RABUN COUNTY WATER AND SEWER AUTHORITY

CLAYTON, GEORGIA

FINANCIAL STATEMENTS

(WITH INDEPENDENT AUDITOR'S REPORT)

Fiscal Year Ended

JUNE 30, 2025

RABUN COUNTY WATER AND SEWER AUTHORITY
CLAYTON, GEORGIA
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

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INDEPENDENT AUDITOR'S REPORT

December 22, 2025

To the Members of the Board
Rabun County Water and Sewer Authority
Clayton, Georgia

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the business-type activities of Rabun County Water and Sewer Authority (the Authority) as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of Rabun County Water and Sewer Authority, as of June 30, 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 Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Financial Statements section of our report. We are required to be independent of Rabun County Water and Sewer Authority and to meet our ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of 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 Rabun County Water and Sewer Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted audit 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 Rabun County Water and Sewer 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 Rabun County Water and Sewer 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 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.

Management has omitted the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the financial statements is not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinion on the financial statements that collectively comprise the Rabun County Water and Sewer Authority's basic financial statements. The Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is not a required part of the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information identified above is fairly stated in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 22, 2025, on our consideration of the Rabun County Water and Sewer 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 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 Rabun County Water and Sewer 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 Rabun County Water and Sewer Authority's internal control over financial reporting and compliance.

Bates, Carter & Co., LLP

RABUN COUNTY WATER AND SEWER AUTHORITY
STATEMENT OF NET POSITION
PROPRIETARY FUND
JUNE 30, 2025

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUND
ASSETS	
Current Assets	
Cash and cash equivalents	$ 17,486
Receivables - trade net of allowance	480,029
Prepaid expenses	39,236
Restricted:	
Cash restricted - revenue bond	80,000
Total Current Assets	616,751
Noncurrent Assets	
Capital Assets:	
Capital assets, non-depreciable	2,241,670
Capital assets, depreciable	30,667,946
Less accumulated depreciation	(9,695,931)
Total Capital Assets, net	23,213,685
Total Noncurrent Assets	23,213,685
TOTAL ASSETS	$ 23,830,436

The accompanying notes are an integral part of this statement

RABUN COUNTY WATER AND SEWER AUTHORITY
STATEMENT OF NET POSITION
PROPRIETARY FUND
JUNE 30, 2025

(cont.)		BUSINESS-TYPE ACTIVITIES ENTERPRISE FUND
LIABILITIES		
Current Liabilities		
Bank overdraft	$	94,776
Accounts payable		719,664
Accrued payroll withholdings		47,683
Customer deposits		269,534
Financed purchases, current		26,951
Intergovernmental payable		258,333
Compensated absences payable, current		39,681
Current liabilities payable from restricted assets:		
Revenue bonds from direct borrowings		151,559
Total Current Liabilities		1,608,181
Long-Term Liabilities		
Financed purchases		239
Intergovernmental payable		516,667
Revenue bonds from direct borrowings		1,977,146
GEFA payable		1,051,652
Compensated absences payable		59,522
Total Long-term Liabilities		3,605,226
TOTAL LIABILITIES		5,213,407
NET POSITION		
Net investment in capital assets		19,117,483
Restricted for:		
Debt service		80,000
Unrestricted net position		(580,454)
TOTAL NET POSITION	$	18,617,029

The accompanying notes are an integral part of this statement

RABUN COUNTY WATER AND SEWER AUTHORITY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUND
Year Ended JUNE 30, 2025

Operating revenues		
Pledged as security for revenue bonds:		
Charges for water service	$	3,155,440
Charges for sewer service		1,694,683
Water tap on fee - cost		119,616
Sewer tap on fees - cost		24,427
Intergovernmental operating revenues		430,728
Total operating revenues		5,424,894
Operating expenses		
Depreciation		956,974
Engineering		66,424
Insurance		135,865
Other service and charges		637,773
Professional fees		190,207
Purchase of water		245,291
Repairs and maintenance		1,272,744
Salaries and benefits		2,487,085
Utilities		749,230
Total operating expenses		6,741,593
Operating income (loss)		(1,316,699)
Non-operating revenues (expenses)		
Interest expense		(89,096)
Gain / (Loss) on disposal of assets		56,571
Other non-operating revenues		105,602
Total non-operating revenues (expenses)		73,077
Income (loss) before contributions		(1,243,622)
Contributions		
Capital grants		770,768
Special purpose local option sales taxes transferred from Rabun County		3,107,645
Total contributions		3,878,413
Change in net position		2,634,791
Total Net Position, Beginning of Year		16,127,696
Prior Period Adjustment		(145,458)
Total Net Position, Beginning of year, as adjusted		15,982,238
Total Net Position, End of Year	$	18,617,029

