# GASPARILLA ISLAND WATER ASSOCIATION, INC.

FINANCIAL STATEMENTS FOR THE

YEARS ENDED SEPTEMBER 30, 2021 AND 2020

AND

INDEPENDENT AUDITORS' REPORT

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# INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Gasparilla Island Water Association, Inc.

**Report on the Financial Statements**

We have audited the accompanying financial statements of Gasparilla Island Water Association, Inc., which comprise the balance sheets as of September 30, 2021 and 2020, and the related statements of revenue and expenses, changes in equity, and cash flows for the years then ended, and the related notes to the financial statements.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Gasparilla Island Water Association, Inc. as of September 30, 2021 and 2020, and the changes in its equity and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

**Report on Supplementary Information**

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedules on pages 16 and 17 are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

*Suplee Shea Cramer & Miller, P.A*

**SUPLEE, SHEA, CRAMER, & MILLER, P.A.**
Sarasota, FL
January 10, 2022

GASPARILLA ISLAND WATER ASSOCIATION, INC.

BALANCE SHEETS

SEPTEMBER 30, 2021 AND 2020

Assets

| | 2021 | 2020 |
|---|---|---|
| UTILITY PLANT | | |
| Property, plant and equipment, at cost | $ 36,635,094 | $ 35,650,087 |
| Less accumulated depreciation | 20,487,558 | 19,375,846 |
| Net property, plant and equipment | 16,147,536 | 16,274,241 |
| Construction in progress | 11,343,972 | 4,927,302 |
| Total Utility Plant | 27,491,508 | 21,201,543 |
| CURRENT ASSETS | | |
| Cash and cash equivalents | 4,097,040 | 5,232,767 |
| Accounts receivable, members | 486,984 | 460,112 |
| Inventory | 112,655 | 165,038 |
| Other current assets | 414,281 | 398,765 |
| Total Current Assets | 5,110,960 | 6,256,682 |
| RESTRICTED ASSETS, cash and cash equivalents | 1,080,142 | 1,089,605 |
| DEFERRED CHARGES AND OTHER ASSETS | | |
| Non-marketable participation certificates | 338,495 | 346,678 |
| Unamortized regulatory expenses | 175,038 | 199,677 |
| Utility deposits | 2,438 | 2,438 |
| Total Deferred Charges and Other Assets | 515,971 | 548,793 |
| TOTAL ASSETS | $ 34,198,581 | $ 29,096,623 |

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

GASPARILLA ISLAND WATER ASSOCIATION, INC.

BALANCE SHEETS (continued)

SEPTEMBER 30, 2021 AND 2020

Equity and Liabilities

| | 2021 | 2020 |
|---|---|---|
| EQUITY | | |
| Members' contributions | $ 6,113,621 | $ 6,042,927 |
| Developers' contributions | 1,244,553 | 894,792 |
| Retained earnings: | | |
| Board designated for capital improvements | 10,700,353 | 8,833,065 |
| Total Equity | 18,058,527 | 15,770,784 |
| LONG-TERM LIABILITIES | | |
| Notes payable, net of current portion | 14,683,986 | 12,104,498 |
| Less: unamortized debt issuance costs | (145,624) | (157,047) |
| Net notes payable | 14,538,362 | 11,947,451 |
| CURRENT LIABILITIES | | |
| Current portion of notes payable | 609,408 | 704,582 |
| Accounts payable, trade | 332,289 | 228,188 |
| Accounts payable, construction in progress | 529,350 | 311,015 |
| Accrued interest | 46,583 | 33,844 |
| Accrued wages | 4,296 | 21,874 |
| Total Current Liabilities | 1,521,926 | 1,299,503 |
| Deposits payable from restricted assets | 79,766 | 78,885 |
| Total Liabilities | 16,140,054 | 13,325,839 |
| TOTAL EQUITY AND LIABILITIES | $ 34,198,581 | $ 29,096,623 |

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

GASPARILLA ISLAND WATER ASSOCIATION, INC.

