

GREATER PINE ISLAND WATER ASSOCIATION, INC.

FINANCIAL STATEMENTS FOR THE  
YEARS ENDED DECEMBER 31, 2019 AND 2018

AND

INDEPENDENT AUDITORS' REPORT

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Independent Auditors' Report

To the Board of Directors  
Greater Pine Island Water Association, Inc.

We have audited the accompanying financial statements of Greater Pine Island Water Association, Inc., which comprise the balance sheets as of December 31, 2019 and 2018, and the related statements of revenue and expenses, changes in members' 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 audits 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 opinion.

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Greater Pine Island Water Association, Inc. as of December 31, 2019 and 2018, and the changes in its members' 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 through 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 audit 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 & Rocklein, P.A.*

SUPLEE, SHEA, CRAMER, & ROCKLEIN, P.A.  
Sarasota, FL  
February 20, 2020

GREATER PINE ISLAND WATER ASSOCIATION, INC.

Balance Sheets

As of December 31, 2019 and 2018

ASSETS

	<u>2019</u>	<u>2018</u>
<b>Current Assets</b>		
Cash and cash equivalents		
Unrestricted	\$ 5,281,973	\$ 4,558,040
Restricted (Note 2)	23,608	21,986
Total Cash and cash equivalents	<u>5,305,581</u>	<u>4,580,026</u>
Accounts receivable	210,022	207,834
Accrued interest receivable	1,368	1,343
Patronage dividend receivable	17,510	19,221
Inventory	117,813	115,963
Prepaid expenses and other assets	<u>93,467</u>	<u>91,616</u>
Total Current Assets	5,745,761	5,016,003
Property, Plant, and Equipment, net (Note 3)	13,803,587	13,435,566
<b>Other Assets</b>		
CoBank investment	256,332	279,915
Restricted certificate of deposit (Note 7)	<u>115,000</u>	<u>115,000</u>
Total Other Assets	371,332	394,915
<b>Total Assets</b>	<u><u>\$ 19,920,680</u></u>	<u><u>\$ 18,846,484</u></u>

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

GREATER PINE ISLAND WATER ASSOCIATION, INC.

Balance Sheets (continued)

As of December 31, 2019 and 2018

LIABILITIES AND MEMBERS' EQUITY

	<u>2019</u>	<u>2018</u>
<b>Current Liabilities</b>		
Current maturities of long-term debt (Note 6)	\$ 278,109	\$ 267,222
Accounts payable	195,287	105,224
Accrued liabilities (Note 4)	286,928	199,020
Deferred liabilities (Note 5)	45,422	45,629
Total Current Liabilities	<u>805,746</u>	<u>617,095</u>
<b>Long-Term Liabilities</b>		
Long-term debt, less current maturities (Note 6)	1,258,235	1,536,344
Less: unamortized debt issuance costs	<u>(7,340)</u>	<u>(8,743)</u>
Net Long-Term Debt	1,250,895	1,527,601
Injection well liability (Note 7)	<u>25,045</u>	<u>23,685</u>
Total Long-Term Liabilities	<u>1,275,940</u>	<u>1,551,286</u>
Total Liabilities	<u>2,081,686</u>	<u>2,168,381</u>
<b>Members' Equity</b>		
Members' fees and capital investments	13,898,870	13,465,112
Retained earnings	3,940,124	3,212,991
Total Members' Equity	<u>17,838,994</u>	<u>16,678,103</u>
Total Liabilities and Members' Equity	<u>\$ 19,920,680</u>	<u>\$ 18,846,484</u>

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

GREATER PINE ISLAND WATER ASSOCIATION, INC.

Statements of Revenues and Expenses

For the years ended December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Operating Revenues		
Metered water sales	\$ 4,018,925	\$ 3,848,722
Other	44,372	48,228
Total Operating Revenues	<u>4,063,297</u>	<u>3,896,950</u>
Operating Expenses		
Production	1,052,728	1,124,645
Distribution	483,180	413,475
Administrative	964,500	945,661
Depreciation (Note 3)	874,789	852,711
Total Operating Expenses	<u>3,375,197</u>	<u>3,336,492</u>
Operating Income	<u>688,100</u>	<u>560,458</u>
Other Revenues (Expenses)		
Amortization	(1,403)	(1,437)
Interest income	87,693	60,018
Interest expense (Note 6)	(89,758)	(98,350)
Gain on asset disposal	9,500	-
Miscellaneous income	33,001	37,409
Total Other Revenues (Expenses)	<u>39,033</u>	<u>(2,360)</u>
Excess of Revenues over Expenses	<u>\$ 727,133</u>	<u>\$ 558,098</u>

GREATER PINE ISLAND WATER ASSOCIATION, INC.

