GASPARILLA ISLAND WATER ASSOCIATION, INC.

FINANCIAL STATEMENTS FOR THE

YEARS ENDED SEPTEMBER 30, 2024 AND 2023

AND

INDEPENDENT AUDITORS' REPORT

TABLE OF CONTENTS

INDEPENDENT AUDITORS' REPORT 1-2

FINANCIAL STATEMENTS

Balance Sheets 3-4
Statements of Revenues and Expenses 5
Statements of Changes in Equity 6
Statements of Cash Flows 7-8
Notes to the Financial Statements 9-17

SUPPLEMENTARY INFORMATION

Water and Sewer System Operating Expenses 18
General and Administrative Expenses 19

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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, 2024 and 2023, 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, 2024 and 2023, 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 18 and 19 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 16, 2025

GASPARILLA ISLAND WATER ASSOCIATION, INC.

BALANCE SHEETS

SEPTEMBER 30, 2024 AND 2023

Assets

	2024	2023
UTILITY PLANT		
Property, plant and equipment, at cost	$ 49,564,653	$ 49,224,846
Less accumulated depreciation	23,126,581	22,121,624
Net property, plant and equipment	26,438,072	27,103,222
Construction in progress	6,618,457	4,741,501
Total Utility Plant	33,056,529	31,844,723
CURRENT ASSETS		
Total cash and cash equivalents	4,287,267	8,194,441
Board designated	(2,081,188)	(2,080,788)
Undesignated	2,206,079	6,113,653
Accounts receivable, members	634,584	662,809
Inventory	144,157	179,312
Other current assets	191,912	322,801
Short-term investments	4,240,716	-
Total Current Assets	7,417,448	7,278,575
BOARD DESIGNATED AND RESTRICTED ASSETS	2,081,188	2,080,788
DEFERRED CHARGES AND OTHER ASSETS		
Non-marketable participation certificates	460,455	409,466
Unamortized regulatory expenses	268,922	161,552
Utility deposits	2,438	2,438
Total Deferred Charges and Other Assets	731,815	573,456
TOTAL ASSETS	$ 43,286,980	$ 41,777,542

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

GASPARILLA ISLAND WATER ASSOCIATION, INC.

BALANCE SHEETS (continued)

SEPTEMBER 30, 2024 AND 2023

Equity and Liabilities

	2024	2023
EQUITY		
Members' contributions	$ 6,523,675	$ 6,366,982
Developers' contributions	1,081,502	1,145,400
Retained earnings:		
Board designated for capital improvements	15,623,082	13,175,108
Board designated for self-insurance	1,000,000	1,000,000
Total Equity	24,228,259	21,687,490
LONG-TERM LIABILITIES		
Notes payable, net of current portion	18,053,439	18,733,029
Less: unamortized debt issuance costs	(114,961)	(124,342)
Net notes payable	17,938,478	18,608,687
CURRENT LIABILITIES		
Current portion of notes payable	679,590	798,391
Accounts payable, trade	179,245	95,882
Accounts payable, construction in progress	38,502	383,211
Accrued interest	58,612	61,207
Accrued wages	23,339	11,860
Accrued other	58,212	49,254
Other current liabilities	1,555	772
Total Current Liabilities	1,039,055	1,400,577
Deposits payable from restricted assets	81,188	80,788
Total Liabilities	19,058,721	20,090,052
TOTAL EQUITY AND LIABILITIES	$ 43,286,980	$ 41,777,542

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, 2024 AND 2023

	2024	2023
OPERATING REVENUES		
Water services	$ 5,311,549	$ 5,073,541
Sewer services	2,432,465	2,229,266
Water hook-up fees	11,644	12,342
Sewer hook-up fees	2,313	2,544
Total Operating Revenues	7,757,971	7,317,693
OPERATING EXPENSES		
Water system	1,625,406	1,598,971
Sewer system	1,166,511	1,167,144
General and administrative	1,356,143	1,061,325
Depreciation	1,372,590	1,397,077
Total Operating Expenses	5,520,650	5,224,517
Operating Income	2,237,321	2,093,176
OTHER REVENUES (EXPENSES)		
Interest income	385,682	180,705
Patronage dividends	146,592	158,043
Capital improvement assessment	7,816	7,816
Interest expense and amortization of debt expenses	(558,597)	(578,500)
Membership fees	420	540
Loss on disposal of assets	(73,813)	(40,231)
Hurricane recovery assistance	240,094	-
Other income	62,459	86,637
Total Other Revenues (Expenses)	210,653	(184,990)
EXCESS OF REVENUES OVER EXPENSES	$ 2,447,974	$ 1,908,186