STATEMENTS OF REVENUES AND EXPENSES

FOR THE YEARS ENDED SEPTEMBER 30, 2021 AND 2020

| | 2021 | 2020 |
|---|---|---|
| OPERATING REVENUES | | |
| Water services | $ 4,424,658 | $ 4,026,613 |
| Sewer services | 2,171,082 | 1,947,186 |
| Water hook-up fees | 4,180 | 10,500 |
| Sewer hook-up fees | 2,380 | 6,620 |
| Total Operating Revenues | 6,602,300 | 5,990,919 |
| OPERATING EXPENSES | | |
| Water system | 1,350,268 | 1,270,143 |
| Sewer system | 1,085,002 | 950,881 |
| General and administrative | 994,592 | 929,080 |
| Depreciation | 1,127,402 | 1,151,241 |
| Total Operating Expenses | 4,557,264 | 4,301,345 |
| Operating Income | 2,045,036 | 1,689,574 |
| OTHER REVENUES (EXPENSES) | | |
| Interest income | 5,202 | 20,502 |
| Patronage dividends | 52,043 | 32,079 |
| Capital improvement assessment | 6,860 | 5,052 |
| Interest expense and amortization of debt expenses | (239,575) | (203,115) |
| Membership fees | 540 | 900 |
| Loss on disposal of assets | (12,327) | (6,215) |
| Other income | 9,509 | 14,760 |
| Total Other Revenues (Expenses) | (177,748) | (136,037) |
| EXCESS OF REVENUES OVER EXPENSES | $ 1,867,288 | $ 1,553,537 |

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

GASPARILLA ISLAND WATER ASSOCIATION, INC.

STATEMENTS OF CHANGES IN EQUITY

FOR THE YEARS ENDED SEPTEMBER 30, 2021 AND 2020

| | Contributed Capital in Aid of Construction | | | |
|---|---|---|---|---|
| | Members' Contributions | Developers' Contributions | Retained Earnings | Total |
| Balance, September 30, 2019 | $ 5,843,929 | $ 952,810 | $ 7,279,528 | $ 14,076,267 |
| Contributions received | 198,998 | - | - | 198,998 |
| Amortization of developers' contributions | - | (58,018) | - | (58,018) |
| Excess of Revenues over Expenses | - | - | 1,553,537 | 1,553,537 |
| Balance, September 30, 2020 | $ 6,042,927 | $ 894,792 | $ 8,833,065 | $ 15,770,784 |
| Contributions received | 70,694 | 411,297 | - | 481,991 |
| Amortization of developers' contributions | - | (61,536) | - | (61,536) |
| Excess of Revenues over Expenses | - | - | 1,867,288 | 1,867,288 |
| Balance, September 30, 2021 | $ 6,113,621 | $ 1,244,553 | $10,700,353 | $ 18,058,527 |

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

GASPARILLA ISLAND WATER ASSOCIATION, INC.

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED SEPTEMBER 30, 2021 AND 2020

| | 2021 | 2020 |
|---|---|---|
| Cash flows from operating activities: | | |
| Excess of revenues over expenses | $ 1,867,288 | $ 1,553,537 |
| Adjustments to reconcile excess of revenues over expenses to net cash provided by operating activities: | | |
| Depreciation | 1,127,402 | 1,151,241 |
| Amortization | 69,167 | 62,938 |
| Loss on disposal of assets | 12,327 | 6,215 |
| Patronage equity distributions | (17,258) | (11,406) |
| Changes in assets and liabilities | | |
| (Increase) decrease in accounts receivable, members | (26,872) | 17,658 |
| (Increase) decrease in inventory | 52,383 | (65,030) |
| (Increase) decrease in other current assets | (15,516) | (40,680) |
| Increase in unamortized regulatory expenses | (33,105) | (106,300) |
| Increase (decrease) in accounts payable, trade | 104,101 | 56,481 |
| Increase (decrease) in other liabilities | (4,839) | 16,421 |
| Increase in deposits payable from restricted assets | 881 | 1,181 |
| Total adjustments | 1,268,671 | 1,088,719 |
| Net cash provided by operating activities | 3,135,959 | 2,642,256 |
| Cash flows from investing activities: | | |
| Patronage equity retirement payment | 25,441 | 36,988 |
| Proceeds from the disposition of assets | 10,965 | 2,500 |
| Capital expenditures | (6,872,563) | (3,379,905) |
| Net cash used by investing activities | $ (6,836,157) | $ (3,340,417) |

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

GASPARILLA ISLAND WATER ASSOCIATION, INC.

