudited

Wholesale Water Price Per Thousand Gallons	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Base Charge	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
In-County Rate	2.79	2.87	2.93	2.99	3.05	3.13	3.21	3.29	3.37	3.50
Out-of-County Rate	3.09	3.18	3.24	3.30	3.37	3.45	3.54	3.63	3.72	3.86

***Source:** Cobb County-Marietta Water Authority historical financial records



COBB COUNTY-MARIETTA WATER AUTHORITY

LIST OF CUSTOMERS BY DEMAND
CURRENT YEAR AND NINE YEARS AGO

Unaudited

	2025			2016		
	Demand in Thousands of Gallons	Revenue	Percentage of Sales	Demand in Thousands of Gallons	Revenue	Percentage of Sales
Cobb County Water System	21,534,394	$ 75,404,189	77.4%	21,199,610	$ 59,366,984	67.3%
Paulding County (1)	1,131,161	5,191,653	4.1%	4,154,802	12,838,338	13.2%
Marietta Board of Lights and Water	2,629,576	9,203,516	9.5%	2,918,789	8,143,421	9.3%
City of Smyrna	1,493,235	5,226,323	5.4%	1,440,932	4,020,200	4.6%
City of Woodstock	434,005	1,675,731	1.6%	589,035	1,838,584	1.9%
City of Powder Springs (2)	-	-	-%	488,058	1,363,811	1.5%
City of Austell	330,387	1,156,355	1.2%	291,841	814,236	0.9%
Lockheed-Martin Corporation	253,948	904,347	0.9%	256,512	725,497	0.8%
Douglasville/Douglas County Water Water Authority (3)	4,535	1,727,903	-%	141,607	447,858	0.4%
City of Mountain Park	14,061	54,275	0.1%	15,455	47,756	-%
Cherokee County Water and Sewerage Authority	-	-	-%	2,891	9,478	-%
	27,825,302	$ 100,544,292		31,499,532	$ 89,616,163	

***Source**: Cobb County-Marietta Water Authority historical records

(1) Paulding County has informed the Cobb County-Marietta Water Authority that the County is building its own reservoir and water treatment facility.

(2) The City of Powder Springs sold its water system to Cobb County Water System in June 2019, thereby voiding its contract with CCMWA. Sales to Cobb County Water System now includes water usage for the City of Powder Springs.

(3) Douglasville/Douglas County Water Authority renewed their contract with Cobb County-Marietta Water Authority in December, 2017. The new contract recognizes Douglasville's need for water on an emergency basis only and is based on a reserved daily allocation that is charged monthly and a volumetric charge when water is purchased. This contract resulted in monthly revenue from Douglasville not related to direct water sales.

COBB COUNTY-MARIETTA WATER AUTHORITY
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN YEARS
Unaudited

Fiscal Year	Senior Lien Revenue Bonds	Total Outstanding Debt	Percentage of Personal Income	Population	Debt per Capita
2016	$ 76,301,219	$ 76,301,219	0.203%	750,730	$ 101.64
2017	76,301,219	76,301,219	0.194%	755,650	100.97
2018	69,725,480	69,725,480	0.173%	759,750	91.77
2019	63,005,964	63,005,964	0.151%	764,000	82.47
2020	45,157,874	45,157,874	0.104%	766,210	58.94
2021	43,574,153	43,574,153	0.098%	766,800	56.83
2022	41,934,248	41,934,248	0.092%	773,340	54.22
2023	40,260,962	40,260,962	0.086%	779,330	51.66
2024	38,522,904	38,522,904	0.076%	784,300	49.12
2025	74,898,690	74,898,690	0.145%	794,770	94.24

***Source**: Cobb County-Marietta Water Authority historical records

***Note:** Debt listed above does not include accrued compensated absences.

***Note 2:** Population and personal income used in this table only represents Cobb County, Georgia. Source information for those items are found in the Demographic and Economic Statistics Table.

