GASPARILLA ISLAND WATER ASSOCIATION, INC.

FINANCIAL STATEMENTS FOR THE

YEARS ENDED SEPTEMBER 30, 2023 AND 2022

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, 2023 and 2022, 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, 2023 and 2022, 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.

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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 10, 2024

GASPARILLA ISLAND WATER ASSOCIATION, INC.

BALANCE SHEETS

SEPTEMBER 30, 2023 AND 2022

Assets

	2023	2022
UTILITY PLANT		
Property, plant and equipment, at cost	$ 49,224,846	$ 49,428,774
Less accumulated depreciation	22,121,624	21,219,336
Net property, plant and equipment	27,103,222	28,209,438
Construction in progress	4,741,501	1,759,364
Total Utility Plant	31,844,723	29,968,802
CURRENT ASSETS		
Cash and cash equivalents	6,113,653	8,226,539
Accounts receivable, members	662,809	595,021
Inventory	179,312	114,155
Other current assets	322,801	289,711
Total Current Assets	7,278,575	9,225,426
BOARD DESIGNATED AND RESTRICTED ASSETS	2,080,788	1,081,049
DEFERRED CHARGES AND OTHER ASSETS		
Non-marketable participation certificates	409,466	374,264
Unamortized regulatory expenses	161,552	169,722
Utility deposits	2,438	2,438
Total Deferred Charges and Other Assets	573,456	546,424
TOTAL ASSETS	$ 41,777,542	$ 40,821,701

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

GASPARILLA ISLAND WATER ASSOCIATION, INC.

BALANCE SHEETS (continued)

SEPTEMBER 30, 2023 AND 2022

Equity and Liabilities

	2023	2022
EQUITY		
Members' contributions	$ 6,366,982	$ 6,201,329
Developers' contributions	1,145,400	1,210,972
Retained earnings:		
Board designated for capital improvements	13,175,108	12,266,922
Board designated for self-insurance	1,000,000	-
Total Equity	21,687,490	19,679,223
LONG-TERM LIABILITIES		
Notes payable, net of current portion	18,733,029	19,228,404
Less: unamortized debt issuance costs	(124,342)	(134,201)
Net notes payable	18,608,687	19,094,203
CURRENT LIABILITIES		
Current portion of notes payable	798,391	1,159,612
Accounts payable, trade	95,882	153,671
Accounts payable, construction in progress	383,211	540,479
Accrued interest	61,207	64,164
Accrued wages	11,860	8,698
Accrued other	49,254	40,902
Other current liabilities	772	611
Total Current Liabilities	1,400,577	1,968,137
Deposits payable from restricted assets	80,788	80,138
Total Liabilities	20,090,052	21,142,478
TOTAL EQUITY AND LIABILITIES	$ 41,777,542	$ 40,821,701

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, 2023 AND 2022

	2023	2022
OPERATING REVENUES		
Water services	$ 5,073,541	$ 4,578,202
Sewer services	2,229,266	2,155,131
Water hook-up fees	12,342	6,325
Sewer hook-up fees	2,544	2,040
Total Operating Revenues	7,317,693	6,741,698
OPERATING EXPENSES		
Water system	1,598,971	1,479,567
Sewer system	1,167,144	1,044,947
General and administrative	1,061,325	1,148,092
Depreciation	1,397,077	1,252,933
Total Operating Expenses	5,224,517	4,925,539
Operating Income	2,093,176	1,816,159
OTHER REVENUES (EXPENSES)		
Interest income	180,705	5,097
Patronage dividends	158,043	107,306
Capital improvement assessment	7,816	7,780
Interest expense and amortization of debt expenses	(578,500)	(347,321)
Membership fees	540	360
Loss on disposal of assets	(40,231)	(31,870)
Other income	86,637	9,058
Total Other Revenues (Expenses)	(184,990)	(249,590)
EXCESS OF REVENUES OVER EXPENSES	$ 1,908,186	$ 1,566,569

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, 2023 AND 2022

	Contributed Capital in Aid of Construction			
	Members' Contributions	Developers' Contributions	Retained Earnings	Total
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
Contributions received	165,653	-	-	165,653
Amortization of developers' contributions	-	(65,572)	-	(65,572)
Excess of Revenues over Expenses	-	-	1,908,186	1,908,186
Balance, September 30, 2023	$ 6,366,982	$ 1,145,400	$ 14,175,108	$ 21,687,490