STATEMENTS OF CASH FLOWS (continued)

FOR THE YEARS ENDED SEPTEMBER 30, 2021 AND 2020

| | 2021 | 2020 |
|---|---|---|
| Cash flows from financing activities: | | |
| Repayment of long-term debt | $ (656,621) | $ (631,088) |
| Proceeds from financing | 3,140,935 | 4,899,350 |
| Contributed capital in aid of construction | 70,694 | 198,998 |
| Net cash provided by financing activities | 2,555,008 | 4,467,260 |
| Increase (decrease) in cash and cash equivalents | (1,145,190) | 3,769,099 |
| Cash transferred to (from) restricted funds | 9,463 | (10,452) |
| Net increase (decrease) in cash and cash equivalents | (1,135,727) | 3,758,647 |
| Cash and cash equivalents at beginning of year | 5,232,767 | 1,474,120 |
| Cash and cash equivalents at end of year | $ 4,097,040 | $ 5,232,767 |

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

GASPARILLA ISLAND WATER ASSOCIATION, INC.

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2021 AND 2020

## Note 1 - Organization and Significant Accounting Policies

### Organization

The Association was incorporated under the laws of the State of Florida on September 12, 1966, as a corporation not for profit. The purpose of the Association is to provide water and sewer services to its subscribers (members) in the areas of Gasparilla Island.

### Significant Accounting Policies

#### Basis of Accounting

The financial statements of the Association have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

#### Accounts Receivable

Management has determined the amount of uncollectible accounts to be de minimis; therefore, no provision has been made for uncollectible accounts as of September 30, 2021 and 2020. An account is considered past due ten days after the due date. Past due accounts are charged interest at 18% per annum.

#### Inventory

Inventory is stated at the lower of cost (first-in, first-out) or net realizable value. Inventory consists of supplies and materials to maintain the Association's equipment.

#### Income Taxes

No provision has been made for income taxes. The Association is a tax-exempt organization under IRC Section 501(c)(12), whereby only unrelated business income is subject to income tax. For the fiscal years ended September 30, 2021 and 2020, the Association's entire gross income has come under Section 115(a) and, therefore, includes no unrelated business income.

ASC Topic 740 requires the Organization to recognize in the financial statements the impact of a tax position, if that position is more likely than not of being sustained on audit, based on technical merits of the position. The Organization has determined that it does not have any material unrecognized tax benefits or obligations as of September 30, 2021 and 2020.

The Association files a U.S. Federal information return of an organization exempt from income tax (Form 990). The Federal returns for the tax years 2018 through 2020 remain subject to examination by the Internal Revenue Service.

#### Utility Plant

Utility plant is recorded at cost at the time of acquisition or commencement of service for assets transferred from construction in progress. Maintenance and repairs, which significantly extend the life or enhance the value of an asset, are capitalized. Depreciation of the utility plant is computed on the straight-line basis over the estimated useful lives of the related assets.

Note 1 - Organization and Significant Accounting Policies (continued)

Significant Accounting Policies (continued)

Revenue Recognition

Revenue is recognized when billed. Rates for water are based on a minimum fee plus a consumption charge. Sewer rates are based on a fixed charge plus a factor of water usage.

Deferred Charges

Costs associated with procuring loans and certain regulatory expenses are recorded as deferred charges when incurred and are amortized over the life of the related loan or regulatory permits.

