

GREATER PINE ISLAND WATER ASSOCIATION, INC.  
FINANCIAL STATEMENTS FOR THE  
YEARS ENDED DECEMBER 31, 2021 AND 2020  
AND  
INDEPENDENT AUDITORS' REPORT

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# SUPLEE SHEA CRAMER & MILLER, PA

CERTIFIED PUBLIC ACCOUNTANTS

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## Independent Auditors' Report

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

### **Opinion**

We have audited the accompanying financial statements of Greater Pine Island Water Association, Inc., which comprise the balance sheets as of December 31, 2021 and 2020, 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.

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, 2021 and 2020, and the changes in members' 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 Greater Pine Island Water Association, Inc. and to meet our other 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 Greater Pine 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 misstatement, 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 concluded 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, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted accounting standards, we:

- Exercise professional judgement 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 Greater Pine 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 Greater Pine 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 in 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.

#### **Supplementary Information**

Our audit was 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 & Miller, P.A*

SUPLEE, SHEA, CRAMER, & MILLER, P.A.  
Sarasota, FL  
February 15, 2022

GREATER PINE ISLAND WATER ASSOCIATION, INC.

Balance Sheets

As of December 31, 2021 and 2020

ASSETS

	<u>2021</u>	<u>2020</u>
Current Assets		
Cash and cash equivalents		
Unrestricted	\$ 4,160,019	\$ 3,748,659
Restricted (Note 2)	35,043	29,296
Total Cash and cash equivalents	4,195,062	3,777,955
Accounts receivable	215,425	192,773
Accrued interest receivable	180	462
Patronage dividend receivable	22,048	13,866
Inventory	125,894	118,220
Prepaid expenses and other assets	105,310	112,837
Total Current Assets	4,663,919	4,216,113
Property, Plant, and Equipment, net (Note 3)	15,485,996	14,708,726
Other Assets		
CoBank investment	207,469	232,980
Certificate of deposit (Non-current)	1,500,710	1,503,474
Restricted certificate of deposit (Note 8)	115,000	115,000
Deferred rate study	28,770	-
Total Other Assets	1,851,949	1,851,454
Total Assets	<u>\$ 22,001,864</u>	<u>\$ 20,776,293</u>

GREATER PINE ISLAND WATER ASSOCIATION, INC.

Balance Sheets (continued)

As of December 31, 2021 and 2020

LIABILITIES AND MEMBERS' EQUITY

	<u>2021</u>	<u>2020</u>
Current Liabilities		
Current maturities of long-term debt (Note 7)	\$ 301,232	\$ 289,440
Accounts payable	162,656	93,329
Accrued liabilities (Note 4)	242,622	179,019
Deferred liabilities (Note 5)	<u>109,963</u>	<u>101,499</u>
Total Current Liabilities	816,473	663,287
Long-Term Liabilities		
Long-term debt, less current maturities (Note 7)	666,598	968,795
Less: unamortized debt issuance costs	<u>(4,408)</u>	<u>(5,903)</u>
Net Long-Term Debt	662,190	962,892
Injection well liability (Note 8)	<u>28,003</u>	<u>26,482</u>
Total Long-Term Liabilities	690,193	989,374
Total Liabilities	<u>1,506,666</u>	<u>1,652,661</u>
Members' Equity		
Members' fees and capital investments	15,163,515	14,411,861
Retained earnings	5,331,683	4,711,771
Total Members' Equity	<u>20,495,198</u>	<u>19,123,632</u>
Total Liabilities and Members' Equity	<u>\$ 22,001,864</u>	<u>\$ 20,776,293</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, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Operating Revenues		
Metered water sales	\$ 4,146,720	\$ 4,013,106
Other	45,645	48,839
Total Operating Revenues	<u>4,192,365</u>	<u>4,061,945</u>
Operating Expenses		
Production	1,063,112	1,096,007
Distribution	580,983	495,858
Administrative	1,064,725	869,191
Depreciation (Note 3)	878,288	838,744
Total Operating Expenses	<u>3,587,108</u>	<u>3,299,800</u>
Operating Income	<u>605,257</u>	<u>762,145</u>
Other Revenues (Expenses)		
Interest income	27,756	41,460
Interest expense	(50,283)	(77,210)
Gain on asset disposal	-	13,500
Miscellaneous income	37,182	31,752
Total Other Revenues (Expenses)	<u>14,655</u>	<u>9,502</u>
Excess of Revenues over Expenses	<u>\$ 619,912</u>	<u>\$ 771,647</u>

GREATER PINE ISLAND WATER ASSOCIATION, INC.