The accompanying notes are an integral part of this statement

RABUN COUNTY WATER AND SEWER AUTHORITY
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
Year Ended JUNE 30, 2025

Cash flows from operating activities		
Receipts from customers and users	$	5,668,036
Payments to suppliers		(2,459,428)
Payments to employees		(2,804,326)
Net cash provided by (used in) operating activities		404,282
Cash flows from capital and related financing activities		
Acquisition and construction of capital assets		(1,996,869)
Proceeds (costs) from sale of assets		56,571
Interest paid		(88,829)
Principal payments on long-term debt		(428,049)
Proceeds from GEFA Loan Forgiveness		735,188
Proceeds from GEFA Loans		1,051,652
Net cash provided by (used in) capital and related financing activities		(670,336)
Net increase (decrease) in cash and cash equivalents		(266,054)
Cash and cash equivalents at beginning of year		268,764
Cash and cash equivalents at end of year	$	2,710
Cash and cash equivalents shown on Statement of Net Position		
Cash and cash equivalents	$	17,486
Bank overdrafts		(94,776)
Cash restricted - revenue bond construction		80,000
Total cash and cash equivalents	$	2,710

CONTINUED...

RABUN COUNTY WATER AND SEWER AUTHORITY
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
Year Ended JUNE 30, 2025

...CONTINUED

Reconciliation of operating income (loss) to net cash provided by (used in) operating activities		
Operating income (loss)	$	(1,316,699)
Adjustments to reconcile operating income (loss) to net cash provided by (used by) operating activities:		
Other non-operating revenues		105,602
Depreciation		956,974
(Increase) decrease in accounts receivable		270,176
(Increase) decrease in prepaid expense		7,285
Increase (decrease) in accounts payable		254,352
Increase (decrease) in accrued expenses		7,036
Increase (decrease) in compensated absences		20,621
Increase (decrease) in customer deposits		(132,636)
Increase (decrease) in due to other governments		231,571
Total Adjustments		1,720,981
Net cash provided by (used in) operating activities	$	404,282
Supplemental Information about non-cash activities:		
Amortization of bond premium	$	6,558
Capital contributed from Rabun County	$	2,907,645
Proceeds from restructure of debt to City of Clayton	$	56,571

The accompanying notes are an integral part of this statement

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Rabun County Water and Sewer Authority have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below.

REPORTING ENTITY

The Rabun County Water and Sewer Authority is the basic level of government that has oversight responsibility and control over all activities related to water and sewerage systems in Rabun County, Georgia. The Authority receives most of its operating revenues from sales of water and sewer service and connection fees. The Authority receives the rest of the funding from local, state, and Federal government sources and must comply with the requirements of these funding entities. The Authority is comprised of nine representatives appointed by the governing authorities as follows: two each from Rabun County and the City of Clayton, one each from the Cities of Tiger, Mountain City, Dillard, Tallulah Falls, and Sky Valley.

CITY OF CLAYTON WATER & SEWER CONSOLIDATION

On September 28, 2023, the Authority entered into an agreement with the City of Clayton to consolidate all water and sewer infrastructure so that the consolidated facilities and associated services be owned, operated, administered, maintained, and improved by the Authority and be the sole provider of water and sewer services within the City of Clayton's service area. The agreement transferred the infrastructure and the debt outstanding by the City of Clayton to the Authority. The Authority received SPLOST funding from Rabun County to pay off the aforementioned debt and to assist in the operations of the new assets into the foreseeable future.

The purpose of the transfer was to consolidate service offerings within Rabun County. The value of the assets transferred were recorded at the acquisition value as of the consolidation date. The consolidation had an impact to several parts of the financial statements, which includes increased cash flows from prior years due to the increase in customers the Authority now serves. Additional personnel costs are associated with the larger customer base and have added additional expenses to the Authority. Assets controlled by the Authority have increased due to the new infrastructure. Customer deposits and accounts receivable have seen large increases as well due to the change in customer base. The effect of the increased service activity due to the consolidation will continue in the years to come.