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, 2023 AND 2022

	2023	2022
Cash flows from operating activities:		
Excess of revenues over expenses	$ 1,908,186	$ 1,566,569
Adjustments to reconcile excess of revenues over expenses to net cash provided by operating activities:		
Depreciation	1,397,077	1,252,933
Amortization	89,659	63,764
Loss on disposal of assets	40,231	31,870
Patronage equity distributions	(52,681)	(35,769)
Changes in assets and liabilities		
Increase in accounts receivable, members	(67,788)	(108,037)
Increase in inventory	(65,157)	(1,500)
(Increase) decrease in other current assets	(33,090)	124,570
Increase in unamortized regulatory expenses	(71,630)	(47,023)
Decrease in accounts payable, trade	(57,789)	(178,618)
Increase in other liabilities	8,718	63,496
Increase in deposits payable from restricted assets	650	372
Total adjustments	1,188,200	1,166,058
Net cash provided by operating activities	3,096,386	2,732,627
Cash flows from investing activities:		
Patronage equity retirement payment	17,479	-
Capital expenditures	(3,536,069)	(3,784,551)
Net cash used by investing activities	$ (3,518,590)	$ (3,784,551)

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, 2023 AND 2022

	2023	2022
Cash flows from financing activities:		
Repayment of long-term debt	$ (856,596)	$ (556,774)
Proceeds from financing	-	5,651,396
Contributed capital in aid of construction	165,653	87,708
Net cash provided (used) by financing activities	(690,943)	5,182,330
Increase (decrease) in cash and cash equivalents	(1,113,147)	4,130,406
Cash transferred to board designated and restricted funds	(999,739)	(907)
Net increase (decrease) in cash and cash equivalents	(2,112,886)	4,129,499
Cash and cash equivalents at beginning of year	8,226,539	4,097,040
Cash and cash equivalents at end of year	$ 6,113,653	$ 8,226,539

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

GASPARILLA ISLAND WATER ASSOCIATION, INC.

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2023 AND 2022

Note 1 - Organization and Significant Accounting Policies

Organization

Gasparilla Island Water Association, Inc. (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, 2023 and 2022. An account is considered past due ten days after the due date. Past due accounts are charged interest at 1.62% per month.

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, 2023 and 2022, 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, 2023 and 2022.

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 2020 through 2022 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, 2023 and 2022 are as follows:

	2023	2022
Land	$ 445,623	$ 445,623
Utility plant in service	47,933,309	48,134,296
Automotive equipment	585,046	490,285
Office building	17,837	93,906
Office furniture and fixtures	48,615	68,609
Tools	194,416	196,055
	49,224,846	49,428,774
Less accumulated depreciation	22,121,624	21,219,336
	27,103,222	28,209,438
Construction in progress	4,741,501	1,759,364
	$ 31,844,723	$ 29,968,802

Note 2 - Utility Plant (continued)

Depreciation expense for the years ended September 30, 2023 and 2022 was $1,397,077 and $1,252,933, 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 $691,133 for 2023 and $706,718 for 2022, of which $128,199 and $371,295 was capitalized in 2023 and 2022, 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, 2023 and 2022 are as follows:

	2023	2022
Unamortized regulatory expenses	$ 390,649	$ 319,019
Less: accumulated amortization	229,097	149,297
	$ 161,552	$ 169,722

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

2024	$ 48,810
2025	35,367
2026	28,219
2027	22,809
2028	17,154
Thereafter	9,193
	$ 161,552

Note 5 - Board Designated and Restricted Assets

Details of board designated and restricted cash and equivalents as of September 30, 2023 and 2022 are as follows:

	2023	2022
Customer deposits	$ 80,788	$ 80,138
Named storms self-insurance, board designated	1,000,000	-0-
Debt service reserve	1,000,000	1,000,911
	$ 2,080,788	$ 1,081,049

Note 6 - Long-Term Debt

Following is a summary of long-term debt at September 30, 2023 and 2022:

	2023	2022
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.	$ 28,022	$ 137,354
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.	157,505	285,402
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.	3,758,724	3,995,445
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 $1,000,000 as of September 30, 2023.	15,587,169	15,969,815
Total long-term debt	19,531,420	20,388,016
Less current maturities	(798,391)	(1,159,612)
Less unamortized debt expense	(124,342)	(134,201)
	$ 18,608,687	$ 19,094,203

Note 6 - Long-Term Debt (continued)

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

2024	$ 798,391
2025	679,590
2026	676,157
2027	696,506
2028	716,072
Thereafter	15,964,704
	$ 19,531,420

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, 2023 and 2022 are as follows:

	2023	2022
Loan Costs	$ 265,873	$ 265,873
Less: accumulated amortization	141,531	131,672
	$ 124,342	$ 134,201

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

2024	$ 9,381
2025	8,686
2026	8,335
2027	8,335
2028	8,335
Thereafter	81,270
	$ 124,342

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, 2024 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, 2023 and 2022, 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, 2023 and 2022.

