

HOLLEY NAVARRE WATER SYSTEM INC

BALANCE SHEET

October 2018

ASSETS

CURRENT ASSETS

Regions Operating	2,617,638.97
Petty Cash	850.00
Beach Bank - Operating	1,040.59
Beach Bank - Water Deposits	430,309.13
Beach Bank - Sewer Deposits	257,469.99
Beach Bank - Impact Fees	5,547,715.20
Hancock Bank - HNWS14 Bond Fund	206,169.02
Regions - Time Deposit	124,994.58
Accounts Receivable	480,288.70
Unbilled Accounts Receivable	472,935.63
Accounts Receivable - Taps	46,563.63
Notes Receivable - FRUS	120,966.19
Capital Contribution - Fairpoint	260,700.23
Due From Fairpoint	30,561.47
Due From The Club At Hidden Creek	69,804.57
Due From Municipal Engineering Services	25.25
Allowance for Bad Debt	(25,000.00)
Materials Inventory	323,506.25
Deposits	11,048.50
Prepaid Insurance	87,054.98
Prepaid Expenses	172,251.50

TOTAL CURRENT ASSETS

11,236,894.38

OTHER ASSETS

Land	2,150,429.97
Water Distribution System	24,102,556.01
Utility Plant Water	500,920.96
Utility Plant Water Facility	11,168.25
Sewer Facility	46,707,691.28
Office and Storage Buildings	698,788.14
Improvements O/T Buildings	261,143.80
Office Equipment	211,637.52
Equipment	2,017,886.94
Telemetry	233,043.04
Trucks	1,663,466.05
Investment in THE CLUB AT HIDDEN CREEK	4,679,404.39
CIP - BPS/GST Waterline Upgrades	1,200.00
CIP - Hwy 87 L-S Upgrade	16,949.75
CIP - Building Security	2,486.87
CIP - FDOT Hwy 98 Turn Lanes -Water	6,158.00
CIP - Warehouse #2 Storage	48,856.33
CIP - Panhandle Trail L/S Relocation	98,207.53
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	9,838.54	
CIP - Reuse Capacity	19,899.95	
CIP - Inflow & Infiltration	89,000.44	
CIP - SR 87 Booster Station & GST	155,358.30	
CIP - Eglin Reuse/RIBS	86,834.08	
CIP - Gulf Breeze Reuse	70,401.70	
CIP - General Lift Station Upgrades	34,890.70	
CIP - General Water Line Upgrades	16,434.97	
CIP - General Sewer Line Upgrades	10,081.50	
CIP - FDOT Hwy 98 Widening -Water	420.00	
CIP - FDOT Hwy 98 Widening -Sewer	420.00	
CIP - General WWTP Upgrades	169,886.08	
Debt Issue Costs	223,977.37	
Loan Discount	81,344.25	
Bond Issue Costs	0.46	
Accum Amort - Bond Issue Costs	(31,513.70)	
Accum Amort - Bond Discount	(11,366.40)	
Accumulated Depreciation	(29,349,732.85)	
Pension Liability - Current Portion	(510,000.00)	
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TOTAL OTHER ASSETS		54,670,156.34
TOTAL ASSETS		<hr/> <hr/> 65,907,050.72

LIABILITIES

CURRENT LIABILITIES

Accounts Payable	315,703.92
Accrued Taxes	77,885.83
Accrued Compensated Absences	209,943.00
Employee Deduction - Health Insurance	93.87
Employee Deduction - Life Insurance	(269.24)
Employee Deduction - 401K	(93.87)
Employee Deduction - Prepaid Legal	(0.03)
Accrued Interest Payable	135,221.97

TOTAL CURRENT LIABILITIES

738,485.45

LONG-TERM LIABILITIES

Water Deposits	369,152.00
Sewer Deposits	213,678.04
Net Pension Obligation	8,294,930.04
Lease Payable - Regions Bank	1,444,371.03
Loan Payable - CTA	6,410,000.00