GOVERNMENT WIDE AND FUND FINANCIAL STATEMENTS

Because the Authority is a special-purpose government engaged only in business type activities, it is not required to present a statement of activities to comply with the provisions of GASB Statement 34.

FUND ACCOUNTING

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

A fund is a separate accounting entity with a self-balancing set of accounts.

The Authority has one fund, which is a proprietary (enterprise) fund.

Proprietary funds are used to account for operations (a) that are financed and operated in a manner similar to the private sector - where the intent of the governing body is that the expenses, including depreciation, of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

BASIS OF ACCOUNTING

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus.

Proprietary funds are accounted for on a flow of economic resources measurement focus and use the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund’s principal ongoing operations. The principal operating revenues for the Authority are charges to customers for sales and services. Operating expenses for the Authority include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the government's policy to use the restricted resources first, then unrestricted resources as they are needed.

BUDGETS

The Authority is not legally required to adopt a budget. However, the Authority Board has approved an annual operating budget for planning, control, and evaluation purposes.

CASH, CASH EQUIVALENTS, AND INVESTMENTS

Cash includes amounts in demand deposits. Cash equivalents include those investments that have an initial maturity of three months or less.

State statutes authorize the government to invest in obligations of the U.S. Treasury and of its agencies and instrumentalities; bonds or certificates of indebtedness of this state and of its agencies and instrumentalities; certificates of deposits of banks insured by FDIC; the State of Georgia Local Government Investment Pool (Georgia Fund 1); repurchase agreements; and bonds, debentures, notes or other evidence of indebtedness of any solvent corporation subject to certain conditions.

Investments are reported at fair value as of the statement of net position date. Increases or decreases in fair value during the year are recognized as part of investment income.

RESTRICTED ASSETS

Certain proceeds of the Authority's revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the Statement of Net Position because they are maintained in separate bank accounts and their use is limited by applicable bond covenants.

PREPAID ITEMS

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

BOND AND LOAN ISSUANCE COSTS, PREMIUMS, AND DISCOUNTS

Premiums and discounts are deferred and amortized over the lives of the bonds and loans on a straight-line basis, which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Amortization costs for the fiscal year 2025 were $6,558. None of these costs were capitalized in fiscal year 2025.

COMPENSATED ABSENCES

It is the Authority's policy to permit employees to accumulate earned but unused Paid Time Off (PTO) benefits. In accordance with the provisions of Statement of Governmental Accounting Standards No. 101, "*Compensated Absences*," a liability is reported for leave attributable to services already rendered and will more likely than not to be used for time off or otherwise paid in cash or settled though noncash means.

USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

CAPITAL ASSETS

Capital assets, which include property, plant, and equipment, in the proprietary fund of the Authority are recorded at historical cost. The Authority defines capital assets as assets with an initial, individual cost of $5,000 and an estimated useful life in excess of five years. Capital assets donated to these proprietary fund type operations are recorded at their estimated fair value at the date of donation.

Major outlays for capital assets and improvements are capitalized in proprietary funds as projects are constructed. Interest incurred during the construction phase of proprietary fund capital assets is reflected in the capitalized value of the asset constructed, net of interest earned on the invested proceeds over the same period.

Capital assets are depreciated in the proprietary funds of the government using the straight-line method over the following estimated useful lives:

Buildings & Improvements	15-30 Years
Infrastructure	40 Years
Machinery and Equipment	5-15 Years
Vehicles	5 Years

NET INVESTMENT IN CAPITAL ASSETS

The "net investment in capital assets" reported on the statement of net position is calculated as follows:

Net investment in capital assets:	
Cost of capital assets	$ 32,909,616
Accumulated depreciation	(9,695,931)
Book value	23,213,685
Accounts payable related to capital assets	(113,655)
GEFA Loan related to capital assets	(1,051,652)
Financed purchases	(27,190)
Revenue bonds related to capital assets	(2,128,705)
Notes payable related to capital assets	(775,000)
Net investment in capital assets	$ 19,117,483

DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Authority does not have any types of items that qualify for reporting in this category.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The Authority does not have any types of items that qualify for reporting in this category.

NOTE 2 - CORRECTION OF ERROR

Prior to the issuance of these financial statements, management discovered that accounts receivable had been overstated at June 30, 2024 as presented in the prior year financial statements issued December 19, 2024. Accordingly, the Authority has restated its beginning balance net position as presented in these financial statements.

