

HOLLEY NAVARRE WATER SYSTEM INC

BALANCE SHEET

December 2018

ASSETS

CURRENT ASSETS

Regions Operating	521.16
Petty Cash	850.00
Beach Bank - Operating	2,391,422.88
Beach Bank - Customer Water Deposits	433,180.05
Beach Bank - Customer Sewer Deposits	256,845.86
Beach Bank - Impact Fees	5,798,032.34
Hancock Bank - HNWS14 Bond Fund	149,268.38
Accounts Receivable	500,550.52
Unbilled Accounts Receivable	472,935.63
Accounts Receivable - Taps	46,587.06
Notes Receivable - FRUS	118,051.35
Capital Contribution - Fairpoint	260,700.23
Due From Fairpoint	31,319.53
Allowance for Bad Debt	(25,000.00)
Materials Inventory	362,314.15
Deposits	11,048.50
Prepaid Insurance	65,953.44
Prepaid Expenses	16,306.04

TOTAL CURRENT ASSETS

10,890,887.12

OTHER ASSETS

Land	2,150,429.97
Water Distribution System	24,159,592.59
Utility Plant Water	500,920.96
Utility Plant Water Facility	11,168.25
Sewer Facility	47,022,866.25
Office and Storage Buildings	698,788.14
Improvements O/T Buildings	261,143.80
Office Equipment	222,037.52
Equipment	2,017,886.94
Telemetry	233,043.04
Trucks	1,663,466.05
Investment in THE CLUB AT HIDDEN CREEK	4,818,338.37
CIP - 2020 Wastewater Master Plan	2,200.00
CIP - BPS/GST Waterline Upgrades	1,640.00
CIP - Hwy 87 L-S Upgrade	19,044.75
CIP - Building Security	8,356.69
CIP - Well 5 Filter Media	21,200.00
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	21,200.00
CIP - 2015 WW Model Project	103,190.00
CIP - Navarre Beach	24,390.28
CIP - Highway 399 Connection	11,268.54
CIP - Reuse Capacity	20,559.95

CIP - Inflow & Infiltration	104,795.54	
CIP - SR 87 Booster Station & GST	157,998.30	
CIP - Eglin Reuse/RIBS	92,884.08	
CIP - Gulf Breeze Reuse	70,841.70	
CIP - General Lift Station Upgrades	89,373.45	
CIP - General Water Line Upgrades	15,267.97	
CIP - General Sewer Line Upgrades	13,281.00	
CIP - FDOT Hwy 98 Widening -Water	420.00	
CIP - FDOT Hwy 98 Widening -Sewer	420.00	
CIP - General WWTP Upgrades	60,774.10	
Debt Issue Costs	223,977.37	
Loan Discount	81,344.25	
Bond Issue Costs	0.46	
Accum Amort - Bond Issue Costs	(32,766.36)	
Accum Amort - Bond Discount	(11,818.24)	
Accumulated Depreciation	(29,714,545.21)	
Pension Liability - Current Portion	(510,000.00)	
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TOTAL OTHER ASSETS		54,727,042.67
TOTAL ASSETS		<hr/> <hr/> 65,617,929.79

LIABILITIES

CURRENT LIABILITIES

Accounts Payable	288,007.42
Accrued Taxes	38,034.20
Accrued Compensated Absences	203,038.25
Accrued Interest Payable	53,310.09

TOTAL CURRENT LIABILITIES

582,389.96

LONG-TERM LIABILITIES

Water Deposits	367,172.00
Sewer Deposits	211,838.04
Net Pension Obligation	8,294,930.04
Lease Payable - Regions Bank	1,420,714.84
Loan Payable - CTA	6,410,000.00

TOTAL LONG-TERM LIABILITIES

16,704,654.92

TOTAL LIABILITIES

17,287,044.88

CONTRIB/PROPRIETARY CAPITAL

Contri-aid-Construction Water	21,752,201.35
Contri-aid-Construction Sewer	38,045,020.25
Accum Amort - Construction	(20,939,516.24)
Membership Certificates	281,995.00
Contributed Capital	27,200.00
Capital Federal Grant	532,765.65
Unfunded Pension Liability	(8,693,394.92)
Retained Earnings	16,337,933.63
Year-to-Date Earnings	986,680.19

