

GREATER PINE ISLAND WATER ASSOCIATION, INC.
FINANCIAL STATEMENTS FOR THE
YEARS ENDED DECEMBER 31, 2020 AND 2019
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, 2020 and 2019, 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, 2020 and 2019, 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 17 through 20 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 17, 2021

GREATER PINE ISLAND WATER ASSOCIATION, INC.

Balance Sheets

As of December 31, 2020 and 2019

ASSETS

	2020	2019
Current Assets		
Cash and cash equivalents		
Unrestricted	\$ 3,748,659	\$ 5,281,973
Restricted (Note 2)	29,296	23,608
Total Cash and cash equivalents	3,777,955	5,305,581
Accounts receivable	192,773	210,022
Accrued interest receivable	462	1,368
Patronage dividend receivable	13,866	17,510
Inventory	118,220	117,813
Prepaid expenses and other assets	112,837	93,467
Total Current Assets	4,216,113	5,745,761
Property, Plant, and Equipment, net (Note 3)	14,708,726	13,803,587
Other Assets		
CoBank investment	232,980	256,332
Certificate of deposit (Non-current)	1,503,474	-
Restricted certificate of deposit (Note 7)	115,000	115,000
Total Other Assets	1,851,454	371,332
Total Assets	\$ 20,776,293	\$ 19,920,680

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

GREATER PINE ISLAND WATER ASSOCIATION, INC.

Balance Sheets (continued)

As of December 31, 2020 and 2019

LIABILITIES AND MEMBERS' EQUITY

	<u>2020</u>	<u>2019</u>
Current Liabilities		
Current maturities of long-term debt (Note 6)	\$ 289,440	\$ 278,109
Accounts payable	93,329	195,287
Accrued liabilities (Note 4)	179,019	286,928
Deferred liabilities (Note 5)	<u>101,499</u>	<u>45,422</u>
Total Current Liabilities	663,287	805,746
Long-Term Liabilities		
Long-term debt, less current maturities (Note 6)	968,795	1,258,235
Less: unamortized debt issuance costs	<u>(5,903)</u>	<u>(7,340)</u>
Net Long-Term Debt	962,892	1,250,895
Injection well liability (Note 7)	<u>26,482</u>	<u>25,045</u>
Total Long-Term Liabilities	989,374	1,275,940
Total Liabilities	<u>1,652,661</u>	<u>2,081,686</u>
Members' Equity		
Members' fees and capital investments	14,411,861	13,898,870
Retained earnings	4,711,771	3,940,124
Total Members' Equity	<u>19,123,632</u>	<u>17,838,994</u>
Total Liabilities and Members' Equity	<u>\$ 20,776,293</u>	<u>\$ 19,920,680</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, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Operating Revenues		
Metered water sales	\$ 4,013,106	\$ 4,018,925
Other	48,839	44,372
Total Operating Revenues	<u>4,061,945</u>	<u>4,063,297</u>
Operating Expenses		
Production	1,096,007	1,052,728
Distribution	495,858	483,180
Administrative	869,191	964,500
Depreciation (Note 3)	838,744	874,789
Total Operating Expenses	<u>3,299,800</u>	<u>3,375,197</u>
Operating Income	<u>762,145</u>	<u>688,100</u>
Other Revenues (Expenses)		
Amortization	(1,437)	(1,403)
Interest income	41,460	87,693
Interest expense (Note 6)	(75,773)	(89,758)
Gain on asset disposal	13,500	9,500
Miscellaneous income	31,752	33,001
Total Other Revenues (Expenses)	<u>9,502</u>	<u>39,033</u>
Excess of Revenues over Expenses	<u>\$ 771,647</u>	<u>\$ 727,133</u>

GREATER PINE ISLAND WATER ASSOCIATION, INC.

