

August 30, 2022

Office of the Auditor General  
401 Claude Pepper Building  
111 West Madison Street  
Tallahassee, FL 32399-1450

Attn: Mister Richard Voss **Rickvoss@aud.state.fl.us**

RE: Desk Review of the Palatka Gas Authority – FY 2021

Our audit firm, HCT Certified Public Accounts & Consultants, LLC (HCT) was been engaged by the Palatka Gas Authority (the “Authority”) to perform auditing services for the year ended September 30, 2021. In accordance with the attachment to the letter regarding the desk review, please see the below answers as requested.

1. Total number of employees compensated in last pay period of 2020-21. (15)
2. Total number of independent contractors compensated in last month of 2020-21. (0)
3. All compensation paid or accrued to employees. (\$751,809.22)
4. All compensation paid or accrued to independent contractors. (\$0.00)
5. Each construction project with cost of at least \$65,000 approved by the district and scheduled to begin after October 1, 2021. (0)
6. Budget variance report. (Please see the attached Exhibit)

As the engagement partner, I can be reached via email at [rharvey@hct-cpa.com](mailto:rharvey@hct-cpa.com) as needed.

Regards,

*HCT Certified Public Accountants & Consultants, LLC*

HCT Certified Public Accountants and Consultants, LLC  
3816 Hollywood Boulevard, Suite 203  
Hollywood, FL 33021

West Palm Beach  
Phone (561) 655-2664

Miami  
Phone (305) 331-8768

Hollywood  
Phone (954) 966-4435

**INCOME AND EXPENSE STATEMENT**

DESCRIPTION	CURRENT MONTH BUDGET	CURRENT MONTH AMOUNT	CURRENT YEAR Y-T-D BUDGET	CURRENT Y-T-D AMOUNT
OPERATING REVENUES				
GAS SALES-RESIDENTIAL-INSIDE C	25,000.00	31,719.03	530,000.00	535,535.38
GAS SALES-RESIDENTIAL-OUTSIDE	25,000.00	29,870.78	440,000.00	480,194.28
GAS SALES-SMALL COMMERCIAL-INS	3,000.00	4,144.60	42,000.00	47,535.90
GAS SALES-SMALL COMMERCIAL-OUT	550.00	677.78	8,900.00	11,020.94
GAS SALES-MEDIUM COMMERCIAL-IN	6,200.00	9,013.78	120,900.00	126,849.20
GAS SALES-MEDIUM COMMERCIAL-OU	2,000.00	1,742.76	32,000.00	26,881.23
GAS SALES-LARGE COMMERCIAL- IN	60,000.00	76,004.00	862,000.00	916,882.00
GAS SALES-LARGE COMMERCIAL-OUT	14,000.00	18,765.68	256,000.00	245,594.98
GAS SALES - CNG	3,500.00	2,524.74	42,400.00	34,623.64
GAS SALES-PALATKA HOUSING AUTH	6,800.00	8,807.02	163,300.00	171,638.10
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TOTAL GAS SALES	146,050.00	183,270.17	2,497,500.00	2,596,755.65
SALES - M&J	33,000.00	25,918.26	477,900.00	587,458.05
INTEREST ON INVESTMENTS	400.00	357.10	4,800.00	4,536.96
MISCELLANEOUS INCOME	11,400.00	43,420.95	152,500.00	157,829.39
CITY ADMIN FEES	13,540.00	15,770.22	162,040.00	169,506.58
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TOTAL OPERATING REVENUES	204,390.00	268,736.70	3,294,740.00	3,516,086.63
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PURCHASED GAS	30,000.00	58,926.14	531,000.00	730,467.37
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GROSS INCOME	174,390.00	209,810.56	2,763,740.00	2,785,619.26
OPERATING EXPENSES				
DISTRIBUTION OPERATIONS	10,650.00	11,036.60	132,200.00	132,259.44
M&J EXPENSE	17,000.00	23,889.18	287,500.00	386,562.94
DISTRIBUTION MAINTENANCE	7,085.00	18,548.22	83,420.00	120,257.69
CUSTOMER EXPENSE	18,280.00	18,998.40	246,840.00	233,941.20
SALES PROMOTION & ADVERTISING	13,500.00	4,222.10	162,000.00	157,375.84
GENERAL & ADMINISTRATIVE EXP	77,205.00	81,374.67	1,035,280.00	998,095.22
DEPRECIATION EXPENSE	28,000.00	26,325.87	336,000.00	323,281.39
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TOTAL OPERATING EXPENSES	171,720.00	184,395.04	2,283,240.00	2,351,773.72
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OPERATING INCOME	2,670.00	25,415.52	480,500.00	433,845.54
GAS FRANCHISE TRANSFER TO CITY	11,500.00	14,925.02	182,500.00	197,374.56
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NET INCOME	8,830.00CR	10,490.50	298,000.00	236,470.98
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