COBB COUNTY-MARIETTA WATER AUTHORITY

PLEDGED REVENUE COVERAGE

LAST TEN YEARS

Unaudited

Fiscal Year	Operating Revenues	Other Income (Expense)	Operating Expenses (Excluding Depreciation)	Net Available Revenues	Principal	Interest	Total	Coverage Ratio
2016	$ 89,655,464	$ 2,170,295	$ 26,097,503	$ 65,728,256	$ 5,595,000	$ 3,298,072	$ 8,893,072	7.39
2017	86,582,223	1,512,133	25,117,391	62,976,965	5,860,000	3,041,240	8,901,240	7.08
2018	90,478,252	3,783,896	28,143,167	66,118,981	6,085,000	2,812,863	8,897,863	7.43
2019	96,051,075	3,885,586	28,885,900	71,050,761	6,290,000	2,611,840	8,901,840	7.98
2020	95,455,151	5,081,291	29,015,785	71,520,657	1,330,000	1,814,222	3,144,222	22.75
2021	94,853,735	(772,203)	28,641,442	65,440,090	1,395,000	1,746,077	3,141,077	20.83
2022	94,082,282	(4,869,636)	34,480,574	54,732,072	1,435,000	1,703,227	3,138,227	17.44
2023	95,114,351	9,621,931	35,491,167	69,245,115	1,510,000	1,631,477	3,141,477	22.04
2024	101,096,130	12,617,490	39,110,143	74,603,477	1,585,000	1,555,977	3,140,977	23.75
2025	100,733,642	13,518,799	40,412,667	73,839,774	1,665,000	1,476,728	3,141,728	23.50

***Source**: Cobb County-Marietta Water Authority historical records

***Note:** Cobb County-Marietta Water Authority does not receive funding from property taxes or impact fees.

COBB COUNTY-MARIETTA WATER AUTHORITY

EMPLOYMENT BY SECTOR
CURRENT YEAR AND NINE YEARS AGO

Unaudited

	2025		2016	
Industry Sector	Employees	Percentage of Total County Employment	Employees	Percentage of Total County Employment
Professional & Technical Services	71,520	11.22%	49,520	9.75%
Administrative & Waste Services	57,460	9.02%	47,440	9.35%
Miscellaneous	62,850	9.86%	50,590	9.97%
Healthcare & Social Services	57,860	9.08%	42,990	8.47%
Retail Trade	53,190	8.35%	50,480	9.94%
Construction	50,510	7.93%	38,660	7.62%
Accommodation & Food Service	42,140	6.61%	36,650	7.22%
State & Local Government	33,830	5.31%	33,260	6.55%
Real Estate, Rent & Leasing	38,500	6.04%	27,630	5.44%
Finance & Insurance	40,100	6.29%	28,230	5.56%
Transportation & Utilities	40,350	6.33%	19,640	3.87%
Other Services	33,070	5.19%	27,820	5.48%
Wholesale Trade	29,190	4.58%	29,490	5.81%
Manufacturing	21,670	3.40%	20,280	3.99%
Federal Government	4,950	0.78%	4,960	0.98%

Source: Cobb County, Georgia fiscal year 2025 Annual Comprehensive Financial Report.

COBB COUNTY-MARIETTA WATER AUTHORITY
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN YEARS
Unaudited

Fiscal Year	Population (1)	Personal Income (1)	Per Capita Personal Income (1)	County Unemployment Rate (2)
2016	750,730	$ 37,571,860,000	$ 50,047	4.50%
2017	755,650	39,388,930,000	52,126	3.60%
2018	759,750	40,375,110,000	53,143	3.20%
2019	764,000	41,806,910,000	54,721	3.20%
2020	766,210	43,361,730,000	56,592	5.70%
2021	766,800	44,444,180,000	57,961	2.90%
2022	773,340	45,683,990,000	59,074	2.40%
2023	779,330	47,081,920,000	60,413	3.10%
2024	784,300	50,505,720,000	64,396	3.40%
2025	794,770	51,758,310,000	65,124	3.10%

City	Population (2)
Acworth	23,717
Austell	8,351
Kennesaw	37,734
Marietta	63,491
Mableton	78,914
Powder Springs	19,251
Smyrna	57,682
Total	289,140

***Sources:**

(1) Woods Poole Economics 2025 Data Pamphlet.

