GASPARILLA ISLAND WATER ASSOCIATION, INC.

FINANCIAL STATEMENTS FOR THE

YEARS ENDED SEPTEMBER 30, 2022 AND 2021

AND

INDEPENDENT AUDITORS' REPORT

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INDEPENDENT AUDITORS' REPORT

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

Opinion

We have audited the accompanying financial statements of Gasparilla Island Water Association, Inc. (a nonprofit organization), which comprise the balance sheets as of September 30, 2022 and 2021, 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.

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, 2022 and 2021, 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.

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 the Financial Statements section of our report. We are required to be independent of Gasparilla Island Water Association, Inc. 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 Gasparilla Island Water Association, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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 misstatements, 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 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 judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted 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 Gasparilla Island Water Association, Inc.'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 Gasparilla Island Water Association, Inc.'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.

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 17 and 18 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 13, 2023

GASPARILLA ISLAND WATER ASSOCIATION, INC.

BALANCE SHEETS

SEPTEMBER 30, 2022 AND 2021

Assets

	2022	2021
UTILITY PLANT		
Property, plant and equipment, at cost	$ 49,428,774	$ 36,635,094
Less accumulated depreciation	21,219,336	20,487,558
Net property, plant and equipment	28,209,438	16,147,536
Construction in progress	1,759,364	11,343,972
Total Utility Plant	29,968,802	27,491,508
CURRENT ASSETS		
Cash and cash equivalents	8,226,539	4,097,040
Accounts receivable, members	595,021	486,984
Inventory	114,155	112,655
Other current assets	289,711	414,281
Total Current Assets	9,225,426	5,110,960
RESTRICTED ASSETS, cash and cash equivalents	1,081,049	1,080,142
DEFERRED CHARGES AND OTHER ASSETS		
Non-marketable participation certificates	374,264	338,495
Unamortized regulatory expenses	169,722	175,038
Utility deposits	2,438	2,438
Total Deferred Charges and Other Assets	546,424	515,971
TOTAL ASSETS	$ 40,821,701	$ 34,198,581

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

GASPARILLA ISLAND WATER ASSOCIATION, INC.

BALANCE SHEETS (continued)

SEPTEMBER 30, 2022 AND 2021

Equity and Liabilities

	2022	2021
EQUITY		
Members' contributions	$ 6,201,329	$ 6,113,621
Developers' contributions	1,210,972	1,244,553
Retained earnings:		
Board designated for capital improvements	12,266,922	10,700,353
Total Equity	19,679,223	18,058,527
LONG-TERM LIABILITIES		
Notes payable, net of current portion	19,228,404	14,683,986
Less: unamortized debt issuance costs	(134,201)	(145,624)
Net notes payable	19,094,203	14,538,362
CURRENT LIABILITIES		
Current portion of notes payable	1,159,612	609,408
Accounts payable, trade	153,671	332,289
Accounts payable, construction in progress	540,479	529,350
Accrued interest	64,164	46,583
Accrued wages	8,698	4,296
Accrued other	40,902	-
Other current liabilities	611	-
Total Current Liabilities	1,968,137	1,521,926
Deposits payable from restricted assets	80,138	79,766
Total Liabilities	21,142,478	16,140,054
TOTAL EQUITY AND LIABILITIES	$ 40,821,701	$ 34,198,581

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, 2022 AND 2021

	2022	2021
OPERATING REVENUES		
Water services	$ 4,578,202	$ 4,424,658
Sewer services	2,155,131	2,171,082
Water hook-up fees	6,325	4,180
Sewer hook-up fees	2,040	2,380
Total Operating Revenues	6,741,698	6,602,300
OPERATING EXPENSES		
Water system	1,479,567	1,350,268
Sewer system	1,044,947	1,085,002
General and administrative	1,148,092	994,592
Depreciation	1,252,933	1,127,402
Total Operating Expenses	4,925,539	4,557,264
Operating Income	1,816,159	2,045,036
OTHER REVENUES (EXPENSES)		
Interest income	5,097	5,202
Patronage dividends	107,306	52,043
Capital improvement assessment	7,780	6,860
Interest expense and amortization of debt expenses	(347,321)	(239,575)
Membership fees	360	540
Loss on disposal of assets	(31,870)	(12,327)
Other income	9,058	9,509
Total Other Revenues (Expenses)	(249,590)	(177,748)
EXCESS OF REVENUES OVER EXPENSES	$ 1,566,569	$ 1,867,288

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, 2022 AND 2021

	Contributed Capital in Aid of Construction			
	Members' Contributions	Developers' Contributions	Retained Earnings	Total
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
Contributions received	87,708	33,571	-	121,279
Amortization of developers' contributions	-	(67,152)	-	(67,152)
Excess of Revenues over Expenses	-	-	1,566,569	1,566,569
Balance, September 30, 2022	$ 6,201,329	$ 1,210,972	$12,266,922	$ 19,679,223