TOTAL LONG-TERM LIABILITIES

16,732,131.11

TOTAL LIABILITIES

17,470,616.56

CONTRIB/PROPRIETARY CAPITAL

Contri-aid-Construction Water	21,677,732.55
Contri-aid-Construction Sewer	37,946,027.46
Accum Amort - Construction	(20,714,092.58)
Membership Certificates	280,345.00
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	1,041,917.37

TOTAL CONTRIB/PROPRIETARY CAPITAL

48,436,434.16

TOTAL LIABILITIES & CONTRIB/PROPRIETARY CAPITAL

65,907,050.72

HOLLEY NAVARRE WATER SYSTEM INC

INCOME STATEMENT

Month- and Quarter-to-Date, October 2018 - 1 month back, Consolidated
by account

	<i>1 Month Ended</i> <i>October 31, 2018</i>		<i>3 Months Ended</i> <i>December 31, 2018</i>	
REVENUE				
Taps - Water	32,181.30	3.6 %	46,472.70	2.7 %
Water Sales	373,955.26	42.1 %	740,188.94	43.7 %
Penalties	5,294.11	0.6 %	11,074.57	0.7 %
Disconnect Fees	2,500.00	0.3 %	4,918.70	0.3 %
NSF Fees	1,925.00	0.2 %	3,700.00	0.2 %
Service Charge - Water	8,325.00	0.9 %	15,255.00	0.9 %
Handling Fees	5.90	0.0 %	14.16	0.0 %
Recovery of Bad Debt	162.50	0.0 %	287.04	0.0 %
Interest Income	4,377.13	0.5 %	16,487.37	1.0 %
Misc Revenue - Water	0.00	0.0 %	175.00	0.0 %
Reimbursement From FRUS	26,959.87	3.0 %	26,959.87	1.6 %
Taps - Sewer	51,078.16	5.7 %	75,655.44	4.5 %
Wastewater Sales	369,155.29	41.6 %	736,842.67	43.5 %
Misc Revenue - Wastewater	12,520.00	1.4 %	15,727.40	0.9 %
TOTAL REVENUE	888,439.52	100.0 %	1,693,758.86	100.0 %
***** TOTAL REVENUE	888,439.52	100.0 %	1,693,758.86	100.0 %
***** GROSS PROFIT	888,439.52	100.0 %	1,693,758.86	100.0 %
EXPENSES				
GENERAL & ADMINISTRATIVE EXPENSE				
Wages	244,579.13	27.5 %	472,701.06	27.9 %
Capitalized Labor	(7,701.93)	-0.9 %	(7,701.93)	-0.5 %
Payroll Taxes	14,975.03	1.7 %	38,403.80	2.3 %
Contract Labor	707.60	0.1 %	3,202.88	0.2 %
Group Insurance	65,664.76	7.4 %	129,049.80	7.6 %
Net Periodic Pension Cost	61,500.00	6.9 %	61,500.00	3.6 %
Pension - Professional Fees	34,029.00	3.8 %	34,029.00	2.0 %
Other Taxes/License/Dues	186.25	0.0 %	1,023.80	0.1 %
Computer Expense	12,033.53	1.4 %	8,970.22	0.5 %
Supplies	307.23	0.0 %	876.02	0.1 %
Utilities	2,043.91	0.2 %	3,543.89	0.2 %
Repairs & Maintenance	46.44	0.0 %	(49.10)	0.0 %
Safety Supplies/Equipment	8.68	0.0 %	92.57	0.0 %
Vehicle Expense	343.61	0.0 %	406.34	0.0 %

