

HOLLEY NAVARRE WATER SYSTEM INC

BALANCE SHEET

February 2018

ASSETS

CURRENT ASSETS

| | |
|-----------------------------------|--------------|
| Regions Operating | 2,505,759.77 |
| Petty Cash | 850.00 |
| Regions - Customer Water Deposits | 442,617.62 |
| Regions - Customer Sewer Deposits | 263,283.95 |
| Regions - Checking | 3,151,550.56 |
| Regions - Investments | 1,139,843.46 |
| Hancock Bank - HNWS14 Bond Fund | 211,586.77 |
| Regions - Time Deposit | 124,455.29 |
| Accounts Receivable | 492,230.59 |
| Unbilled Accounts Receivable | 414,268.63 |
| Accounts Receivable - Taps | 61,483.24 |
| Notes Receivable - FRUS | 132,625.55 |
| Capital Contribution - Fairpoint | 260,700.23 |
| Due From Fairpoint | 48,141.29 |
| Due From The Club At Hidden Creek | 69,317.55 |
| Allowance for Bad Debt | (25,000.00) |
| Materials Inventory | 259,280.64 |
| Deposits | 11,048.50 |
| Prepaid Insurance | 64,547.53 |
| Prepaid Expenses | 67,498.61 |

TOTAL CURRENT ASSETS

9,696,089.78

OTHER ASSETS

| | |
|--|---------------|
| Land | 2,071,969.97 |
| Water Distribution System | 23,990,234.15 |
| Utility Plant Water | 500,920.96 |
| Utility Plant Water Facility | 11,168.25 |
| Sewer Facility | 47,170,233.56 |
| 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 | 1,501,307.84 |
| Investment in THE CLUB AT HIDDEN CREEK | 4,472,862.27 |
| CIP - Hwy 87 L-S Upgrade | 10,967.75 |
| CIP - Warehouse #2 Storage | 48,856.33 |
| CIP - Panhandle Trail L/S Relocation | 1,528.20 |
| 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 | 12,000.00 |
| CIP - 2015 WW Model Project | 99,930.00 |
| CIP - Navarre Beach | 24,390.28 |
| CIP - Highway 399 Connection | 6,778.54 |
| CIP - Reuse Capacity | 21,291.95 |
| CIP - Inflow & Infiltration | 41,476.05 |

| | | |
|-------------------------------------|-----------------|-----------------------------|
| CIP - SR 87 Booster Station & GST | 130,333.14 | |
| CIP - Eglin Reuse/RIBS | 69,184.08 | |
| CIP - Gulf Breeze Reuse | 62,391.70 | |
| CIP - General Lift Station Upgrades | 31,897.13 | |
| CIP - General Water Line Upgrades | 7,049.97 | |
| CIP - General Sewer Line Upgrades | 11,052.38 | |
| CIP - FDOT Hwy 98 Widening -Water | 420.00 | |
| CIP - FDOT Hwy 98 Widening -Sewer | 420.00 | |
| CIP - General WWTP Upgrades | 88,095.38 | |
| Debt Issue Costs | 223,977.37 | |
| Loan Discount | 81,344.25 | |
| Bond Issue Costs | 0.46 | |
| Accum Amort - Bond Issue Costs | (26,503.06) | |
| Accum Amort - Bond Discount | (9,559.04) | |
| Accumulated Depreciation | (28,259,194.93) | |
| Pension Liability - Current Portion | (314,536.00) | |
| | | |
| TOTAL OTHER ASSETS | | <u>55,407,589.45</u> |
| TOTAL ASSETS | | <u><u>65,103,679.23</u></u> |

LIABILITIES

CURRENT LIABILITIES

| | |
|--|------------|
| Accounts Payable | 330,351.64 |
| Accrued Taxes | 55,725.57 |
| Accrued Compensated Absences | 230,968.00 |
| Employee Deduction - Life Insurance | 41.64 |
| Employee Deduction - Supplemental Ins. | (66.68) |
| Accrued Interest Payable | 89,791.35 |

