

HOLLEY NAVARRE WATER SYSTEM INC

BALANCE SHEET

December 2017

ASSETS

CURRENT ASSETS

Regions Operating	1,785,868.68
Petty Cash	850.00
Regions - Customer Water Deposits	442,703.78
Regions - Customer Sewer Deposits	264,079.89
Regions - Checking	3,371,481.90
Regions - Investments	1,139,040.93
Hancock Bank - HNWS14 Bond Fund	144,179.75
Regions - Time Deposit	124,182.07
Accounts Receivable	502,522.27
Unbilled Accounts Receivable	414,268.63
Accounts Receivable - Taps	65,004.57
Notes Receivable - FRUS	135,540.39
Capital Contribution - Fairpoint	260,700.23
Due From Fairpoint	28,666.62
Due From The Club At Hidden Creek	69,317.55
Allowance for Bad Debt	(25,000.00)
Materials Inventory	264,972.97
Deposits	11,048.50
Prepaid Insurance	91,123.69
Prepaid Expenses	49,351.71

TOTAL CURRENT ASSETS

9,139,904.13

OTHER ASSETS

Land	2,071,969.97
Water Distribution System	23,956,605.05
Utility Plant Water	500,920.96
Utility Plant Water Facility	11,168.25
Sewer Facility	47,165,642.71
Office and Storage Buildings	657,750.38
Improvements O/T Buildings	261,143.80
Office Equipment	188,580.52
Equipment	1,941,576.94
Telemetry	233,043.04
Trucks	1,574,413.19
Investment in THE CLUB AT HIDDEN CREEK	4,387,862.27
CIP - Hwy 87 L-S Upgrade	10,567.75
CIP - Warehouse #2 Storage	48,856.33
CIP - Main Office Expansion	14,555.84
CIP - 2015 W Master Plan	26,360.00
CIP - 2015 WW Master Plan	2,290.00
CIP - 2015 W Model Project	10,200.00
CIP - 2015 WW Model Project	99,930.00
CIP - Navarre Beach	24,390.28
CIP - Highway 399 Connection	6,278.54
CIP - Reuse Capacity	21,291.95
CIP - Inflow & Infiltration	40,576.05
CIP - SR 87 Booster Station & GST	125,029.35

CIP - Eglin Reuse/RIBS	67,184.08	
CIP - Gulf Breeze Reuse	57,187.36	
CIP - General Lift Station Upgrades	24,530.34	
CIP - General Water Line Upgrades	13,449.97	
CIP - General Sewer Line Upgrades	4,495.00	
CIP - FDOT Hwy 98 Widening -Water	420.00	
CIP - FDOT Hwy 98 Widening -Sewer	420.00	
CIP - General WWTP Upgrades	34,796.00	
Debt Issue Costs	223,977.37	
Loan Discount	81,344.25	
Bond Issue Costs	0.46	
Accum Amort - Bond Issue Costs	(25,250.40)	
Accum Amort - Bond Discount	(9,107.20)	
Accumulated Depreciation	(27,938,024.62)	
Pension Liability - Current Portion	(314,536.00)	
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TOTAL OTHER ASSETS		55,601,889.78
TOTAL ASSETS		<hr/> <hr/> 64,741,793.91

LIABILITIES

CURRENT LIABILITIES

Accounts Payable	239,301.35
Accrued Taxes	25,612.17
Accrued Compensated Absences	230,968.00
Social Security Taxes	13,367.32
Medicare Taxes	3,126.28
Federal W/H Taxes	21,401.53
Accrued Interest Payable	46,843.85

TOTAL CURRENT LIABILITIES

580,620.50

LONG-TERM LIABILITIES

Water Deposits	379,842.00
Sewer Deposits	221,078.04
Net Pension Obligation	4,894,284.04
Lease Payable - Regions Bank	1,560,203.91
Loan Payable - CTA	6,560,000.00

TOTAL LONG-TERM LIABILITIES

13,615,407.99

TOTAL LIABILITIES

14,196,028.49

CONTRIB/PROPRIETARY CAPITAL

Contri-aid-Construction Water	21,011,616.40
Contri-aid-Construction Sewer	36,913,083.94
Accum Amort - Construction	(19,532,660.28)
Membership Certificates	270,295.00
Contributed Capital	12,200.00
Capital Federal Grant	532,765.65
Unfunded Pension Liability	(4,848,746.92)
Retained Earnings	16,717,479.39
Year-to-Date Earnings	(530,267.76)