Statements of Changes in Members' Equity

For the years ended December 31, 2021 and 2020

	Members' Fees and Capital Investments				Total	Retained Earnings	Total Members' Equity
	Membership Fees	Meter Fees	Capital Charges	Impact Fees and Aid-In Construction			
<b>Balances as of December 31, 2019</b>	\$ 2,207,207	\$ 4,510,770	\$ 6,875,128	\$ 305,765	\$ 13,898,870	\$ 3,940,124	\$ 17,838,994
Excess of Revenues 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)
<b>Balances as of December 31, 2020</b>	<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>
Excess of Revenue over Expenses	-	-	-	-	-	619,912	619,912
New member fees	86,184	380,738	283,443	1,843	752,208	-	752,208
Adjustments and refunds to prior members	(637)	(782)	31,095	(30,230)	(554)	-	(554)
<b>Balances as of December 31, 2021</b>	<u>\$ 2,353,583</u>	<u>\$ 5,093,357</u>	<u>\$ 7,395,408</u>	<u>\$ 321,167</u>	<u>\$ 15,163,515</u>	<u>\$ 5,331,683</u>	<u>\$ 20,495,198</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, 2021 and 2020

	2021	2020
Cash flows from operating activities:		
Excess of revenues over expenses	\$ 619,912	\$ 771,647
Adjustments to reconcile excess of revenues over expenses to net cash provided by operating activities:		
Depreciation	878,288	838,744
Amortization	1,495	1,437
Gain on disposal of assets	-	(13,500)
Change in deep well injection liability	1,521	1,437
Changes in assets and liabilities		
(Increase) decrease in all accounts receivable	(30,552)	21,799
Increase in inventory	(7,674)	(407)
(Increase) decrease in prepaid expenses and other assets	7,527	(19,370)
Increase in deferred rate study	(28,770)	-
Increase (decrease) in accounts payable, trade	69,327	(101,958)
Increase (decrease) in accrued liabilities	63,603	(107,909)
Increase in deferred revenue	8,464	56,077
Total adjustments	963,229	676,350
Net cash provided by operating activities	1,583,141	1,447,997
Cash flows from investing activities:		
Change in certificates of deposit	2,764	(1,503,474)
Change in CoBank investment	25,511	23,352
Proceeds from asset dispositions	-	13,500
Capital expenditures	(1,655,558)	(1,743,883)
Net cash used by investing activities	(1,627,283)	(3,210,505)

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, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Cash flows from financing activities:		
Repayment of long-term debt	(290,405)	(278,109)
Members' fees and capital investments	<u>751,654</u>	<u>512,991</u>
Net cash provided by financing activities	<u>461,249</u>	<u>234,882</u>
Increase (decrease) in cash and cash equivalents	417,107	(1,527,626)
Cash and cash equivalents at beginning of year	<u>3,777,955</u>	<u>5,305,581</u>
Cash and cash equivalents at end of year	<u>\$ 4,195,062</u>	<u>\$ 3,777,955</u>
Supplemental Disclosure of Cash Flow Information		
Amortization of debt issuance costs as interest expense	<u>\$ 1,437</u>	<u>\$ 1,437</u>

# GREATER PINE ISLAND WATER ASSOCIATION, INC.

## NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2021 AND 2020

### 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, 2021 and 2020.

##### 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, 2021 AND 2020

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, 2021 and 2020, 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, 2021 AND 2020

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, 2021 and 2020.

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 2018 through 2020 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.

Reclassifications

Certain amounts in the prior period financial statements have been reclassified for comparative purposes to conform to the current presentation of the financial statements.

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>2021</u>	<u>2020</u>
Employee medical reimbursements	\$ <u>35,043</u>	\$ <u>29,296</u>

GREATER PINE ISLAND WATER ASSOCIATION, INC.