The following table summarizes the changes to the Authority's net position as a result of error corrections.

	June 30, 2025
Beginning net position	$ 16,127,696
Adjustment to change in net position	(145,458)
Beginning net position, as restated	$ 15,982,238

NOTE 3 - DEPOSITS AND INVESTMENTS

The goal of the Authority in investing is to obtain a reasonable return on investments with a minimum exposure to potential loss of capital due to market fluctuations.

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 roles.

CREDIT RISK

The Authority has no investment policy that would further limit its investment choices.

CONCENTRATION OF CREDIT RISK

The Authority places no limit on the amount it may invest in any one issuer.

CUSTODIAL CREDIT RISK - DEPOSITS

In case of deposits, this is the risk that in the event of a bank failure, the government's deposits may not be returned. The Authority’s policies permit it to exceed the FDIC insured limit in making deposits in commercial banks and savings and loans institutions if the funds are otherwise adequately secured.

As of June 30, 2025, these deposits were fully insured and collateralized.

Depositories may secure deposits of public funds using the dedicated method or the pooled method as described below:

> Under the *dedicated method*, a depository shall secure the deposits of each of its public depositors separately. State statutes require collateral pledged in the amount of 110% of deposits.
>
> Under the *pooled method,* a depository shall secure deposits of public bodies which have deposits with it through a pool of collateral established by the depository with a custodian for the benefit of public bodies having deposits with such depository as set forth in code Section 45-8-13.1. State statutes require collateral pledged in the amount of 110% of deposits under the single bank pooled method or at least 100% of amounts greater than 20% of the daily pool balance held by any one covered depository under the multibank pooled method.

The Authority utilized the dedicated method to secure deposits of public funds.

NOTE 4 - CUSTOMER DEPOSITS

Customer deposits are amounts paid by customers to guarantee their payment of water bills.

NOTE 5 - RECEIVABLES

Trade receivables as of year-end are summarized below.

Receivables:	
Accounts	$ 639,975
Total gross receivables	639,975
Less: allowance for uncollectibles	(159,946)
Total net receivables	$ 480,029

NOTE 6 - CAPITAL ASSETS

Capital asset activity for the period ended June 30, 2025 was as follows:

	Beginning Balance	Addition(s)	Retirements	Transfers & Adjustments	Ending Balance
Business-type activities					
Non-depreciable assets:					
Land	$ 328,068	$ -	$ -	$ -	$ 328,068
Construction in progress	-	1,913,602	-	-	1,913,602
Total non-depreciable capital assets	328,068	1,913,602	-	-	2,241,670
Depreciable assets:					
Buildings	4,085,704	42,273	-	-	4,127,977
Land Improvement	-	8,500	-	-	8,500
Infrastructure	22,029,138	2,961,032	-	-	24,990,170
Vehicles	551,303	77,356	-	-	628,659
Machinery and equipment	900,050	12,590	-	-	912,640
Total depreciable capital assets	27,566,195	3,101,751	-	-	30,667,946
Less accumulated depreciation for:					
Buildings	(1,560,009)	(136,886)	-	-	(1,696,895)
Land Improvements	-	(567)	-	-	(567)
Infrastructure	(6,490,239)	(624,755)	-	-	(7,114,994)
Vehicles	(257,941)	(100,841)	-	-	(358,782)
Machinery and equipment	(430,768)	(93,925)	-	-	(524,693)
Total accumulated depreciation	(8,738,957)	(956,974)	-	-	(9,695,931)
Total depreciable capital assets, net	18,827,238	2,144,777	-	-	20,972,015
Business-type capital assets, net	$ 19,155,306	$ 4,058,379	$ -	$ -	$ 23,213,685

The Authority has authorized construction projects. The remaining costs are split between the portion of the contracts that have been entered into for which the work had not been done prior to June 30th, 2025 and the remainder of the authorized project expenditure for which contracts have not been entered into as of year end. The source of financing for the remaining project cost is noted below:

Project	Project Authorization	Expended to Date	Contracts in Progress	Authorized Not Obligated	Funding Source
Lead service Line Inventory	$ 300,000	$ 204,494	$ -	$ 95,506	General Fund/SPLOST
Mountain City Sewer Upgrades	-	17,000	-	(17,000)	General Fund
Wolffork Rd Water Extenstion	1,800,000	1,692,108	-	107,892	General Fund
Total all projects	$ 2,100,000	$ 1,913,602	$ -	$ 186,398	