TOTAL CONTRIB/PROPRIETARY CAPITAL

50,545,765.42

TOTAL LIABILITIES & CONTRIB/PROPRIETARY CAPITAL

64,741,793.91

HOLLEY NAVARRE WATER SYSTEM INC

INCOME STATEMENT

Month-to-Date Only, December 2017 - current month, Consolidated by account

	<i>1 Month Ended December 31, 2017</i>	
REVENUE		
Taps - Water	26,679.60	3.1 %
Water Sales	369,668.13	42.5 %
Penalties	6,161.42	0.7 %
Disconnect Fees	1,626.36	0.2 %
NSF Fees	1,325.00	0.2 %
Service Charge - Water	6,550.00	0.8 %
Recovery of Bad Debt	201.62	0.0 %
Interest Income	1,143.51	0.1 %
Misc Revenue - Water	10.00	0.0 %
Reimbursement From FRUS	28,086.47	3.2 %
Taps - Sewer	39,245.36	4.5 %
Wastewater Sales	359,691.53	41.4 %
Misc Revenue - Wastewater	26,235.00	3.0 %
Gain/Loss on Sale of Assets	2,958.22	0.3 %
TOTAL REVENUE	869,582.22	100.0 %
***** TOTAL REVENUE	869,582.22	100.0 %
***** GROSS PROFIT	869,582.22	100.0 %
EXPENSES		
GENERAL & ADMINISTRATIVE EXPENSE		
Wages	247,426.51	28.5 %
Capitalized Labor	(25,605.77)	-2.9 %
Payroll Taxes	21,705.85	2.5 %
Contract Labor	10,824.42	1.2 %
Group Insurance	63,878.94	7.3 %
Net Periodic Pension Cost	83,206.66	9.6 %
Pension - Professional Fees	1,551.00	0.2 %
401K - Professional Fees	270.00	0.0 %
Computer Expense	3,666.46	0.4 %
Supplies	1,556.07	0.2 %
Utilities	2,521.07	0.3 %
Repairs & Maintenance	58.75	0.0 %
Vehicle Expense	150.52	0.0 %
Education & Training	2,317.00	0.3 %
Travel Expense	1,488.00	0.2 %

1 Month Ended
December 31, 2017

Office Equipment	1,332.75	0.2 %
Office Expense	11,545.42	1.3 %
Postage	5,538.61	0.6 %
Insurance Expense	19,475.74	2.2 %
Legal Expense	7,457.50	0.9 %
Engineering Expense	3,180.00	0.4 %
Bad Debt	1,587.05	0.2 %
Bank Charges	2,627.72	0.3 %
Bond Issue-Administrative Fees	1,000.00	0.1 %
Professional Services	5,649.47	0.6 %
Interest Expense	26,974.23	3.1 %
Misc Expense	703.15	0.1 %
CASH OVER/SHORT	5.19	0.0 %
TOTAL GENERAL & ADMINISTRATIVE EXPENSE	502,092.31	57.7 %
DEPRECIATION & AMORTIZATION EXPENSE		
Amortization Expense	(111,859.58)	-12.9 %
Depreciation Expense	184,493.96	21.2 %
TOTAL DEPRECIATION & AMORTIZATION EXPENSE	72,634.38	8.4 %
WATER EXPENSE		
Supplies	1,474.11	0.2 %
Tools	125.74	0.0 %
Utilities	6,698.08	0.8 %
Chemicals	1,347.07	0.2 %
Repairs & Maintenance	13,943.15	1.6 %
Vehicle Expense	1,725.28	0.2 %
Vehicle/Equipment Gas Expense	2,352.39	0.3 %
Water Testing	1,045.00	0.1 %
Water Permits	(650.00)	-0.1 %
Water Purchases	108,112.50	12.4 %
Water Operations Expense	1,254.13	0.1 %
Engineering - MESI	352.50	0.0 %
Misc Expense	1,298.22	0.1 %
TOTAL WATER EXPENSE	139,078.17	16.0 %
WASTEWATER EXPENSE		
Supplies	1,511.42	0.2 %
Tools	279.14	0.0 %
Utilities	30,189.08	3.5 %
Chemicals - HBTS	3,683.43	0.4 %
Repairs & Maintenance	57,214.33	6.6 %
Sludge Removal Expense - HBTS	1,000.00	0.1 %
Vehicle Expense	3,522.78	0.4 %
Vehicle/Equipment Gas Expense	2,066.61	0.2 %
Wastewater Testing - HBTS	1,965.00	0.2 %
Wastewater Testing - HWWTP	882.00	0.1 %
Plant Operations Expense - HBTS	1,291.14	0.1 %
Engineering - MESI	1,177.50	0.1 %

*1 Month Ended
December 31, 2017*

Misc Expense	1,031.02	0.1 %
Uniform Expense	214.44	0.0 %
TOTAL WASTEWATER EXPENSE	<u>106,027.89</u>	12.2 %
TOTAL EXPENSES	<u>819,832.75</u>	94.3 %
***** OPERATING INCOME/LOSS	<u>49,749.47</u>	5.7 %
*****	<u>49,749.47</u>	5.7 %
***** NET INCOME/LOSS	<u>49,749.47</u>	5.7 %