Use of Estimates

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

Note 2 - Utility Plant

Details of the utility plant at September 30, 2021 and 2020 are as follows:

| | 2021 | 2020 |
|---|---|---|
| Land | $ 445,623 | $ 459,174 |
| Utility plant in service | 35,353,966 | 34,377,532 |
| Automotive equipment | 433,344 | 433,218 |
| Office building | 113,439 | 96,383 |
| Office furniture and fixtures | 82,889 | 81,937 |
| Tools | 205,833 | 201,843 |
| | 36,635,094 | 35,650,087 |
| Less accumulated depreciation | 20,487,558 | 19,375,846 |
| | 16,147,536 | 16,274,241 |
| Construction in progress | 11,343,972 | 4,927,302 |
| | $ 27,491,508 | $ 21,201,543 |

Depreciation expense for the years ended September 30, 2021 and 2020 was $1,127,402 and $1,151,241, respectively.

Note 3 - Capitalization of Interest

The Association follows the policy of capitalizing interest as a component of the cost of the utility plant constructed for its own use. Total interest incurred was $293,340 for 2021 and $222,149 for 2020, of which $65,208 and $32,510 was capitalized in 2021 and 2020, respectively.

The capitalization rate is based on the rate paid on the Association's long-term debt.

Note 4 – Unamortized Regulatory Expenses

The Organization is required to carry certain regulatory permits that are amortized over the life of the permit. The Organization's unamortized regulatory expenses for the years ended September 30, 2021 and 2020 are as follows:

| | 2021 | 2020 |
|---|---|---|
| Unamortized regulatory expenses | $ 318,233 | $ 285,128 |
| Less: accumulated amortization | 143,195 | 85,451 |
| | $ 175,038 | $ 199,677 |

Expected amortization expense for each of the five succeeding years are as follows:

| | |
|---|---|
| 2022 | $ 65,330 |
| 2023 | 48,395 |
| 2024 | 44,862 |
| 2025 | 12,889 |
| 2026 | 1,781 |
| Thereafter | 1,781 |
| | $ 175,038 |

Note 5 - Restricted Assets

Details of restricted cash and equivalents as of September 30, 2021 and 2020 are as follows:

| | 2021 | 2020 |
|---|---|---|
| Customer deposits | $ 79,766 | $ 78,885 |
| Debt service reserve | 1,000,376 | 1,010,720 |
| | $ 1,080,142 | $ 1,089,605 |

Note 6 - Long-Term Debt

Following is a summary of long-term debt at September 30, 2021 and 2020:

| | 2021 | 2020 |
|---|---|---|
| Mortgage note payable to CoBank, ACB, in the original principal amount of $2,200,000. Interest payable monthly under fixed rate option, currently 7.11%. Principal repayable in 240 consecutive monthly installments beginning January 20, 2002 and ending December 20, 2021. Secured by all accounts, inventory, equipment, land, buildings and improvements, structures, and income. | 53,338 | 246,885 |

Note 6 - Long-Term Debt (continued)

| | | |
|---|---|---|
| Mortgage note payable to CoBank, ACB, in the original principal amount of $1,500,000. Interest payable monthly under a fixed rate option, currently 6.99%. Principal repayable in 228 consecutive monthly installments beginning January 20, 2005 and ending December 20, 2023. Secured by all accounts, inventory, equipment, land, buildings and improvements, structures, and income. | 242,407 | 343,347 |
| Mortgage note payable to CoBank, ACB, in the original principal amount of $1,500,000. As of September 2010, interest is payable monthly at a fixed rate of 4.62%. Principal repayable in 186 consecutive monthly installments beginning June 20, 2009 and ending November 20, 2024. Secured by all accounts, inventory, equipment, land, buildings and improvements, structures, and income. | 407,072 | 522,822 |
| Promissory note payable to Florida Department of Environmental Protection in an aggregate principal amount not to exceed $5,225,021. Promissory note transitioned into a mortgage note payable on August 1, 2017. Interest payable semiannually at a fixed rate of 1.16%. Principal repayable in 40 consecutive semiannual installments beginning July 15, 2018. Secured by all accounts, inventory, equipment, land, buildings and improvements, structures, and income. | 4,090,577 | 4,196,026 |
| Multiple advance term promissory note payable to CoBank, ACB, in an aggregate principal amount not to exceed $16,000,000 to finance system capital expenditures and related closing costs available to August 31, 2022. Principal and interest payable in 300 consecutive monthly installments beginning September 20, 2022 at a fixed rate of 3.75% on $7,500,000 and 4.00% on $3,000,000. Secured by all accounts, inventory, land, buildings and improvements, structures, income and a financial interest in a debt service reserve amounting to $1,000,376 as of September 30, 2021. | 10,500,000 | 7,500,000 |
| Total long-term debt | 15,293,394 | 12,809,080 |
| Less current maturities | (609,408) | (704,582) |
| Less unamortized debt expense | (145,624) | (157,047) |
| | $ 14,538,362 | $ 11,947,451 |