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, 2022 AND 2021

	2022	2021
Cash flows from operating activities:		
Excess of revenues over expenses	$ 1,566,569	$ 1,867,288
Adjustments to reconcile excess of revenues over expenses to net cash provided by operating activities:		
Depreciation	1,252,933	1,127,402
Amortization	63,764	69,167
Loss on disposal of assets	31,870	12,327
Patronage equity distributions	(35,769)	(17,258)
Changes in assets and liabilities		
Increase in accounts receivable, members	(108,037)	(26,872)
(Increase) decrease in inventory	(1,500)	52,383
(Increase) decrease in other current assets	124,570	(15,516)
Increase in unamortized regulatory expenses	(47,023)	(33,105)
Increase (decrease) in accounts payable, trade	(178,618)	104,101
Increase (decrease) in other liabilities	63,496	(4,839)
Increase in deposits payable from restricted assets	372	881
Total adjustments	1,166,058	1,268,671
Net cash provided by operating activities	2,732,627	3,135,959
Cash flows from investing activities:		
Patronage equity retirement payment	-	25,441
Proceeds from the disposition of assets	-	10,965
Capital expenditures	(3,784,551)	(6,872,563)
Net cash used by investing activities	$ (3,784,551)	$ (6,836,157)

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, 2022 AND 2021

	2022	2021
Cash flows from financing activities:		
Repayment of long-term debt	$ (556,774)	$ (656,621)
Proceeds from financing	5,651,396	3,140,935
Contributed capital in aid of construction	87,708	70,694
Net cash provided by financing activities	5,182,330	2,555,008
Increase (decrease) in cash and cash equivalents	4,130,406	(1,145,190)
Cash transferred to (from) restricted funds	(907)	9,463
Net increase (decrease) in cash and cash equivalents	4,129,499	(1,135,727)
Cash and cash equivalents at beginning of year	4,097,040	5,232,767
Cash and cash equivalents at end of year	$ 8,226,539	$ 4,097,040

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

GASPARILLA ISLAND WATER ASSOCIATION, INC.

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2022 AND 2021

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, 2022 and 2021. 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, 2022 and 2021, 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, 2022 and 2021.

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 2019 through 2021 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 extends the life or enhances 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 recorded in accordance with Revenue from Contracts with Customers (Topic 606) of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC). All revenue is based on fixed transaction prices. Accounts receivable is recorded upon an unconditional right to invoice and receive payments. Operating revenue is recognized upon completion of the Association's performance obligations. The Association has determined that there are no contract liabilities (deferred revenue).

Rates for water services are based on a minimum fee plus a consumption charge. Rates for sewer services are based on a fixed charges 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, 2022 and 2021 are as follows:

	2022	2021
Land	$ 445,623	$ 445,623
Utility plant in service	48,134,296	35,353,966
Automotive equipment	490,285	433,344
Office building	93,906	113,439
Office furniture and fixtures	68,609	82,889
Tools	196,055	205,833
	49,428,774	36,635,094
Less accumulated depreciation	21,219,336	20,487,558
	28,209,438	16,147,536
Construction in progress	1,759,364	11,343,972
	$ 29,968,802	$ 27,491,508

Note 2 - Utility Plant (continued)

Depreciation expense for the years ended September 30, 2022 and 2021 was $1,252,933 and $1,127,402, 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 $706,718 for 2022 and $293,360 for 2021, of which $371,295 and $65,208 was capitalized in 2022 and 2021, 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, 2022 and 2021 are as follows:

	2022	2021
Unamortized regulatory expenses	$ 319,019	$ 318,233
Less: accumulated amortization	149,297	143,195
	$ 169,722	$ 175,038

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

2023	$ 57,990
2024	56,111
2025	30,366
2026	11,881
2027	7,058
Thereafter	6,316
	$ 169,722

Note 5 - Restricted Asset

Details of restricted cash and equivalents as of September 30, 2022 and 2021 are as follows:

	2022	2021
Customer deposits	$ 80,138	$ 79,766
Debt service reserve	1,000,911	1,000,376
	$ 1,081,049	$ 1,080,142

Note 6 - Long-Term Debt

Following is a summary of long-term debt at September 30, 2022 and 2021:

	2022	2021
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. The liability was fully satisfied as of September 30, 2022.	$ -0-	$ 53,338
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.	137,354	242,407
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.	285,402	407,072
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.	3,995,445	4,090,577

Note 6 - Long-Term Debt (continued)

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, 4.00% on $3,000,000 and 4.15% on $5,500,000. Secured by all accounts, inventory, land, buildings and improvements, structures, income and a financial interest in a debt service reserve amounting to $1,000,911 as of September 30, 2022.	15,969,815	10,500,000
Total long-term debt	20,388,016	15,293,394
Less current maturities	(1,159,612)	(609,408)
Less unamortized debt expense	(134,201)	(145,624)
	$ 19,094,203	$ 14,538,362

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

2023	$ 1,159,612
2024	1,084,845
2025	945,449
2026	922,383
2027	922,383
Thereafter	15,353,344
	$ 20,388,016

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, 2022 and 2021 are as follows:

	2022	2021
Loan Costs	$ 265,873	$ 265,873
Less: accumulated amortization	131,672	120,249
	$ 134,201	$ 145,624

Note 6 - Long-Term Debt (continued)

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

2023	$ 11,421
2024	11,421
2025	11,421
2026	11,421
2027	11,421
Thereafter	77,096
	$ 134,201

Line of Credit

The Association has an agreement with CoBank, for an unsecured line of credit in the amount of $363,750. The line of credit expires May 31, 2023 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, 2022 and 2021, 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, 2022 and 2021.