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, 2024 AND 2023

	Contributed Capital in Aid of Construction			
	Members' Contributions	Developers' Contributions	Retained Earnings	Total
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
Contributions received	156,693	-	-	156,693
Amortization of developers' contributions	-	(63,898)	-	(63,898)
Excess of Revenues over Expenses	-	-	2,447,974	2,447,974
Balance, September 30, 2024	$ 6,523,675	$ 1,081,502	$ 16,623,082	$ 24,228,259

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, 2024 AND 2023

	2024	2023
Cash flows from operating activities:		
Excess of revenues over expenses	$ 2,447,974	$ 1,908,186
Adjustments to reconcile excess of revenues over expenses to net cash provided by operating activities:		
Depreciation	1,372,590	1,397,077
Amortization	72,858	89,659
Loss on disposal of assets	73,813	40,231
Patronage equity distributions	(50,989)	(52,681)
Changes in assets and liabilities		
(Increase) decrease in accounts receivable, members	28,225	(67,788)
(Increase) decrease in inventory	35,155	(65,157)
(Increase) decrease in other current assets	130,889	(33,090)
Increase in unamortized regulatory expenses	(170,847)	(71,630)
Increase (decrease) in accounts payable, trade	83,363	(57,789)
Increase in other liabilities	18,625	8,718
Increase in deposits payable from restricted assets	400	650
Total adjustments	1,594,082	1,188,200
Net cash provided by operating activities	4,042,056	3,096,386
Cash flows from investing activities:		
Patronage equity retirement payment	-	17,479
Purchases of investments	(4,240,716)	-
Capital expenditures	(3,066,816)	(3,536,069)
Net cash used by investing activities	$ (7,307,532)	$ (3,518,590)

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, 2024 AND 2023

	2024	2023
Cash flows from financing activities:		
Repayment of long-term debt	$ (798,391)	$ (856,596)
Contributed capital in aid of construction	156,693	165,653
Net cash used by financing activities	(641,698)	(690,943)
Decrease in cash and cash equivalents	(3,907,174)	(1,113,147)
Cash and cash equivalents at beginning of year	8,194,441	9,307,588
Cash and cash equivalents at end of year	$ 4,287,267	$ 8,194,441

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

GASPARILLA ISLAND WATER ASSOCIATION, INC.

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2024 AND 2023

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, 2024 and 2023. An account is considered past due ten days after the due date. Past due accounts are charged interest at 1.70% 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.

Short-term investments

The Association has adopted FASB Accounting Standards Codification 958 *Financial Statements of Not-for-Organization* ("FASB ASC 958"). Under FASB ASC 958, the Association is required to report investments in debt securities at fair value. Short-term investments is comprised of certificates of deposit purchased with a maturity in excess of three months, amounting to $4,240,716 and $-0- for the years ended September 30, 2024 and 2023, respectively. Interest income is reported in the period earned as other revenue.

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, 2024 and 2023, the Association's entire gross income has come under Section 115(a) and, therefore, includes no unrelated business income.

ASC Topic 740 requires the Association 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 Association has determined that it does not have any material unrecognized tax benefits or obligations as of September 30, 2024 and 2023.

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 2021 through 2023 remain subject to examination by the Internal Revenue Service.

Note 1 - Organization and Significant Accounting Policies (continued)

Significant Accounting Policies (continued)

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.

Reclassifications

Certain amounts in the 2023 financial statements have been reclassified for comparative purposes to conform to the presentation in the 2024 financial statements.