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2021 AND 2020

Note 3 – Property, Plant, and Equipment

Details of property, plant, and equipment as of December 31, 2021 and 2020 is as follows:

	<u>2021</u>	<u>2020</u>
Land and land improvements	\$ 2,303,986	\$ 2,283,336
Well systems	4,339,477	4,339,477
Water treatment plant	6,462,999	6,128,482
Distribution system	15,069,273	13,611,297
Pumping stations	2,666,145	2,613,665
Administrative office	391,632	356,656
Field equipment	499,738	486,992
Vehicles	317,274	292,627
Miscellaneous system assets	472,611	472,609
Construction in process	-	282,436
	<u>32,523,135</u>	<u>30,867,577</u>
Less accumulated depreciation	<u>(17,037,139)</u>	<u>(16,158,851)</u>
	<u>\$ 15,485,996</u>	<u>\$ 14,708,726</u>

Depreciation for the year ended December 31, 2021 and 2020 was \$878,288 and \$838,744.

Note 4 – Accrued Liabilities

Details of accrued liabilities as of December 31, 2021 and 2020 are as follows:

	<u>2021</u>	<u>2020</u>
Accrued sick leave	\$ 228,513	\$ 167,733
Accrued interest payable	5,218	6,754
Accrued wages and payroll taxes	8,801	4,301
Interest payable to Lee County	90	231
	<u>\$ 242,622</u>	<u>\$ 179,019</u>

Note 5 – Deferred Revenue

Details of deferred revenue as of December 31, 2021 and 2020 are as follows:

	<u>2021</u>	<u>2020</u>
Customer payments received in advance of billing	\$ <u>109,963</u>	\$ <u>101,499</u>

GREATER PINE ISLAND WATER ASSOCIATION, INC.

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2021 AND 2020

Note 6 – Deferred Rate Study

During 2021, a projected water rate study for the years 2022 – 2026 was conducted at a cost of \$28,770. The Organization is required to amortize the cost of the rate study over the projected years included. The unamortized deferred rate study for the year ended December 31, 2021 is as follows:

	<u>2021</u>
Debt issuance costs	\$ 28,770
Less: accumulated amortized expense	(–)
	<u>\$ 28,770</u>

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

2022	\$ 5,754
2023	5,754
2024	5,754
2025	5,754
2026	<u>5,754</u>
	<u>\$ 28,770</u>

Note 7 - Long-Term Debt

Following is a summary of long-term debt as of December 31, 2021 and 2020:

	<u>2021</u>	<u>2020</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>967,830</u>	\$ <u>1,258,235</u>
Total Long-term debt	967,830	1,258,235
Less:		
Current maturities	(301,232)	(289,440)
Unamortized debt issuance costs	<u>(4,408)</u>	<u>(5,903)</u>
	<u>\$ 662,190</u>	<u>\$ 962,892</u>

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

2022	\$ 301,232
2023	313,505
2024	326,278
2025	<u>26,815</u>
	<u>\$ 967,830</u>

GREATER PINE ISLAND WATER ASSOCIATION, INC.

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2021 AND 2020

Note 7 - Long-Term Debt (continued)

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, 2021 and 2020 are as follows:

	<u>2021</u>	<u>2020</u>
Debt issuance costs	\$ 29,583	\$ 29,583
Less: accumulated amortized expense	<u>(25,175)</u>	<u>(23,680)</u>
	<u>\$ 4,408</u>	<u>\$ 5,903</u>

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

2022	\$ 1,437
2023	1,437
2024	1,437
2025	<u>97</u>
	<u>\$ 4,408</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 8 – 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, 2021 and 2020 accumulated payable interest to Lee County, FL amounted to \$90 and \$231, respectively. The Association's portion of the certificate of deposit is reported in the accompanying balance sheet as of December 31, 2021 and 2020 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 \$28,003 and \$26,482 as of December 31, 2021 and 2020.



GREATER PINE ISLAND WATER ASSOCIATION, INC.