NOTE 7 - NOTES FROM DIRECT BORROWINGS/LONG-TERM DEBT

Long-term liability activity for the period ended June 30, 2025, was as follows:

	Balance June 30, 2024	Increase	Decrease	Balance June 30, 2025	Due within one year	Due in more than one year
Revenue bonds from direct borrowings:						
Revenue Bonds	$ 2,195,000	$ -	$ (145,000)	$ 2,050,000	$ 145,000	$ 1,905,000
For issuance premiums and discounts	85,263	-	(6,558)	78,705	6,559	72,146
Total revenue bonds from direct borrowings	2,280,263	-	(151,558)	2,128,705	151,559	1,977,146
Notes from direct borrowings:						
Notes from direct borrowings	800,000	1,051,652	(25,000)	1,826,652	258,333	1,568,319
Financed Purchases	53,667	-	(26,477)	27,190	26,951	239
Total notes from direct borrowings	853,667	1,051,652	(51,477)	1,853,842	285,284	1,568,558
Compensated Absences	78,582	20,621	-	99,203	59,522	39,681
Total long-term liabilities	$ 3,212,512	$ 1,072,273	$ (203,035)	$ 4,081,750	$ 496,365	$ 3,585,385

REVENUE BONDS FROM DIRECT BORROWINGS

The Authority issues bonds where the Authority pledges income derived from the acquired or constructed assets to pay debt service.

During 2015, the Authority issued $3,055,000 of Series 2015 revenue bonds to provide funds to refinance three debt issues of the Clayton-Rabun County Water and Sewer Authority through an intergovernmental contract with Rabun County. These bonds, which bear interest rates from 2.0% to 4.0%, mature January 1, 2037. The outstanding balance on the 2015 bonds as of June 30, 2025 was $2,050,000.

The scheduled payments of principal and interest for all bonds payable are as follows:

For year ending June 30,	Principal	Interest	Total
2026	$ 145,000	$ 78,950	$ 223,950
2027	155,000	73,875	228,875
2028	150,000	68,450	218,450
2029	160,000	63,200	223,200
2030	170,000	57,600	227,600
2031-2035	940,000	180,400	1,120,400
2036-2037	330,000	20,000	350,000
Total	$ 2,050,000	$ 542,475	$ 2,592,475

PLEDGED REVENUES

Rabun County Water and Sewer Authority has pledged future water and sewer revenues, net of specified operating expenses, to repay an original debt of $3 million. This debt is payable solely from water and sewer net revenues and is payable through 2037. The total principal and interest remaining to be paid is $2.6 million. Principal and interest paid for the current year was $222 thousand which was approximately (37.6)% of net revenues. Rabun County did not provide a subsidy to assist in making these payments.

INTERGOVERNMENTAL PAYABLE

GEFA Loans

The Authority entered into a loan with the Georgia Environmental Facilities Authority (GEFA) during fiscal year 2025 for $1,800,000 and bears 2.45% interest. This loan was used to pay for a portion of the Wolffork Road Water Main Expansion. The loan is payable monthly and matures once all disbursements are made for the loan. The outstanding balance as of June 30, 2025 was $1,051,652.

City of Clayton Loans

On September 28, 2023, the Authority entered into an intergovernmental agreement with the City of Clayton to consolidate water and sewer infrastructure. As part of this consolidation, the Authority agreed to pay $1,000,000 to the City of Clayton, made in annual payments of $200,000 and bearing no interest. The outstanding balance on the intergovernmental note payable as of June 30, 2025 was $775,000.

The scheduled payments of principal and interest are as follows:

Year Ending June 30,	Principal	Interest	Total
2026	258,333	-	258,333
2027	258,333	-	258,333
2028	258,334	-	258,334
Total	$ 775,000	$ -	$ 775,000

FINANCED PURCHASES

The Authority purchases certain equipment under non-cancelable finance agreements. The agreements relate to equipment for water and sewer usage. The finance purchases are for a Deere Skidsteer and Deere Excavator. Ownership of the related asset will be transferred to the Authority at the end of the finance term.

The scheduled payments of principal and interest are as follows:

Year Ending June 30,	Principal	Interest	Total
2026	26,953	648	27,601
2027	237	-	237
Total	$ 27,190	$ 648	$ 27,838

LINE OF CREDIT

As of June 30th, 2025, the Authority has an unused line of credit with a limit of $100,000.