Statements of Changes in Members' Equity

For the years ended December 31, 2019 and 2018

	Members' Fees and Capital Investments				Total	Retained Earnings	Total Members' Equity
	Membership Fees	Meter Fees	Capital Charges	Aid-In Construction			
<b>Balances as of December 31, 2017</b>	\$ 2,096,172	\$ 4,171,875	\$ 6,404,210	\$ 299,966	\$ 12,972,223	\$ 2,654,893	\$ 15,627,116
Excess of Revenues over Expenses	-	-	-	-	-	558,098	558,098
New member fees	57,348	169,245	252,294	6,933	485,820	-	485,820
Adjustments and refunds to prior members	(885)	(234)	11,107	(2,919)	7,069	-	7,069
<b>Balances as of December 31, 2018</b>	<u>\$ 2,152,635</u>	<u>\$ 4,340,886</u>	<u>\$ 6,667,611</u>	<u>\$ 303,980</u>	<u>\$ 13,465,112</u>	<u>\$ 3,212,991</u>	<u>\$ 16,678,103</u>
Excess of Revenue over Expenses	-	-	-	-	-	727,133	727,133
New member fees	55,836	170,690	199,905	5,410	431,841	-	431,841
Adjustments and refunds to prior members	(1,264)	(806)	7,612	(3,625)	1,917	-	1,917
<b>Balances as of December 31, 2019</b>	<u>\$ 2,207,207</u>	<u>\$ 4,510,770</u>	<u>\$ 6,875,128</u>	<u>\$ 305,765</u>	<u>\$ 13,898,870</u>	<u>\$ 3,940,124</u>	<u>\$ 17,838,994</u>

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



GREATER PINE ISLAND WATER ASSOCIATION, INC.

Statements of Cash Flows

For the years ended December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Cash flows from operating activities:		
Excess of revenues over expenses	<u>\$ 727,133</u>	<u>\$ 558,098</u>
Adjustments to reconcile excess of revenues over expenses to net cash provided by operating activities:		
Depreciation	874,789	852,711
Amortization	1,403	1,437
Gain on disposal of assets	(9,500)	-
Change in restricted certificate of deposit	-	573
Change in deep well injection liability	1,360	1,285
Changes in assets and liabilities		
Decrease in all accounts receivable	(502)	(14,753)
Increase in inventory	(1,850)	(18,090)
Increase in prepaid expenses and other assets	(1,851)	32,270
Increase in accounts payable, trade	90,063	70,278
Increase in accrued liabilities	87,908	23,338
Increase in deferred revenue	(207)	4,672
Total adjustments	<u>1,041,613</u>	<u>953,721</u>
Net cash provided by operating activities	<u>1,768,746</u>	<u>1,511,819</u>
Cash flows from investing activities:		
Change in CoBank investment	23,583	23,705
Proceeds from asset dispositions	9,500	-
Capital expenditures	<u>(1,242,810)</u>	<u>(945,339)</u>
Net cash used by investing activities	<u>(1,209,727)</u>	<u>(921,634)</u>

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

GREATER PINE ISLAND WATER ASSOCIATION, INC.

Statements of Cash Flows (continued)

For the years ended December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Cash flows from financing activities:		
Repayment of long-term debt	(267,222)	(256,762)
Members' fees and capital investments	433,758	492,889
Net cash provided by financing activities	<u>166,536</u>	<u>236,127</u>
Increase in cash and cash equivalents	725,555	826,312
Cash and cash equivalents at beginning of year	<u>4,580,026</u>	<u>3,753,714</u>
Cash and cash equivalents at end of year	<u>\$ 5,305,581</u>	<u>\$ 4,580,026</u>

GREATER PINE ISLAND WATER ASSOCIATION, INC.

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2019 AND 2018

Note 1 - Organization and Significant Accounting Policies

Organization

The Greater Pine Island Water Association, Inc., (the "Association"), is a private organization incorporated under the laws of the State of Florida on July 2, 1964, as a not-for-profit cooperative corporation. The purpose of the Association is to supply drinking water to its members residing on Pine Island and adjacent land in Lee County, Florida. Members may be individuals or business entities and are entitled to one vote, regardless of water usage, at the Association's annual meeting.

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.

Cash and Cash Equivalents

For the purpose of the statement of cash flows, the Association considers all liquid debt instruments with an original maturity of three months or less when purchased to be cash equivalents.