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2021 AND 2020

Note 9 – Members’ Equity

Members’ equity consists of the following as of December 31, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Membership fees	\$ 2,353,583	\$ 2,268,036
Meter fees	5,093,357	4,713,401
Impact fees	7,395,408	7,080,870
Unallocated impact fees	48,614	84,962
Aid-in construction contributions	<u>272,553</u>	<u>264,592</u>
	<u>\$ 15,163,515</u>	<u>\$ 14,411,861</u>

Note 10– 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 eighteen 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, 2021 and 2020 the Association contributed a total of \$122,745 and \$113,646 to the Plan in the form of matching contributions of \$30,888 and \$28,909 and discretionary profit sharing contributions of \$91,857 and \$84,737. The Association also incurred administrative costs related to the plan in the amount of \$7,658 and \$7,893 for the reporting period.

Note 11 – 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, 2021 and 2020.

GREATER PINE ISLAND WATER ASSOCIATION, INC.

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2021 AND 2020

Note 12 – 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>2021</u>	<u>2020</u>
Financial assets at year end	\$ 6,255,894	\$ 5,836,510
Less those unavailable for general expenditures within one year due to:		
Meter fees	115,000	115,000
Aid-in construction contributions	35,043	29,296
CoBank investment	<u>207,469</u>	<u>232,980</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 5,898,382</u>	<u>\$ 5,459,234</u>

Note 13 – Subsequent Events

Subsequent events were evaluated through February 15, 2022, 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, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Production Expenses		
Salaries	\$ 485,823	\$ 439,459
Employee benefits	84,488	81,910
Chemicals	77,818	64,798
Electricity	220,772	223,971
Office expense	21,907	8,905
Professional fees	4,899	7,632
Repairs and maintenance	149,624	245,343
Miscellaneous expense	17,781	23,989
Total Production Expenses	<u>\$ 1,063,112</u>	<u>\$ 1,096,007</u>
Distribution Expenses		
Salaries	\$ 363,516	\$ 291,424
Employee benefits	62,483	55,695
Office expense	1,140	932
Professional fees	17,127	20,990
Repairs and maintenance	132,888	125,735
Miscellaneous expense	3,829	1,082
Total Distribution Expenses	<u>\$ 580,983</u>	<u>\$ 495,858</u>

GREATER PINE ISLAND WATER ASSOCIATION, INC.

Schedules of Administrative Expenses

For the years ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Administrative Expenses		
Salaries	\$ 454,125	\$ 302,759
Employee benefits	84,613	75,191
Electricity	23,983	22,558
Insurance	176,715	156,958
Office expense	78,911	77,721
Operating supplies	-	60
Professional fees	66,296	89,098
Repairs and maintenance	4,509	7,803
Taxes and permits	98,943	81,743
Vehicle expense	37,426	27,236
Miscellaneous expense	39,204	28,064
Total Administrative Expenses	<u>\$ 1,064,725</u>	<u>\$ 869,191</u>

GREATER PINE ISLAND WATER ASSOCIATION, INC.

Schedules of Employee Benefit, Insurance, and Professional Fee Expenses

For the years ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Employee Benefit Expense		
Group health insurance	\$ 94,881	\$ 85,756
Pension expense	130,403	121,539
Uniforms	<u>6,300</u>	<u>5,501</u>
Total Employee Benefit Expense	<u>\$ 231,584</u>	<u>\$ 212,796</u>
Insurance Expense		
General insurance	\$ 127,422	\$ 115,598
Workers' compensation insurance	18,857	17,560
Vehicle insurance	<u>30,436</u>	<u>23,800</u>
Total Insurance Expense	<u>\$ 176,715</u>	<u>\$ 156,958</u>
Professional Fees		
Contract services	\$ 64,158	\$ 89,271
Auditing	20,401	17,756
Legal	<u>3,763</u>	<u>10,693</u>
Total Professional fees	<u>\$ 88,322</u>	<u>\$ 117,720</u>

GREATER PINE ISLAND WATER ASSOCIATION, INC.

Schedules of Capital Expenditures

For the years ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Capital Expenditures		
Land and land improvements	\$ 20,650	\$ 312,141
Water treatment plant	231,031	201,514
Mains (over 6")	882,760	715,569
Water meters	386,552	346,694
Pump stations	52,480	36,347
Field equipment	3,717	44,550
Admin office	8,831	42,742
Vehicles	24,647	40,904
Miscellaneous	44,890	3,422
Total Capital Expenditures	<u>\$ 1,655,558</u>	<u>\$ 1,743,883</u>