TOTAL CURRENT LIABILITIES

706,811.52

LONG-TERM LIABILITIES

| | |
|------------------------------|--------------|
| Water Deposits | 379,202.00 |
| Sewer Deposits | 219,998.04 |
| Net Pension Obligation | 4,894,284.04 |
| Lease Payable - Regions Bank | 1,537,359.96 |
| Loan Payable - CTA | 6,560,000.00 |

TOTAL LONG-TERM LIABILITIES

13,590,844.04

TOTAL LIABILITIES

14,297,655.56

CONTRIB/PROPRIETARY CAPITAL

| | |
|-------------------------------|-----------------|
| Contri-aid-Construction Water | 21,131,832.30 |
| Contri-aid-Construction Sewer | 37,082,262.13 |
| Accum Amort - Construction | (19,758,083.94) |
| Membership Certificates | 271,845.00 |
| Contributed Capital | 12,200.00 |
| Capital Federal Grant | 532,765.65 |
| Unfunded Pension Liability | (4,848,746.92) |
| Retained Earnings | 16,167,984.87 |
| Year-to-Date Earnings | 213,964.58 |

TOTAL CONTRIB/PROPRIETARY CAPITAL

50,806,023.67

TOTAL LIABILITIES & CONTRIB/PROPRIETARY CAPITAL

65,103,679.23

HOLLEY NAVARRE WATER SYSTEM INC

INCOME STATEMENT

Month-to-Date Only, February 2018 - current month, Consolidated by
account

| | <i>1 Month Ended</i> <i>February 28, 2018</i> | |
|----------------------------------|--|---------|
| REVENUE | | |
| Taps - Water | 22,572.60 | 2.8 % |
| Water Sales | 352,466.08 | 44.3 % |
| Penalties | 7,324.26 | 0.9 % |
| Disconnect Fees | 2,424.21 | 0.3 % |
| NSF Fees | 1,209.20 | 0.2 % |
| Service Charge - Water | 6,780.00 | 0.9 % |
| Handling Fees | 22.04 | 0.0 % |
| Recovery of Bad Debt | 4.51 | 0.0 % |
| Interest Income | 1,706.34 | 0.2 % |
| REIMBURSEMENT FROM THE CLUB | 52.68 | 0.0 % |
| Misc Revenue - Water | 233.00 | 0.0 % |
| Reimbursement From FRUS | 21,837.69 | 2.7 % |
| Taps - Sewer | 36,575.82 | 4.6 % |
| Wastewater Sales | 350,500.01 | 44.1 % |
| Misc Revenue - Wastewater | (8,253.96) | -1.0 % |
| TOTAL REVENUE | <u>795,454.48</u> | 100.0 % |
| ***** TOTAL REVENUE | <u>795,454.48</u> | 100.0 % |
| ***** GROSS PROFIT | <u>795,454.48</u> | 100.0 % |
| EXPENSES | | |
| GENERAL & ADMINISTRATIVE EXPENSE | | |
| Wages | 184,272.30 | 23.2 % |
| Capitalized Labor | (3,531.22) | -0.4 % |
| Payroll Taxes | 14,079.47 | 1.8 % |
| Contract Labor | 13,356.01 | 1.7 % |
| Group Insurance | 62,989.42 | 7.9 % |
| Other Taxes/License/Dues | 570.00 | 0.1 % |
| Computer Expense | 7,173.99 | 0.9 % |
| Supplies | 551.54 | 0.1 % |
| Utilities | 2,503.73 | 0.3 % |
| Repairs & Maintenance | 9.99 | 0.0 % |
| Vehicle Expense | 333.68 | 0.0 % |
| Education & Training | 962.00 | 0.1 % |
| Travel Expense | 434.58 | 0.1 % |
| Office Equipment | 598.88 | 0.1 % |