Unrestricted Certificates of Deposit

Unrestricted certificates of deposit are stated at cost, which are approximates of market, and are included in cash and cash equivalents.

Fair Value of Financial Instruments

The carrying values of the Association's financial instruments approximates fair value. The financial instruments consist of accounts receivable, accounts payable, accrued liabilities, and long-term debt.

Accounts Receivable

Accounts receivable are stated at net realizable value and, in the opinion of management, are considered fully collectible; consequently, no allowance for bad debts was deemed necessary in the accompanying balance sheets as of December 31, 2019 and 2018.

Inventory

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

Property, Plant, and Equipment

Property, plant, and equipment is stated at cost less accumulated depreciation. Additions and improvements that significantly add to the productive capacity or extend the useful life of an asset are capitalized. Other expenditures for repairs and maintenance are charged to operations in the period incurred. Depreciation is calculated using the straight-line method over the estimated useful lives of the individual assets, which ranges from three to forty years.

GREATER PINE ISLAND WATER ASSOCIATION, INC.

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2019 AND 2018

Note 1 - Organization and Significant Accounting Policies (continued)

Significant Accounting Policies (continued)

Impairment of Long-Lived Assets

Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of the carrying amount or fair value less cost to sell.

CoBank Investment

The Association's investments in CoBank are recorded at cost and are increased for any qualified or allocated equities and reduced for any distributions received.

Intangible Assets

Costs incurred in the course of obtaining mortgage financing are capitalized and amortized over the term of the respective loans using the straight-line method, which approximates the effective interest method.

Compensated Absences

Employees accrue sick leave at the rate of 1 day per month and are allowed to accumulate unused sick leave. The Association has adopted the policy of reimbursing maximum accumulation of 260 hours to employees leaving the Association's employ after 20 years of service, at the employee's most recent hourly wage rate.

Members' Equity

To become a member of the Association a membership fee must be paid. The membership fee consists of the following: basic membership fee, meter fee, impact fee, and in some instances an aid-in construction fee. In addition, current earnings and losses are allocated to members based upon their proportionate share of consumption.

Revenue Recognition

Fees for water consumption consists of three parts: base fee, a standard monthly rate per connection; ready to serve charge, a standard monthly charge based upon the size of the water meter; and a water usage rate, rate computed on water consumption. The association reads water meters on a monthly basis and records the resulting revenue as earned.

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 December 31, 2019 and 2018, the Association's entire gross income has come under Section 115(a) and, therefore, includes no unrelated business income.

GREATER PINE ISLAND WATER ASSOCIATION, INC.

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2019 AND 2018

Note 1 - Organization and Significant Accounting Policies (continued)

Significant Accounting Policies (continued)

Income Taxes (continued)

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 December 31, 2019 and 2018.

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 2016 through 2018 remain subject to examination by the Internal Revenue Service.

Use of Estimates

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

Initial Adoption of Accounting Policies

The Association adopted the Accounting Standards Update 2016-14, Not-for-Profit Entities (Topic 958.) The FASB issues this update to improve the current net assets classification requirements and the information presented in the financial statements and notes about a not-for-profit entity. As the adoption of this guidance only amended presentation and disclosure requirements and did not impact recognition and measurement, the adoption did not materially affect the Association's financial position, results of operations or cash flows.

Note 2 - Cash and Cash Equivalents

Cash and cash equivalents consist of both unrestricted and restricted funds. Restrictions on cash and cash equivalents are board of director designated funds. The designations consist of the following:

	<u>2019</u>	<u>2018</u>
Employee medical reimbursements	\$ <u>23,608</u>	\$ <u>21,986</u>

GREATER PINE ISLAND WATER ASSOCIATION, INC.

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2019 AND 2018

Note 3 – Property, Plant, and Equipment

Details of property, plant, and equipment as of December 31, 2019 and 2018 is as follows:

	<u>2019</u>	<u>2018</u>
Land and land improvements	\$ 1,810,984	\$ 1,657,233
Well systems	4,339,477	4,326,600
Water treatment plant	5,674,401	5,593,442
Distribution system	12,729,666	12,387,627
Pumping stations	2,577,318	2,537,034
Administrative office	312,155	307,233
Field equipment	479,041	479,041
Vehicles	251,723	201,638
Miscellaneous system assets	466,299	466,299
Construction in process	<u>519,229</u>	<u>-0-</u>
	29,160,293	27,956,147
Less accumulated depreciation	<u>(15,356,706)</u>	<u>(14,520,581)</u>
	<u>\$ 13,803,587</u>	<u>\$ 13,435,566</u>

Depreciation for the year ended December 31, 2019 and 2018 was \$874,789 and \$852,711.