Statements of Changes in Members' Equity

For the years ended December 31, 2020 and 2019

	Members' Fees and Capital Investments				Total	Retained Earnings	Total Members' Equity
	Membership Fees	Meter Fees	Capital Charges	Impact Fees and Aid-In Construction			
Balances as of December 31, 2018	\$ 2,152,635	\$ 4,340,886	\$ 6,667,611	\$ 303,980	\$ 13,465,112	\$ 3,212,991	\$ 16,678,103
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
Balances as of December 31, 2019	<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>
Excess of Revenue over Expenses	-	-	-	-	-	771,647	771,647
New member fees	61,128	202,593	211,562	39,419	514,702	-	514,702
Adjustments and refunds to prior members	(299)	38	(5,820)	4,370	(1,711)	-	(1,711)
Balances as of December 31, 2020	<u>\$ 2,268,036</u>	<u>\$ 4,713,401</u>	<u>\$ 7,080,870</u>	<u>\$ 349,554</u>	<u>\$ 14,411,861</u>	<u>\$ 4,711,771</u>	<u>\$ 19,123,632</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, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Cash flows from operating activities:		
Excess of revenues over expenses	\$ 771,647	\$ 727,133
Adjustments to reconcile excess of revenues over expenses to net cash provided by operating activities:		
Depreciation	838,744	874,789
Amortization	1,437	1,403
Gain on disposal of assets	(13,500)	(9,500)
Change in deep well injection liability	1,437	1,360
Changes in assets and liabilities		
Decrease in all accounts receivable	21,799	(502)
Increase in inventory	(407)	(1,850)
Increase in prepaid expenses and other assets	(19,370)	(1,851)
Increase in accounts payable, trade	(101,958)	90,063
Increase in accrued liabilities	(107,909)	87,908
Increase in deferred revenue	56,077	(207)
Total adjustments	<u>676,350</u>	<u>1,041,613</u>
Net cash provided by operating activities	<u>1,447,997</u>	<u>1,768,746</u>
Cash flows from investing activities:		
Change in certificates of deposit	(1,503,474)	-
Change in CoBank investment	23,352	23,583
Proceeds from asset dispositions	13,500	9,500
Capital expenditures	<u>(1,743,883)</u>	<u>(1,242,810)</u>
Net cash used by investing activities	<u>(3,210,505)</u>	<u>(1,209,727)</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, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Cash flows from financing activities:		
Repayment of long-term debt	(278,109)	(267,222)
Members' fees and capital investments	512,991	433,758
Net cash provided by financing activities	<u>234,882</u>	<u>166,536</u>
Increase in cash and cash equivalents	(1,527,626)	725,555
Cash and cash equivalents at beginning of year	<u>5,305,581</u>	<u>4,580,026</u>
Cash and cash equivalents at end of year	<u><u>\$ 3,777,955</u></u>	<u><u>\$ 5,305,581</u></u>

GREATER PINE ISLAND WATER ASSOCIATION, INC.

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2020 AND 2019

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 if the time to maturity at the balance sheet date is under one year. Unrestricted certificates of deposits with a time to maturity of greater than one year at the balance sheet date are included in Other Assets as non-current.

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, 2020 and 2019.

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, 2020 AND 2019

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, 2020 and 2019, 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, 2020 AND 2019

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, 2020 and 2019.

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 2017 through 2019 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.

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>2020</u>	<u>2019</u>
Employee medical reimbursements	\$ <u>29,296</u>	\$ <u>23,608</u>

GREATER PINE ISLAND WATER ASSOCIATION, INC.

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2020 AND 2019

Note 3 – Property, Plant, and Equipment

Details of property, plant, and equipment as of December 31, 2020 and 2019 is as follows:

	<u>2020</u>	<u>2019</u>
Land and land improvements	\$ 2,283,336	\$ 1,810,984
Well systems	4,339,477	4,339,477
Water treatment plant	6,128,482	5,674,401
Distribution system	13,611,297	12,729,666
Pumping stations	2,613,665	2,577,318
Administrative office	356,656	312,155
Field equipment	486,992	479,041
Vehicles	292,627	251,723
Miscellaneous system assets	472,609	466,299
Construction in process	<u>282,436</u>	<u>519,229</u>
	30,867,577	29,160,293
Less accumulated depreciation	<u>(16,158,851)</u>	<u>(15,356,706)</u>
	<u>\$ 14,708,726</u>	<u>\$ 13,803,587</u>

Depreciation for the year ended December 31, 2020 and 2019 was \$838,744 and \$874,789.