NOTE 7 - CONTINGENCIES AND COMMITMENTS

The Authority is occasionally a defendant in various lawsuits. At June 30, 2025, there were no outstanding lawsuits that would have a material adverse effect on the financial condition of the Authority.

NOTE 8 - RISK FINANCING ACTIVITIES

The Authority is exposed to various risks of losses related to torts, thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Authority purchases worker's compensation insurance from a commercial insurance company.

The Authority contracted with Allied World Specialty Insurance Company to purchase combined automobile, crime, liability and property insurance. The deductible is determined by type of claim, however $2,500 is the maximum deductible for any claim.

The following is a summary of coverage at June 30, 2025:

Umbrella excess liability protection	$	2,000,000	per occurrence/aggregate
General liability	$	3,000,000	aggregate
Products and completed work	$	3,000,000	aggregate
Personal injury	$	1,000,000	per person
Automobile Liability	$	1,000,000	per occurrence
Public entity employment liability	$	1,000,000	per occurrence
Sewer backup and premises damage	$	1,000,000	per occurrence
Cyber liability	$	100,000	per occurrence

The Authority has no outstanding claims in excess of coverage for which a liability should be recorded as of June 30, 2025.

Settled claims in the past three years have not exceeded the coverages.

NOTE 9 - RETIREMENT PLANS

DEFINED CONTRIBUTION PENSION PLAN

Effective November 21, 2014, the Authority, by resolution, adopted the AXA Equitable Retirement Gateway 401A, which operates in conjunction with the Deferred Compensation Plan discussed in NOTE 10. The Authority has the ability to amend the adoption agreement to change the contribution requirements and other matters related to the plan. The plan issues a stand alone report; it may be obtained from: AXA Equitable Life Insurance Company, 1290 Avenue of the Americas, New York, New York 10104.

Any employee can participate. Employees may contribute to the plan and the Authority matches up to 3% of the employee's salary. The Authority's match vests at the rate of 20% per year and are fully vested in 5 years.

The employee contribution for fiscal year 2025 was $58,405 and the Authority matching contribution was $22,998.

NOTE 10 - DEFERRED COMPENSATION PLAN

The Authority offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all Authority employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. Because the assets are held in trust for the employees, they are not assets of the Authority and are not reported in these financial statements.

RABUN COUNTY WATER AND SEWER AUTHORITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For Year Ended June 30, 2025

FEDERAL GRANTOR/ PASS-THRU GRANTOR/ PROGRAM TITLE	FEDERAL CFDA NUMBER	GRANT/ CONTRACT NUMBER	PROGRAM OR AWARD AMOUNT	SUB-RECIPIENT EXPENDITURES	EXPENDITURES
U. S. ENVIRONMENTAL PROTECTION AGENCY					
Passed-through the Georgia Environmental Finance Authority					
State Revolving Funds (Drinking Water)	66.468	DW2022031	$ 1,800,000	$ -	$ 1,617,926
State Revolving Funds (Drinking Water)	66.468	DWLSL2023047	400,000		204,494
			2,200,000	-	1,822,420
TOTAL U.S. ENVIRONMENTAL PROTECTION AGENCY			**2,200,000**	**-**	**1,822,420**
GRAND TOTAL			**$ 2,200,000**	**$ -**	**$ 1,822,420**

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
1. This schedule is prepared on the modified accrual basis of accounting.
2. The Authority did not elect to use the 10% de minimus cost rate as covered in 2 CFR §200.414 Indirect (F&A) costs.

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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*

December 22, 2025

To the Members of the Board
Rabun County Water and Sewer Authority
Clayton, 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 of Rabun County Water and Sewer Authority as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise Rabun County Water and Sewer Authority's basic financial statements, and have issued our report thereon dated December 22, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Rabun County Water and Sewer 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 Rabun County Water and Sewer Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Rabun County Water and Sewer Authority's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as item 2025-004 to be a material weakness.

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. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as item 2025-001 through 2025-003 to be significant deficiencies.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Rabun County Water and Sewer 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 determination of financial statement amounts. 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as item 2025-005.

Rabun County Water and Sewer Authority's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Rabun County Water and Sewer Authority's responses to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. Rabun County Water and Sewer Authority's response was not subjected to the other auditing procedures applied in the audit of the financial statements and accordingly, we express no opinion on the response.