Note 4 – Accrued Liabilities

Details of accrued liabilities as of December 31, 2019 and 2018 are as follows:

	<u>2019</u>	<u>2018</u>
Accrued sick leave	\$ 232,612	\$ 148,278
Accrued interest payable	8,222	9,637
Accrued wages and payroll taxes	45,410	40,434
Interest payable to Lee County	<u>684</u>	<u>671</u>
	<u>\$ 286,928</u>	<u>\$ 199,020</u>

Note 5 – Deferred Revenue

Details of deferred revenue as of December 31, 2019 and 2018 are as follows:

	<u>2019</u>	<u>2018</u>
Customer payments received in advance of billing	<u>\$ 45,422</u>	<u>\$ 45,629</u>

GREATER PINE ISLAND WATER ASSOCIATION, INC.

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2019 AND 2018

Note 6 - Long-Term Debt

Following is a summary of long-term debt as of December 31, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Mortgage note payable to CoBank. Payable in monthly installments, including interest at a fixed rate of 6.18% on a fixed amount of the note payable (\$1,504,590) and a fixed rate of 6.12% on the remainder of the note payable balance. The note payable is secured by revenues and the real and tangible personal property of the Association. The note payable matures in February 2025.	\$ <u>1,536,344</u>	\$ <u>1,803,566</u>
Total Long-term debt	1,536,344	1,803,566
Less:		
Current maturities	(278,109)	(267,222)
Unamortized debt issuance costs	<u>(7,340)</u>	<u>(8,743)</u>
	\$ <u>1,250,895</u>	\$ <u>1,527,601</u>

Following are maturities of long-term debt for each of the next five years:

2020	\$ 278,109
2021	289,440
2022	301,232
2023	313,505
2024	326,278
Thereafter	<u>27,780</u>
	<u>\$ 1,536,344</u>

Loan restrictions and covenants

The mortgage note payable between the Association and CoBank noted above contains restrictions and covenants that prevent or restrict the Association from engaging in certain transactions without the consent of CoBank. There are additional financial ratio requirements that were met during the reporting period.

Note 7 – Letter of Credit and Injection Well Liability

The Association operates a deep injection well as a disposal site for the brine water produced by its reverse osmosis process. The Florida Department of Environmental Protection (DEP) requires operators of deep injection wells to demonstrate that its operators can plug the well when it is no longer of any use. To be in compliance with DEP regulations the Association and Lee County, FL jointly maintain a letter of credit with a commercial bank for the deep well injection system, which was a jointly funded project. The Association and Lee County, FL jointly funded a certificate of deposit in the amount of \$230,000, which serves as security for the letter of credit.

GREATER PINE ISLAND WATER ASSOCIATION, INC.

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2019 AND 2018

Note 7 – Letter of Credit and Injection Well Liability (continued)

Interest earned is allocable to both parties and may accumulate in the account. As of December 31, 2019 and 2018 accumulated payable interest to Lee County, FL amounted to \$684 and \$671, respectively. The Association's portion of the certificate of deposit is reported in the accompanying balance sheet as of December 31, 2019 and 2018 as a restricted certificate of deposit amounting to \$115,000.

The Association is recognizing a yearly charge to recognize the estimated liability of approximately \$103,255 for its anticipated future cost of plugging the well at the end of its useful life. The current present value liability amounts to \$25,045 and \$23,685 as of December 31, 2019 and 2018.

Note 8 – Members' Equity

Members' equity consists of the following as of December 31, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Membership fees	\$ 2,207,207	\$ 2,152,635
Meter fees	4,510,770	4,340,886
Impact fees	6,875,128	6,667,611
Unallocated impact fees	45,671	49,295
Aid-in construction contributions	<u>260,094</u>	<u>254,685</u>
	<u>\$ 13,898,870</u>	<u>\$ 13,465,112</u>

Note 9 – Defined Contribution 401(k) Plan

The Association has adopted a defined contribution 401(k) plan (the "Plan") covering substantially all full-time employees who have attained the age of 18 and completed six months of service within a plan year. Under the terms of the Plan, employees may defer a portion of eligible compensation subject to maximum allowable dollar limitations. The Association may also make discretionary contributions to the Plan, such as matching contributions and discretionary profit-sharing contributions. During the year ended December 31, 2019 and 2018 the Association contributed a total of \$100,145 and \$107,220 to the Plan in the form of matching contributions of \$24,150 and \$27,047 and discretionary profit sharing contributions of \$75,995 and \$80,173. The Association also incurred administrative costs related to the plan in the amount of \$7,792 and \$6,025 for the reporting period.