Note 4 – Accrued Liabilities

Details of accrued liabilities as of December 31, 2020 and 2019 are as follows:

	<u>2020</u>	<u>2019</u>
Accrued sick leave	\$ 167,733	\$ 232,612
Accrued interest payable	6,754	8,222
Accrued wages and payroll taxes	4,301	45,410
Interest payable to Lee County	<u>231</u>	<u>684</u>
	<u>\$ 179,019</u>	<u>\$ 286,928</u>

Note 5 – Deferred Revenue

Details of deferred revenue as of December 31, 2020 and 2019 are as follows:

	<u>2020</u>	<u>2019</u>
Customer payments received in advance of billing	<u>\$ 101,499</u>	<u>\$ 45,422</u>

GREATER PINE ISLAND WATER ASSOCIATION, INC.

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2020 AND 2019

Note 6 - Long-Term Debt

Following is a summary of long-term debt as of December 31, 2020 and 2019:

	<u>2020</u>	<u>2019</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>1,258,235</u>	\$ <u>1,536,344</u>
Total Long-term debt	1,258,235	1,536,344
Less:		
Current maturities	(289,440)	(278,109)
Unamortized debt issuance costs	<u>(5,903)</u>	<u>(7,340)</u>
	\$ <u><u>962,892</u></u>	\$ <u><u>1,250,895</u></u>

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

2021	\$ 289,440
2022	301,232
2023	313,505
2024	326,278
2025	<u>27,780</u>
	\$ <u><u>1,258,235</u></u>

Debt issuance costs associated with the Association's note payable are being amortized over the expected life. The Association's unamortized debt issuance costs for the years ended December 31, 2020 and 2019 are as follows:

	<u>2020</u>	<u>2019</u>
Debt issuance costs	\$ 29,583	\$ 29,583
Less: accumulated amortized expense	<u>(23,680)</u>	<u>(22,243)</u>
	\$ <u><u>5,903</u></u>	\$ <u><u>7,340</u></u>

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

2021	\$ 1,437
2022	1,437
2023	1,437
2024	1,437
2025	<u>155</u>
	\$ <u><u>5,903</u></u>

GREATER PINE ISLAND WATER ASSOCIATION, INC.

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2020 AND 2019

Note 6 - Long-Term Debt (continued)

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.

Interest earned is allocable to both parties and may accumulate in the account. As of December 31, 2020 and 2019 accumulated payable interest to Lee County, FL amounted to \$231 and \$684, respectively. The Association's portion of the certificate of deposit is reported in the accompanying balance sheet as of December 31, 2020 and 2019 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 \$26,482 and \$25,045 as of December 31, 2020 and 2019.

Note 8 – Members' Equity

Members' equity consists of the following as of December 31, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Membership fees	\$ 2,268,036	\$ 2,207,207
Meter fees	4,713,401	4,510,770
Impact fees	7,080,870	6,875,128
Unallocated impact fees	84,962	45,671
Aid-in construction contributions	<u>264,592</u>	<u>260,094</u>
	<u>\$ 14,411,861</u>	<u>\$ 13,898,870</u>

GREATER PINE ISLAND WATER ASSOCIATION, INC.

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2020 AND 2019

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, 2020 and 2019 the Association contributed a total of \$113,646 and \$100,145 to the Plan in the form of matching contributions of \$28,909 and \$24,150 and discretionary profit sharing contributions of \$84,737 and \$75,995. The Association also incurred administrative costs related to the plan in the amount of \$7,892 and \$7,792 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, 2020 and 2019.