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.

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

December 22, 2025

To the Members of the Board
Rabun County Water and Sewer Authority
Clayton, Georgia

Report on Compliance for Each Major Federal Program

Qualified and Unmodified Opinions

We have audited Rabun County Water and Sewer Authority's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Rabun County Water and Sewer Authority's major federal programs for the year ended June 30, 2025. Rabun County Water and Sewer Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Qualified Opinion on Drinking Water State Revolving Fund

In our opinion, except for the possible effects of the matter described in the Basis for Qualified and Unmodified Opinions section of our report, Rabun County Water and Sewer Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2025.

Basis for Qualified and Unmodified Opinions

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Rabun County Water and Sewer Authority and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of Rabun County Water and Sewer Authority's compliance with the compliance requirements referred to above.

Matter Giving Rise to Qualified Opinion on Drinking Water State Revolving Fund

As described in the accompanying schedule of findings and questioned costs, we were unable to obtain sufficient appropriate audit evidence supporting the compliance of the Rabun County Water and Sewer Authority with Assistance Listing No. 66.468 Drinking Water State Revolving Fund as described in finding number 2025-006 for Cash Management, consequently we were unable to determine whether Rabun County Water and Sewer Authority complied with those requirements applicable to that program.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Rabun County Water and Sewer Authority's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Rabun County Water and Sewer Authority's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, Government Auditing Standards, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Rabun County Water and Sewer Authority's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Rabun County Water and Sewer Authority's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Rabun County Water and Sewer Authority's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Rabun County Water and Sewer Authority's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

Government Auditing Standards requires the auditor to perform limited procedures on the Rabun County Water and Sewer Authority's responses to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. Rabun County Water and Sewer Authority's response was not subjected to the other auditing procedures applied in the audit of the financial statements and accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities of the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2025-004 to be a material weakness.

A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We did not identify any deficiencies in internal control over compliance that we consider to be significant deficiencies.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on the Rabun County Water and Sewer Authority's responses to the internal control over compliance findings identified in our audit and described in the accompanying schedule of findings and questioned costs. Rabun County Water and Sewer Authority's response was not subjected to the other auditing procedures applied in the audit of the financial statements and accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

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Rabun County Water and Sewer Authority
AUDITOR'S SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2025

I SUMMARY OF AUDITOR'S RESULTS:

1. Report issued on Financial Statements – Unmodified opinion.
2. Compliance (financial statements) – One material instance of noncompliance.
3. Internal Control (financial statements) – Four significant deficiencies, one material weakness.
4. Compliance (major programs) – Qualified opinion, one instance of noncompliance.
5. Internal control (major programs) – One material weaknesses.
6. Audit findings required to be reported in accordance with 2 CFR section 200.516(a)
   i) Significant deficiencies in internal controls over major programs – None reported
   ii) Material noncompliance related to major programs – See finding 2025-005
   iii) Known questioned costs greater than $25,000 for major programs – $230,728
   iv) Known questioned costs greater than $25,000 for a program not audited as major – None reported
   v) Circumstances if report on compliance is other than unmodified – See finding 2025-004, 2025-005, and 2025-006
   vi) Known fraud – N/A
   vii) Misrepresentation in schedule of prior audit findings – None reported
7. Major programs for the year – Drinking Water State Revolving Fund, CFDA 66.468
8. Dollar threshold used to distinguish between Type A and Type B programs – $750,000.
9. Does the auditee qualify as a low risk auditee – No.

II AUDIT FINDINGS - GENERALLY ACCEPTED GOVERNMENTAL AUDITING STANDARDS

Finding
Number

INTERNAL CONTROL

2025-001 **Statement of Condition (Re-issued):**
During fieldwork, we noted that inventory tracking had not been implemented and the client was unable to provide an accurate listing and count of inventory of water meters and related supplies on hand at June 30, 2025.

Criteria:
To ensure accurate inventory counts, inventory should be tracked and kept up with on a regular basis by the Authority.

Effect of Condition:
The risk of misappropriation of assets on hand.

Cause of Condition:
The Authority expenses all material purchases and an inventory listing of purchases on-hand, including location, is not maintained.

Recommendation:
We recommend the Authority implement regular inventory counts and tracking of inventory internally.

Response:
The Authority is looking into adopting an inventory management program/software to help keep track of inventory.