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 no funds on deposit at commercial banks exceeding the portion insured by the FDIC as of December 31, 2019 and 2018.



GREATER PINE ISLAND WATER ASSOCIATION, INC.

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2019 AND 2018

Note 11 – Liquidity and Availability of Financial Assets

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

	<u>2019</u>	<u>2018</u>
Financial assets at year end	\$ 5,905,813	\$ 5,203,339
Less those unavailable for general expenditures within one year due to:		
Meter fees	115,000	115,000
Aid-in construction contributions	23,608	21,986
CoBank investment	<u>256,332</u>	<u>279,915</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 5,510,873</u>	<u>\$ 4,786,438</u>

Note 12 – Commitments

The Association has certain contract commitments related to water system and building improvements outstanding as of December 31, 2019. The remaining commitment on those contracts is approximately \$470,025 as of December 31, 2019.

Note 13 – Subsequent Events

Subsequent events were evaluated through February 20, 2020, which is the date the financial statements were available to be issued. No significant subsequent events have been identified that would require adjustment of or disclosure in the accompanying financial statements.

SUPPLEMENTARY INFORMATION

GREATER PINE ISLAND WATER ASSOCIATION, INC.

Schedules of Production and Distribution Expenses

For the years ended December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Production Expenses		
Salaries	\$ 451,593	\$ 415,703
Employee benefits	85,427	112,444
Chemicals	31,449	59,477
Electricity	222,965	220,319
Office expense	19,588	27,177
Professional fees	4,820	37,199
Repairs and maintenance	217,685	228,654
Miscellaneous expense	19,201	23,672
Total Production Expenses	<u>\$ 1,052,728</u>	<u>\$ 1,124,645</u>
Distribution Expenses		
Salaries	\$ 285,137	\$ 241,118
Employee benefits	55,103	57,041
Professional fees	17,627	13,039
Repairs and maintenance	121,407	100,953
Miscellaneous expense	3,906	1,324
Total Distribution Expenses	<u>\$ 483,180</u>	<u>\$ 413,475</u>

GREATER PINE ISLAND WATER ASSOCIATION, INC.

Schedules of Administrative Expenses

For the years ended December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Administrative Expenses		
Salaries	\$ 400,545	\$ 361,692
Employee benefits	79,302	81,358
Electricity	14,711	5,958
Insurance	156,246	186,403
Office expense	60,247	65,887
Operating supplies	550	469
Professional fees	109,060	106,273
Repairs and maintenance	7,855	6,594
Taxes and permits	83,074	79,709
Vehicle expense	30,326	28,338
Miscellaneous expense	22,584	22,980
Total Administrative Expenses	<u>\$ 964,500</u>	<u>\$ 945,661</u>

GREATER PINE ISLAND WATER ASSOCIATION, INC.

Schedules of Employee Benefit, Insurance, and Professional Fee Expenses

For the years ended December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Employee Benefit Expense		
Group health insurance	\$ 106,720	\$ 132,933
Pension expense	107,937	113,245
Uniforms	5,175	4,665
Total Employee Benefit Expense	<u>\$ 219,832</u>	<u>\$ 250,843</u>
Insurance Expense		
General insurance	\$ 110,775	\$ 148,404
Workers' compensation insurance	24,035	19,792
Vehicle insurance	21,436	18,207
Total Insurance Expense	<u>\$ 156,246</u>	<u>\$ 186,403</u>
Professional Fees		
Contract services	\$ 101,630	\$ 126,957
Auditing	17,439	19,387
Legal	10,938	10,167
Engineering	1,500	-
Total Professional fees	<u>\$ 131,507</u>	<u>\$ 156,511</u>

GREATER PINE ISLAND WATER ASSOCIATION, INC.

Schedules of Capital Expenditures

For the years ended December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Capital Expenditures		
Land and land improvements	\$ 153,751	\$ 69,580
Production Wells	12,877	12,337
Water treatment plant	80,959	100,590
Mains (over 6")	289,144	708,440
Water meters	52,895	43,052
Center pump station	40,284	-
Field equipment	4,922	-
Admin office	88,749	11,340
Construction in Process	519,229	-
Total Capital Expenditures	<u>\$ 1,242,810</u>	<u>\$ 945,339</u>