Note 6 - Long-Term Debt (continued)

Maturities of long-term debt for each of the five succeeding years are as follows:

| | |
|---|---|
| 2022 | $ 609,408 |
| 2023 | 951,575 |
| 2024 | 876,807 |
| 2025 | 737,412 |
| 2026 | 714,346 |
| Thereafter | 11,403,846 |
| | $ 15,293,394 |

Debt issuance costs associated with the Organization's notes payable are being amortized over the notes expected life. The Organization's unamortized debt issuance costs for the years ended September 30, 2021 and 2020 are as follows:

| | 2021 | 2020 |
|---|---|---|
| Loan Costs | $ 265,873 | $ 265,873 |
| Less: accumulated amortization | 120,249 | 108,826 |
| | $ 145,624 | $ 157,047 |

Expected amortization expense for each of the five succeeding years are as follows:

| | |
|---|---|
| 2022 | $ 11,421 |
| 2023 | 11,421 |
| 2024 | 11,421 |
| 2025 | 11,421 |
| 2026 | 11,421 |
| Thereafter | 88,519 |
| | $ 145,624 |

Line of Credit

The Association has an agreement with CoBank, ACB for an unsecured line of credit in the amount of $363,750, expires May 31, 2022. As of September 30, 2021 and 2020, there was $-0- drawn on this line.

Loan Covenants

The terms of the Organization's financing agreements contain certain covenants, the most restrictive of which is the maintenance of certain financial ratios. The Organization was in compliance with these covenants for the fiscal years ended September 30, 2021 and 2020.

Note 7 - Contributions in Aid of Construction

Monies received as connection fees for hooking up to the Association's system obligate the Association to provide services; however, the Association is under no obligation to refund or return any part of these monies. For the years ended September 30, 2021 and 2020, a portion of this fee was recognized as income to offset the expenses involved with this connection. Total connection fees recognized as income for the years ended September 30, 2021 and 2020 were $6,560 and $17,120, respectively. The remaining portions of the connection fees are recorded as contributed capital in aid of construction in the amounts of $481,991 and $198,998 for the years ended September 30, 2021 and 2020, respectively. System facilities constructed by land developers, which are contributed to the Association, are recorded at an amount equal to the construction cost incurred by the developer. The cost of these contributions is recorded as property and plant with an equal and corresponding credit to contributed capital in aid of construction. These contributions are being amortized on a straight-line basis over their estimated useful lives. This amortization is being charged to the related equity account and amounted to $61,536 and $58,018 for the years ended September 30, 2021 and 2020, respectively.

Note 8 - Pension Plan

The Association sponsors a 401(k)-pension plan for the benefit of its employees. The Association's contribution may be 0% to 15% of the compensation of each participant. Contributions to the plan were $109,118 and $96,782 for the year ended September 30, 2021 and 2020, respectively.

Note 9 - Statement of Cash Flows

For purposes of the statement of cash flows, the Association considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents. However, restricted assets will not be considered highly liquid debt instruments for these purposes.

The Association paid cash for interest in the amount of $293,340 and $222,149 for the years ended September 30, 2021 and 2020, respectively.

The Association received Class B - Participation Certificates from CoBank as a patronage equity distribution in the amount of $17,258 and $11,406 for the years ended September 30, 2021 and 2020, respectively.