2025-002 **Statement of Condition (Re-issued):**
During fieldwork, we noted that a significant adjustment was necessary to properly accrue balances at year end, including but not limited to:

- Accounts receivable for the outstanding bills owed by customers
- Salaries payable owed to employees for wages earned
- Accounts payable owed to multiple vendors for services received

Criteria:
To ensure that revenues and expenses are properly stated, all accruals of balance sheet accounts should be recorded in the general ledger.

Effect of Condition:
Revenue and expenses are understated, effecting the reported and net income.

Cause of Condition:
The Authority did not record adjusting entries to recognize the effect of accruals.

Recommendation:
We recommend that the Authority include accrual adjustments to the year-end closing process.

Response:
The Authority will include accrual adjustments to the year-end closing process.

2025-003 **Statement of Condition:**
During fieldwork, we noted that the Authority did not have a proper count of customer deposits outstanding.

Criteria:
To ensure custody of funds held in deposits, the Authority should have internal controls in place to track deposits for each customer.

Effect of Condition:
The liability corresponding with customer deposits is overstated.

Cause of Condition:
The Authority's utility billing software is unequipped to be able to assist with the proper tracking of funds held.

Recommendation:
We recommend that the Authority implement internal processes to assist in the tracking and review of customer deposits activity.

Response:
The Authority will implement internal processes to assist in the tracking and review of customer deposits activity.

2025-004 **Statement of Condition:**
Internal controls over compliance and federal award programs do not appear to be effective.

Criteria:
Recipients of federal awards subject to single audit are required to establish, document, and maintain effective internal control over the Federal award that provides reasonable assurance that the recipient is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award.

Effect of Condition:
A material instance of non-compliance has been noted. See findings 2025-005 and 2025-006.

Cause of Condition:
The Authority relegates responsibility of oversight, management, approval, and reporting to a singular individual, the General Manager.

Recommendation:
We recommend that the Authority implement internal controls over federal programs to ensure segregation of duties related to the custody, authorization, and reporting processes and include a review of the grant draws and supporting invoices.

Response:
The Authority will implement internal controls over federal programs to ensure segregation of duties related to the custody, authorization and reporting processes and include a review of the grant draws and supporting invoices.

COMPLIANCE

2025-005 **Statement of Condition:**
During fieldwork, we noted that the Authority had been reimbursed for GEFA expenditures paid by Rabun County.

Criteria:
GEFA requires all costs applied to the loan program are obligations to and have been paid by the borrower.

Effect of Condition:
The Authority is out of compliance with the terms and conditions of the GEFA loan and the associated asset(s) are understated. See also finding 2025-006.

Cause of Condition:
The Authority submitted invoices paid directly by the Rabun County Board of Commissioners to GEFA in loan draw requests.

Recommendation:
We recommend that the Authority review all invoices submitted to GEFA for loan draw-down requests to ensure each request includes only expenses paid by the Authority.

Response:
The Authority will review all invoices submitted to GEFA for loan requests and ensure each loan requests includes only expenses paid by the Authority.

III FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

Finding
Number

2025-006 Cash Management

Federal Award and Specific Award Identification:
U.S. Environmental Protection Agency
Drinking Water State Revolving Fund, CFDA 66.468
GEFA Loan DW2022031
GEFA Loan DWLSL2023047

Statement of Condition:
During fieldwork, we noted invoices submitted for reimbursement to GEFA under the federally-funded Drinking Water State Revolving Fund were paid by Rabun County and did not represent obligations to the Authority.

Criteria:
Requested payments from non-Federal entities that receive reimbursement payments under cost reimbursement contracts under the Federal Acquisition Regulation must be in compliance with 48 CFR section 52.216-7(b).

Effect of Condition:
The Authority is out of compliance with the terms and conditions of the GEFA loan and the associated asset(s) are understated. During the course of the audit, the Authority communicated with Rabun County and the costs paid by the County were granted to the Authority as capital contributions.

Cause of Condition:
The Authority submitted invoices paid directly by the Rabun County Board of Commissioners to GEFA in loan draw requests.

Questioned Costs:

GEFA Loan DW2022031	$167,673
GEFA Loan DWLSL2023047	$63,055

Recommendation:
We recommend that the Authority review all invoices submitted to GEFA for loan draw-down requests to ensure each request includes only expenses paid by the Authority.

Response:
The Authority will review all invoices submitted to GEFA for loan requests and ensure each loan requests includes only expenses paid by the Authority.