TOTAL CONTRIB/PROPRIETARY CAPITAL

48,330,884.91

TOTAL LIABILITIES & CONTRIB/PROPRIETARY CAPITAL

65,617,929.79

HOLLEY NAVARRE WATER SYSTEM INC

INCOME STATEMENT

Month-to-Date Only, December 2018 - 1 month back, Consolidated by
account

	<i>1 Month Ended December 31, 2018</i>	
REVENUE		
Taps - Water	17,623.80	2.1 %
Water Sales	371,827.24	44.3 %
Penalties	5,963.52	0.7 %
Disconnect Fees	1,893.02	0.2 %
NSF Fees	1,250.00	0.1 %
Service Charge - Water	7,360.00	0.9 %
Handling Fees	14.75	0.0 %
Recovery of Bad Debt	387.67	0.0 %
Interest Income	14,634.32	1.7 %
Misc Revenue - Water	25.66	0.0 %
Reimbursement From FRUS	30,787.65	3.7 %
Taps - Sewer	17,848.20	2.1 %
Wastewater Sales	370,062.59	44.1 %
Misc Revenue - Wastewater	50.00	0.0 %
TOTAL REVENUE	839,728.42	100.0 %
***** TOTAL REVENUE	839,728.42	100.0 %
***** GROSS PROFIT	839,728.42	100.0 %
EXPENSES		
GENERAL & ADMINISTRATIVE EXPENSE		
Wages	290,133.87	34.6 %
Capitalized Labor	(8,379.43)	-1.0 %
Payroll Taxes	20,491.83	2.4 %
Contract Labor	18,449.88	2.2 %
Compensated Absence	(6,904.75)	-0.8 %
Group Insurance	60,178.84	7.2 %
Net Periodic Pension Cost	61,500.00	7.3 %
Pension - Professional Fees	1,366.00	0.2 %
401K - Professional Fees	270.00	0.0 %
Other Taxes/License/Dues	4,907.33	0.6 %
Computer Expense	16,482.26	2.0 %
Supplies	912.05	0.1 %
Utilities	2,824.09	0.3 %
Repairs & Maintenance	465.97	0.1 %
Vehicle Expense	1,277.99	0.2 %

1 Month Ended
December 31, 2018

Education & Training	554.77	0.1 %
Travel Expense	629.60	0.1 %
Office Equipment	999.97	0.1 %
Office Expense	18,159.14	2.2 %
Postage	11,778.32	1.4 %
Insurance Expense	18,733.82	2.2 %
Legal Expense	1,940.00	0.2 %
Engineering Expense	3,646.50	0.4 %
Advertising Expense	224.06	0.0 %
Bad Debt	941.92	0.1 %
Bank Charges	2,664.39	0.3 %
Bond Issue-Administrative Fees	1,000.00	0.1 %
Professional Services	4,506.33	0.5 %
Landrum HR/Payroll Services	5,682.91	0.7 %
Interest Expense	26,487.72	3.2 %
Misc Expense	2,526.46	0.3 %
Charitable Contribution	500.00	0.1 %
CASH OVER/SHORT	(0.09)	0.0 %
TOTAL GENERAL & ADMINISTRATIVE EXPENSE	564,951.75	67.3 %
DEPRECIATION & AMORTIZATION EXPENSE		
Amortization Expense	(111,859.58)	-13.3 %
Depreciation Expense	182,406.18	21.7 %
TOTAL DEPRECIATION & AMORTIZATION EXPENSE	70,546.60	8.4 %
WATER EXPENSE		
Supplies	718.13	0.1 %
Tools	254.32	0.0 %
Utilities	6,130.69	0.7 %
Chemicals	1,141.68	0.1 %
Repairs & Maintenance	19,525.05	2.3 %
Vehicle Expense	2,520.65	0.3 %
Vehicle/Equipment Gas Expense	4,570.92	0.5 %
Water Testing	1,178.00	0.1 %
Water Purchases	112,917.50	13.4 %
Water Operations Expense	771.00	0.1 %
Engineering - MESI	(1,235.00)	-0.1 %
Engineering - System	2,013.00	0.2 %
Misc Expense	1,047.00	0.1 %
TOTAL WATER EXPENSE	151,552.94	18.0 %
WASTEWATER EXPENSE		
Supplies	1,538.81	0.2 %
Tools	4,641.02	0.6 %
Utilities	34,309.78	4.1 %
Chemicals - HBTS	2,494.57	0.3 %
Polymers	2,417.54	0.3 %
Sewer Lab Equip/Supplies - HBTS	743.78	0.1 %
Sewer Lab Equip/Supplies - HWWTP	19.79	0.0 %

*1 Month Ended
December 31, 2018*

<i>Repairs & Maintenance</i>	54,193.49	6.5 %
Safety Supplies/Equipment	57.33	0.0 %
Sludge Removal Expense - HBTS	2,500.00	0.3 %
<i>Vehicle Expense</i>	4,511.55	0.5 %
Vehicle/Equipment Gas Expense	1,926.35	0.2 %
Wastewater Testing - HBTS	2,837.00	0.3 %
Wastewater Testing - HWWTP	945.50	0.1 %
Plant Operations Expense - HBTS	892.99	0.1 %
Engineering - MESI	(195.00)	0.0 %
Engineering - System	2,607.00	0.3 %
Misc Expense	772.00	0.1 %
Uniform Expense	314.25	0.0 %
TOTAL WASTEWATER EXPENSE	117,527.75	14.0 %
TOTAL EXPENSES	904,579.04	107.7 %
***** OPERATING INCOME/LOSS	(64,850.62)	-7.7 %
*****	(64,850.62)	-7.7 %
***** NET INCOME/LOSS	(64,850.62)	-7.7 %