1 Month Ended
February 28, 2018

| | | |
|--|-------------------|---------------|
| Office Expense | 10,025.39 | 1.3 % |
| Postage | 6,725.77 | 0.8 % |
| Insurance Expense | 19,321.58 | 2.4 % |
| Legal Expense | 2,970.00 | 0.4 % |
| Accounting/Auditing Expense | 6,500.00 | 0.8 % |
| Engineering Expense | 4,140.00 | 0.5 % |
| Bad Debt | 1,671.31 | 0.2 % |
| Bank Charges | 4,397.36 | 0.6 % |
| Bond Issue-Administrative Fees | 1,000.00 | 0.1 % |
| Professional Services | 3,391.72 | 0.4 % |
| Interest Expense | 26,894.55 | 3.4 % |
| Misc Expense | (709.28) | -0.1 % |
| CASH OVER/SHORT | 0.19 | 0.0 % |
| TOTAL GENERAL & ADMINISTRATIVE EXPENSE | 370,632.96 | 46.6 % |
| DEPRECIATION & AMORTIZATION EXPENSE | | |
| Amortization Expense | (111,859.58) | -14.1 % |
| Depreciation Expense | 184,493.96 | 23.2 % |
| TOTAL DEPRECIATION & AMORTIZATION EXPENSE | 72,634.38 | 9.1 % |
| WATER EXPENSE | | |
| Supplies | 3,233.52 | 0.4 % |
| Tools | 142.64 | 0.0 % |
| Utilities | 6,695.24 | 0.8 % |
| Chemicals | 829.26 | 0.1 % |
| Repairs & Maintenance | 15,201.36 | 1.9 % |
| Vehicle Expense | 3,902.10 | 0.5 % |
| Vehicle/Equipment Gas Expense | 2,800.67 | 0.4 % |
| Water Testing | 1,877.00 | 0.2 % |
| Water Purchases | 101,990.00 | 12.8 % |
| Water Operations Expense | 116.50 | 0.0 % |
| Engineering - MESI | 2,300.00 | 0.3 % |
| Engineering - System | 2,115.00 | 0.3 % |
| Misc Expense | 751.00 | 0.1 % |
| TOTAL WATER EXPENSE | 141,954.29 | 17.8 % |
| WASTEWATER EXPENSE | | |
| Supplies | 1,440.95 | 0.2 % |
| Tools | 395.02 | 0.0 % |
| Utilities | 32,281.69 | 4.1 % |
| Chemicals - HBTS | 5,563.64 | 0.7 % |
| Sewer Lab Equip/Supplies - HBTS | 2,472.48 | 0.3 % |
| Repairs & Maintenance | 63,431.60 | 8.0 % |
| General Equipment - WWTP | 424.99 | 0.1 % |
| Sludge Removal Expense - HBTS | 8,000.00 | 1.0 % |
| Vehicle Expense | 258.07 | 0.0 % |
| Vehicle/Equipment Gas Expense | 2,740.99 | 0.3 % |
| Wastewater Testing - HBTS | 2,630.00 | 0.3 % |
| Wastewater Testing - HWWTP | 933.00 | 0.1 % |

*1 Month Ended
February 28, 2018*

| | | |
|---------------------------------|-------------------|--------|
| Plant Operations Expense - HBTS | 153.51 | 0.0 % |
| Engineering - MESI | 1,500.00 | 0.2 % |
| Engineering - System | 2,820.00 | 0.4 % |
| Misc Expense | 619.00 | 0.1 % |
| Uniform Expense | 29.99 | 0.0 % |
| TOTAL WASTEWATER EXPENSE | <u>125,694.93</u> | 15.8 % |
| TOTAL EXPENSES | <u>710,916.56</u> | 89.4 % |
| ***** OPERATING INCOME/LOSS | <u>84,537.92</u> | 10.6 % |
| ***** | <u>84,537.92</u> | 10.6 % |
| ***** NET INCOME/LOSS | <u>84,537.92</u> | 10.6 % |