(2) Cobb County Chamber of Commerce and City Economic Development Departments.

COBB COUNTY-MARIETTA WATER AUTHORITY

FULL-TIME EMPLOYEES BY FUNCTION

LAST TEN YEARS

Unaudited

Division	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Water Treatment and Water Resources	71	46	42	44	44	43	43	43	42	41
Maintenance	-	25	26	26	26	27	27	27	20	20
Transmission	11	11	11	10	10	10	10	10	11	11
Laboratory	10	10	10	10	10	10	10	10	11	11
Engineering	8	8	9	9	9	9	9	10	10	10
Administration and Information Systems	12	12	14	15	15	15	16	16	25	26
	112	112	112	114	114	114	115	116	119	119

*__Source:__ Cobb County-Marietta Water Authority historical records

COBB COUNTY-MARIETTA WATER AUTHORITY
WATER TANK STORAGE CAPACITY
LAST TEN YEARS
Unaudited

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Ground Level Tanks:										
Blackjack Mountain	4,200	4,200	4,200	4,200	4,200	4,200	-	-	4,200	5,000
Brush Mountain	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Pine Mountain No. 1	4,300	4,300	4,300	4,300	4,300	4,300	4,300	4,300	4,300	4,300
Pine Mountain No. 2	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Pete Shaw	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Pete Shaw No. 2	-	-	-	-	-	5,000	5,000	5,000	5,000	5,000
Factory Shoals	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Groover Mountain	3,100	3,100	3,100	3,100	3,100	3,100	3,100	3,100	3,100	3,100
Lost Mountain No. 1	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000
Lost Mountain No. 2	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000
Quarles Washwater	500	500	500	500	500	500	500	500	500	500
	40,100	40,100	40,100	40,100	40,100	45,100	40,900	40,900	45,100	45,900
Elevated Tanks:										
Wyckoff Washwater	400	400	400	400	400	400	400	400	400	400
Storage at Water Plants:										
Quarles Treatment Division	14,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000
Wyckoff Treatment Division	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000
	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
Total Water Tank Storage Capacity:	60,500	60,500	60,500	60,500	60,500	65,500	61,300	61,300	65,500	66,300

*__Source:__ Cobb County-Marietta Water Authority historical records.

__Note:__ All storage capacity figures expressed in thousands.

COBB COUNTY-MARIETTA WATER AUTHORITY
RAW WATER RESERVOIR STORAGE CAPACITY
LAST TEN YEARS
Unaudited

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Raw Water Reservoirs										
Hickory Log Creek Reservoir {% Ownership}	4,327,500	4,327,500	4,327,500	4,327,500	4,327,500	4,327,500	4,327,500	4,327,500	4,327,500	4,327,500
Allatoona Reservoir {% Ownership}	4,281,688	4,281,688	4,281,688	4,281,688	4,281,688	4,281,688	4,281,688	4,281,688	4,281,688	4,281,688
Quarles Treatment Division Reservoir	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
	8,634,188	8,634,188	8,634,188	8,634,188	8,634,188	8,634,188	8,634,188	8,634,188	8,634,188	8,634,188
Average Daily Flow										
Average Daily Production	81,000	81,000	82,000	85,000	83,000	81,000	78,000	78,000	79,800	76,300
Number of Days Supply	107	107	105	102	104	107	111	111	108	113

*__Source:__ Cobb County-Marietta Water Authority historical records

__Note:__ All storage capacity figures expressed in thousands.

COMPLIANCE SECTION

MAULDIN & JENKINS
CPAs & ADVISORS

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 Members of the Board of the
Cobb County-Marietta Water Authority
Marietta, 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 business-type activities and the remaining fund information of the Cobb County-Marietta Water Authority (the "Authority"), as of and for the year ended December 31, 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 26, 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 opinions 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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Mauldin & Jenkins, LLC

Atlanta, Georgia
March 26, 2026