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, 2023 and 2022, 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, 2023 and 2022 were $14,886 and $8,365, respectively. The remaining portions of the connection fees are recorded as contributed capital in aid of construction in the amounts of $165,653 and $121,279 for the years ended September 30, 2023 and 2022, 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 $65,572 and $67,152 for the years ended September 30, 2023 and 2022, 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 $201,251 and $104,557 for the year ended September 30, 2023 and 2022, 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, board designated and restricted assets will not be considered highly liquid debt instruments for these purposes.

The Association paid cash for interest in the amount of $691,133 and $706,718 for the years ended September 30, 2023 and 2022, respectively.

The Association received Class B - Participation Certificates from CoBank as a patronage equity distribution in the amount of $52,681 and $35,769 for the years ended September 30, 2023 and 2022, 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 $342,416 and $588,096 on deposit at commercial banks exceeding the portion insured by the FDIC as of September 30, 2023 and 2022, 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 $409,466 and $374,264 as of September 30, 2023 and 2022, respectively. As of September 30, 2023 and 2022, $17,479 and $-0- 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, 2024 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, 2023 and 2022, 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, 2023. The remaining commitment on those contracts is approximately $2,328,922 as of September 30, 2023.

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. Amounts recovered through insurance, net of costs of repairs, amount to $49,254, which is reported as a liability on the balance sheet. The balance will be utilized to offset the cost of ongoing and future repairs. The Association is engaged with the Federal Emergency Management Agency (FEMA) to assist with additional repairs not covered by insurance. Additional repairs and assistance cannot be estimated at this time. Adjustments to final costs and assistance will be recorded in the year of completion.

Note 14 - Liquidity and Availability of Financial Assets

The following reflects the Association's financial assets as of the statement of financial position date, reduced by amounts not available for general use because of restriction within one year of the statement of financial position date.

	2023	2022
Financial assets at year-end	$ 8,857,250	$ 9,902,609
Less those unavailable for general expenditures within one year due to:		
Board designated and restricted assets	2,080,788	1,081,049
Restricted for payment of long-term liabilities	841,299	1,159,612
Fixed asset commitments	2,328,922	3,565,445
Financial assets available to meet cash needs for general expenditure within one year	$ 3,606,241	$ 4,096,503

Note 15 - Subsequent Events

Subsequent events were evaluated through January 10, 2024, 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, 2023 AND 2022

	2023	2022
Water System Operating Expenses		
Purchased water	$ 39,931	$ 5,047
Operations and maintenance	135,315	203,900
Regulatory expenses - permits	19,965	19,796
Electricity	403,465	352,469
Chemicals	153,455	133,491
Lab fees	28,813	29,049
Salaries and payroll taxes	584,448	558,422
Pensions and employee benefits	231,892	175,033
Training	1,687	2,360
Total Water System Operating Expenses	$ 1,598,971	$ 1,479,567
Sewer System Operating Expenses		
Operations and maintenance	$ 239,504	$ 264,218
Regulatory expenses - permits	54,180	28,616
Electricity	71,766	76,059
Chemicals	91,536	133,000
Lab fees	56,003	48,270
Salaries and payroll taxes	474,454	387,277
Pensions and employee benefits	177,479	106,651
Training	2,222	856
Total Sewer System Operating Expenses	$ 1,167,144	$ 1,044,947

GASPARILLA ISLAND WATER ASSOCIATION, INC.

GENERAL AND ADMINISTRATIVE EXPENSES

FOR THE YEARS ENDED SEPTEMBER 30, 2023 AND 2022

	2023	2022
General and Administrative Expenses		
Auto and truck expenses	$ 95,256	$ 77,250
General repairs and maintenance	30,085	42,013
Deferred rate study costs	5,655	3,927
Insurance	286,198	407,672
Information technology	19,540	17,943
Miscellaneous	19,888	16,698
Office supplies and postage	36,871	28,389
Professional fees - accounting	19,179	18,823
Professional fees - engineering	25,039	41,552
Professional fees - legal	841	1,264
Professional fees - other	10,717	24,024
Salaries and payroll taxes, office	376,780	365,516
Pensions and employee benefits, office	97,714	69,696
Communications	35,645	32,594
Training	1,917	731
Total General and Administrative Expenses	$ 1,061,325	$ 1,148,092