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, 2022 and 2021, 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, 2022 and 2021 were $8,365 and $6,560, respectively. The remaining portions of the connection fees are recorded as contributed capital in aid of construction in the amounts of $121,279 and $481,991 for the years ended September 30, 2022 and 2021, 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 $67,153 and $61,536 for the years ended September 30, 2022 and 2021, 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 $104,557 and $109,118 for the year ended September 30, 2022 and 2021, 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 $718,616 and $293,340 for the years ended September 30, 2022 and 2021, respectively.

The Association received Class B - Participation Certificates from CoBank as a patronage equity distribution in the amount of $35,769 and $17,258 for the years ended September 30, 2022 and 2021, respectively.

The Association received non-cash contributed capital in aid of construction in the amount of $33,571 for the year ended September 30, 2022.

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 $588,096 and $274,576 on deposit at commercial banks exceeding the portion insured by the FDIC as of September 30, 2022 and 2021, 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 $374,263 and $338,495 as of September 30, 2022 and 2021, respectively. As of September 30, 2022 and 2021, $-0- and $25,441 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, 2023 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, 2022 and 2021, 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, 2022. The remaining commitment on those contracts is approximately $3,565,445 as of September 30, 2022.

Note 13 - Hurricane Ian

On September 28, 2022, the area was impacted by a major hurricane, which resulted in damage to the facilities and equipment. Estimated costs for repairs, net of amounts expected to be recovered through insurance and the Federal Emergency Management Agency (FEMA), are approximately $41,000, which are reported as an accrued expense on the balance sheet and is included with operations and maintenance on the statement of revenues and expenses. Additional property losses attributable to the hurricane in the amount of $27,600 is included with loss on disposal of assets on the statement of revenues and expenses. Future costs to replace depreciable assets are estimated to cost $115,000, net of insurance and FEMA reimbursements.

Note 14 - Subsequent Events

As noted in Note 13 above, the Association was impacted by Hurricane Ian in September 2022 impacting operations in subsequent months. The Association is working with their insurance carrier and the Federal Emergency Management Agency (FEMA) to recover damages; however, recovery amounts could vary from estimated amounts and complete dates of insurance and FEMA recoveries can't be estimated at this time. Adjustments to final costs and recoveries will be recorded in the year of completion.

Subsequent events were evaluated through January 13, 2023, 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, 2022 AND 2021

	2022	2021
Water System Operating Expenses		
Purchased water	$ 5,047	$ 2,651
Operations and maintenance	203,900	242,013
Regulatory expenses - permits	19,796	20,224
Electricity	352,469	291,524
Chemicals	133,491	105,903
Lab fees	29,049	19,773
Salaries and payroll taxes	558,422	487,773
Pensions and employee benefits	175,033	178,176
Training	2,360	2,231
Total Water System Operating Expenses	$ 1,479,567	$ 1,350,268
Sewer System Operating Expenses		
Operations and maintenance	$ 264,218	$ 342,443
Regulatory expenses - permits	28,616	22,219
Electricity	76,059	63,719
Chemicals	133,000	129,740
Lab fees	48,270	38,328
Salaries and payroll taxes	387,277	374,234
Pensions and employee benefits	106,651	111,253
Training	856	3,066
Total Sewer System Operating Expenses	$ 1,044,947	$ 1,085,002

GASPARILLA ISLAND WATER ASSOCIATION, INC.

GENERAL AND ADMINISTRATIVE EXPENSES

FOR THE YEARS ENDED SEPTEMBER 30, 2022 AND 2021

	2022	2021
General and Administrative Expenses		
Auto and truck expenses	$ 77,250	$ 50,113
General repairs and maintenance	42,013	52,790
Deferred rate study costs	3,927	7,884
Insurance	407,672	350,025
Information technology	17,943	-
Miscellaneous	16,698	13,757
Office supplies and postage	28,389	28,743
Professional fees - accounting	18,823	18,550
Professional fees - engineering	41,552	16,575
Professional fees - legal	1,264	2,072
Professional fees - other	24,024	-
Salaries and payroll taxes, office	365,516	324,041
Pensions and employee benefits, office	69,696	98,641
Communications	32,594	31,170
Training	731	231
Total General and Administrative Expenses	$ 1,148,092	$ 994,592