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>2020</u>	<u>2019</u>
Financial assets at year end	\$ 5,836,510	\$ 5,905,813
Less those unavailable for general expenditures within one year due to:		
Meter fees	115,000	115,000
Aid-in construction contributions	29,296	23,608
CoBank investment	<u>232,980</u>	<u>256,332</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 5,459,234</u>	<u>\$ 5,510,873</u>

GREATER PINE ISLAND WATER ASSOCIATION, INC.

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2020 AND 2019

Note 12 – Commitments

The Association has certain contract commitments related to water system and building improvements outstanding as of December 31, 2020. The remaining commitment on those contracts is approximately \$198,971 as of December 31, 2020.

Note 13 – Subsequent Events

Subsequent events were evaluated through February 17, 2021, 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, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Production Expenses		
Salaries	\$ 439,459	\$ 451,593
Employee benefits	81,910	85,427
Chemicals	64,798	31,449
Electricity	223,971	222,965
Office expense	8,905	19,588
Professional fees	7,632	4,820
Repairs and maintenance	245,343	217,685
Miscellaneous expense	23,989	19,201
Total Production Expenses	<u>\$ 1,096,007</u>	<u>\$ 1,052,728</u>
Distribution Expenses		
Salaries	\$ 291,424	\$ 285,137
Employee benefits	55,695	55,103
Office expense	932	-
Professional fees	20,990	17,627
Repairs and maintenance	125,735	121,407
Miscellaneous expense	1,082	3,906
Total Distribution Expenses	<u>\$ 495,858</u>	<u>\$ 483,180</u>

GREATER PINE ISLAND WATER ASSOCIATION, INC.

Schedules of Administrative Expenses

For the years ended December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Administrative Expenses		
Salaries	\$ 302,759	\$ 400,545
Employee benefits	75,191	79,302
Electricity	22,558	14,711
Insurance	156,958	156,246
Office expense	77,721	60,247
Operating supplies	60	550
Professional fees	89,098	109,060
Repairs and maintenance	7,803	7,855
Taxes and permits	81,743	83,074
Vehicle expense	27,236	30,326
Miscellaneous expense	28,064	22,584
Total Administrative Expenses	<u>\$ 869,191</u>	<u>\$ 964,500</u>

GREATER PINE ISLAND WATER ASSOCIATION, INC.

Schedules of Employee Benefit, Insurance, and Professional Fee Expenses

For the years ended December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Employee Benefit Expense		
Group health insurance	\$ 85,756	\$ 106,720
Pension expense	121,539	107,937
Uniforms	5,501	5,175
Total Employee Benefit Expense	<u>\$ 212,796</u>	<u>\$ 219,832</u>
Insurance Expense		
General insurance	\$ 115,598	\$ 110,775
Workers' compensation insurance	17,560	24,035
Vehicle insurance	23,800	21,436
Total Insurance Expense	<u>\$ 156,958</u>	<u>\$ 156,246</u>
Professional Fees		
Contract services	\$ 89,271	\$ 101,630
Auditing	17,756	17,439
Legal	10,693	10,938
Engineering	-	1,500
Total Professional fees	<u>\$ 117,720</u>	<u>\$ 131,507</u>

GREATER PINE ISLAND WATER ASSOCIATION, INC.

Schedules of Capital Expenditures

For the years ended December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Capital Expenditures		
Land and land improvements	\$ 312,141	\$ 153,751
Production wells	-	12,877
Water treatment plant	201,514	80,959
Mains (over 6")	178,874	289,144
Water meters	346,694	52,895
Pump stations	36,347	40,284
Field equipment	44,550	4,922
Admin office	42,742	88,749
Vehicles	40,904	-
Miscellaneous	3,422	-
Construction in process	536,695	519,229
Total Capital Expenditures	<u>\$ 1,743,883</u>	<u>\$ 1,242,810</u>