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, 2024 and 2023 are as follows:

	2024	2023
Land	$ 445,623	$ 445,623
Utility plant in service	48,243,333	47,933,309
Automotive equipment	612,070	585,046
Office building	17,837	17,837
Office furniture and fixtures	44,707	48,615
Tools	201,083	194,416
	49,564,653	49,224,846
Less accumulated depreciation	23,126,581	22,121,624
	26,438,072	27,103,222
Construction in progress	6,618,457	4,741,501
	$ 33,056,529	$ 31,844,723

Depreciation expense for the years ended September 30, 2024 and 2023 was $1,372,590 and $1,397,077, 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 $662,724 for 2024 and $691,133 for 2023, of which $119,214 and $128,199 was capitalized in 2024 and 2023, respectively.

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

Note 4 - Unamortized Regulatory Expenses

The Association is required to carry certain regulatory permits that are amortized over the life of the permit. The Association’s unamortized regulatory expenses for the years ended September 30, 2024 and 2023 are as follows:

	2024	2023
Unamortized regulatory expenses	$ 427,227	$ 390,649
Less: accumulated amortization	158,305	229,097
	$ 268,922	$ 161,552

Note 4 - Unamortized Regulatory Expenses (continued)

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

2025	$ 76,866
2026	58,008
2027	56,419
2028	47,700
2029	23,733
Thereafter	6,196
	$ 268,922

Note 5 - Board Designated and Restricted Assets

Details of board designated and restricted cash and equivalents as of September 30, 2024 and 2023 are as follows:

	2024	2023
Customer deposits	$ 81,188	$ 80,788
Named storms self-insurance, board designated	1,000,000	1,000,000
Debt service reserve	1,000,000	1,000,000
	$ 2,081,188	$ 2,080,788

Note 6 - Long-Term Debt

Following is a summary of long-term debt at September 30, 2024 and 2023:

	2024	2023
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 ended December 20, 2023. Secured by all accounts, inventory, equipment, land, buildings and improvements, structures, and income.	$ -	$ 28,022
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.	23,066	157,505

Note 6 - Long-Term Debt (continued)

	2024	2023
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.	3,519,250	3,758,724
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, 2024.	15,190,713	15,587,169
Total long-term debt	18,733,029	19,531,420
Less current maturities	(679,590)	(798,391)
Less unamortized debt expense	(114,961)	(124,342)
	$ 17,938,478	$ 18,608,687

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

2025	$ 679,590
2026	676,157
2027	696,506
2028	716,072
2029	739,407
Thereafter	15,225,297
	$ 18,733,029

Debt issuance costs associated with the Association's notes payable are being amortized over the notes expected life. The Association's unamortized debt issuance costs for the years ended September 30, 2024 and 2023 are as follows:

	2024	2023
Loan Costs	$ 265,873	$ 265,873
Less: accumulated amortization	150,912	141,531
	$ 114,961	$ 124,342

Note 6 - Long-Term Debt (continued)

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

2025	$ 8,686
2026	8,335
2027	8,335
2028	8,335
2029	8,335
Thereafter	72,935
	$ 114,961

Lines 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, 2025, 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, 2024 and 2023, there was $-0- drawn on this line.

Loan Covenants

The terms of the Association's financing agreements contain certain covenants, the most restrictive of which is the maintenance of certain financial ratios. The Association was in compliance with these covenants for the fiscal years ended September 30, 2024 and 2023.

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, 2024 and 2023, 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, 2024 and 2023 were $13,957 and $14,886, respectively. The remaining portions of the connection fees are recorded as contributed capital in aid of construction in the amounts of $156,693 and $165,653 for the years ended September 30, 2024 and 2023, 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 $63,898 and $65,572 for the years ended September 30, 2024 and 2023, 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 $145,653 and $201,251 for the year ended September 30, 2024 and 2023, respectively.

Note 9 - Statement of Cash Flows

For purposes of the balance sheet, the Association considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents. Highly liquid debt instruments purchased with a maturity exceeding three months are classified as short-term investments.

The Association paid cash for interest in the amount of $662,724 and $691,133 for the years ended September 30, 2024 and 2023, respectively.

The Association received Class B - Participation Certificates from CoBank as a patronage equity distribution in the amount of $50,989 and $52,681 for the years ended September 30, 2024 and 2023, 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 $-0- and $342,416 on deposit at commercial banks exceeding the portion insured by the FDIC as of September 30, 2024 and 2023, 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 are 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 $460,455 and $409,466 as of September 30, 2024 and 2023, respectively. As of September 30, 2024 and 2023, $-0- and $17,479 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, 2025, 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, 2024 and 2023, 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, 2024. The remaining commitment on those contracts is approximately $1,346,434 as of September 30, 2024.