Note 10 - Concentrations of Credit Risk

The Association maintains its cash accounts at commercial banks. Such amounts on deposit are insured by the Federal Deposit Insurance Corporation (FDIC) up to $250,000 per institution. The Association had $274,576 and $375,353 on deposit at commercial banks exceeding the portion insured by the FDIC as of September 30, 2021 and 2020, respectively.

Note 11 - Non-marketable Participation Certificates

The Association receives patronage distributions from CoBank. A portion of the distributions are made in cash and the remainder of the distributions is made in Class B Participation Certificates in CoBank. The certificates are issued at par value and are not marketable.

They are redeemable by CoBank when the Association reaches certain debt levels. The balances of the certificates were $338,495 and $346,678 as of September 30, 2021 and 2020, respectively. As of September 30, 2021 and 2020, $25,441 and $36,988 of Class B Participation Certificates have been redeemed, respectively.

Note 12 – Commitments

The Association has a letter of credit from CoBank, dated June 22, 2009 in the amount of $136,250, to provide funding for plugging and abandonment and/or post-closure monitoring of the Association's injection wells if such need arises. The letter of credit expires May 31, 2022, but will be automatically extended for a successive period of one year, unless the Association is notified in advance by CoBank that the letter of credit will not be extended. As of September 30, 2021 and 2020, there was $-0- drawn on this line.

The Association has certain contract commitments related to water and sewer system improvements outstanding as of September 30, 2021. The remaining commitment on those contracts is approximately $5,589,364 as of September 30, 2021.

Note 13 – Subsequent Events

Subsequent events were evaluated through January 10, 2022, which is the date the financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

GASPARILLA ISLAND WATER ASSOCIATION, INC.

WATER AND SEWER SYSTEM OPERATING EXPENSES

FOR THE YEARS ENDED SEPTEMBER 30, 2021 AND 2020

| | 2021 | 2020 |
|---|---|---|
| Water System Operating Expenses | | |
| Purchased water | $ 2,651 | $ 1,363 |
| Operations and maintenance | 242,013 | 214,106 |
| Regulatory expenses - permits | 20,224 | 15,270 |
| Electricity | 291,524 | 253,175 |
| Chemicals | 105,903 | 97,632 |
| Lab fees | 19,773 | 24,587 |
| Salaries and payroll taxes | 487,773 | 494,916 |
| Pensions and employee benefits | 178,176 | 167,598 |
| Training | 2,231 | 1,496 |
| Total Water System Operating Expenses | $ 1,350,268 | $ 1,270,143 |
| Sewer System Operating Expenses | | |
| Operations and maintenance | $ 342,443 | $ 222,021 |
| Regulatory expenses - permits | 22,219 | 26,307 |
| Electricity | 63,719 | 62,681 |
| Chemicals | 129,740 | 104,036 |
| Lab fees | 38,328 | 37,242 |
| Salaries and payroll taxes | 374,234 | 392,134 |
| Pensions and employee benefits | 111,253 | 106,390 |
| Training | 3,066 | 70 |
| Total Sewer System Operating Expenses | $ 1,085,002 | $ 950,881 |

GASPARILLA ISLAND WATER ASSOCIATION, INC.

GENERAL AND ADMINISTRATIVE EXPENSES

FOR THE YEARS ENDED SEPTEMBER 30, 2021 AND 2020

| | 2021 | 2020 |
|---|---|---|
| General and Administrative Expenses | | |
| Auto and truck expenses | $ 50,113 | $ 45,351 |
| General repairs and maintenance | 52,790 | 64,309 |
| Deferred rate study costs | 7,884 | 7,884 |
| Insurance | 350,025 | 326,339 |
| Miscellaneous | 13,757 | 15,491 |
| Office supplies and postage | 28,743 | 22,125 |
| Professional fees - accounting | 18,550 | 19,149 |
| Professional fees - engineering | 16,575 | 12,961 |
| Professional fees - legal | 2,072 | 2,736 |
| Salaries and payroll taxes, office | 324,041 | 295,904 |
| Pensions and employee benefits, office | 98,641 | 83,432 |
| Communications | 31,170 | 33,399 |
| Training | 231 | - |
| Total General and Administrative Expenses | $ 994,592 | $ 929,080 |