Note 13 - Hurricane Impact

On September 28, 2022, the area was impacted by a major hurricane, Hurricane Ian, which resulted in damage to the facilities and equipment. Amounts recovered through insurance, net of costs of repairs, amount to $19,418 and $49,254, which is reported as a liability on the balance sheet for the years ended September 30, 2024 and 2023, respectively. 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. As of September 30, 2024, the Association has received $240,094 in assistance from FEMA, included in other revenues (expenses) on the statement of revenues and expenses. Additional repairs and assistance cannot be estimated at this time. Adjustments to final costs and assistance will be recorded in the year of completion.

On September 26, 2024, the area was impacted by a major hurricane, Hurricane Helene, which resulted in damage to the facilities and equipment. The Association expects insurance recovery and is engaged with the Federal Emergency Management Agency (FEMA) to assist with additional repairs. Repairs and assistance cannot be estimated at this time. 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.

	2024	2023
Financial assets at year-end	$ 9,162,567	$ 8,857,250
Less those unavailable for general expenditures within one year due to:		
Board designated and restricted assets	2,081,188	2,080,788
Restricted for payment of long-term liabilities	679,590	798,391
Fixed asset commitments	1,346,434	2,328,922
Financial assets available to meet cash needs for general expenditure within one year	$ 5,055,355	$ 3,649,149

Note 15 - Subsequent Events

Subsequent events were evaluated through January 16, 2025, which is the date the financial statements were available to be issued.

On October 9, 2024, the area was impacted by a major hurricane, Hurricane Milton, which resulted in damage to the facilities and equipment. The Association expects insurance recovery and is engaged with the Federal Emergency Management Agency (FEMA) to assist with additional repairs. Repairs and assistance cannot be estimated at this time. Costs and assistance will be recorded in the year of completion.

SUPPLEMENTARY INFORMATION

GASPARILLA ISLAND WATER ASSOCIATION, INC.

WATER AND SEWER SYSTEM OPERATING EXPENSES

FOR THE YEARS ENDED SEPTEMBER 30, 2024 AND 2023

	2024	2023
Water System Operating Expenses		
Purchased water	$ 173,120	$ 39,931
Operations and maintenance	158,622	135,315
Regulatory expenses - permits	19,965	19,965
Electricity	360,662	403,465
Chemicals	190,561	153,455
Lab fees	33,223	28,813
Salaries and payroll taxes	520,177	584,448
Pensions and employee benefits	165,923	231,892
Training	3,153	1,687
Total Water System Operating Expenses	$ 1,625,406	$ 1,598,971
Sewer System Operating Expenses		
Operations and maintenance	$ 181,327	$ 239,504
Regulatory expenses - permits	37,857	54,180
Electricity	73,597	71,766
Chemicals	91,898	91,536
Lab fees	53,087	56,003
Salaries and payroll taxes	549,284	474,454
Pensions and employee benefits	177,487	177,479
Training	1,974	2,222
Total Sewer System Operating Expenses	$ 1,166,511	$ 1,167,144

GASPARILLA ISLAND WATER ASSOCIATION, INC.

GENERAL AND ADMINISTRATIVE EXPENSES

FOR THE YEARS ENDED SEPTEMBER 30, 2024 AND 2023

	2024	2023
General and Administrative Expenses		
Auto and truck expenses	$ 88,100	$ 95,256
General repairs and maintenance	25,533	30,085
Deferred rate study costs	5,655	5,655
Insurance	301,519	286,198
Information technology	32,611	19,540
Miscellaneous	34,161	19,888
Office supplies and postage	33,713	36,871
Professional fees - accounting	20,343	19,179
Professional fees - engineering	14,897	25,039
Professional fees - legal	369	841
Professional fees - other	59,936	10,717
Salaries and payroll taxes, office	562,749	376,780
Pensions and employee benefits, office	136,328	97,714
Communications	36,460	35,645
Training	3,769	1,917
Total General and Administrative Expenses	$ 1,356,143	$ 1,061,325