	<i>1 Month Ended</i> <i>October 31, 2018</i>		<i>3 Months Ended</i> <i>December 31, 2018</i>	
Education & Training	230.00	0.0 %	830.00	0.0 %
Travel Expense	4,242.95	0.5 %	4,358.15	0.3 %
Office Equipment	251.60	0.0 %	15.93	0.0 %
Office Expense	14,604.80	1.6 %	20,388.22	1.2 %
Postage	4,470.00	0.5 %	5,034.50	0.3 %
Insurance Expense	18,629.77	2.1 %	26,788.65	1.6 %
Legal Expense	2,960.00	0.3 %	2,960.00	0.2 %
Engineering Expense	4,603.50	0.5 %	4,603.50	0.3 %
Advertising Expense	105.00	0.0 %	105.00	0.0 %
Bad Debt	1,931.27	0.2 %	3,486.05	0.2 %
Bank Charges	5,757.43	0.6 %	5,757.43	0.3 %
Bond Issue-Administrative Fees	1,000.00	0.1 %	3,650.00	0.2 %
Professional Services	6,131.84	0.7 %	13,531.84	0.8 %
Landrum HR/Payroll Services	4,462.50	0.5 %	8,837.50	0.5 %
Interest Expense	26,570.23	3.0 %	31,625.53	1.9 %
Misc Expense	681.00	0.1 %	968.00	0.1 %
Charitable Contribution	350.00	0.0 %	350.00	0.0 %
CASH OVER/SHORT	(0.25)	0.0 %	(0.26)	0.0 %
TOTAL GENERAL & ADMINISTRATIVE EXPENSE	525,704.88	59.2 %	879,338.39	51.9 %
DEPRECIATION & AMORTIZATION EXPENSE				
Amortization Expense	(111,859.58)	-12.6 %	(111,859.58)	-6.6 %
Depreciation Expense	182,406.18	20.5 %	182,406.18	10.8 %
TOTAL DEPRECIATION & AMORTIZATION EXPENSE	70,546.60	7.9 %	70,546.60	4.2 %
WATER EXPENSE				
Supplies	1,139.22	0.1 %	1,139.22	0.1 %
Tools	323.97	0.0 %	1,095.76	0.1 %
Utilities	6,173.05	0.7 %	7,657.10	0.5 %
Chemicals	2,279.82	0.3 %	2,279.82	0.1 %
Repairs & Maintenance	8,156.78	0.9 %	4,981.78	0.3 %
Safety Supplies/Equipment	0.00	0.0 %	69.29	0.0 %
Vehicle Expense	226.19	0.0 %	502.22	0.0 %
Vehicle/Equipment Gas Expense	6,514.96	0.7 %	6,514.96	0.4 %
Water Testing	1,826.99	0.2 %	1,826.99	0.1 %
Water Permits	50.00	0.0 %	50.00	0.0 %
Water Purchases	112,917.50	12.7 %	112,917.50	6.7 %
Water Operations Expense	274.68	0.0 %	274.68	0.0 %
Engineering - MESI	880.00	0.1 %	880.00	0.1 %
Engineering - System	1,625.25	0.2 %	1,625.25	0.1 %
Misc Expense	693.00	0.1 %	1,386.00	0.1 %
TOTAL WATER EXPENSE	143,081.41	16.1 %	143,200.57	8.5 %
WASTEWATER EXPENSE				
Supplies	2,035.69	0.2 %	2,050.97	0.1 %
Tools	1,007.73	0.1 %	1,084.66	0.1 %
Utilities	29,862.14	3.4 %	31,318.68	1.8 %
Chemicals - HBTS	4,662.69	0.5 %	4,662.69	0.3 %

	<i>1 Month Ended</i> <i>October 31, 2018</i>		<i>3 Months Ended</i> <i>December 31, 2018</i>	
Chemicals - HWWTP	207.24	0.0 %	207.24	0.0 %
Repairs & Maintenance	76,233.19	8.6 %	92,844.08	5.5 %
General Equipment - WWTP	599.99	0.1 %	599.99	0.0 %
Safety Supplies/Equipment	122.65	0.0 %	191.95	0.0 %
Sludge Removal Expense - HBTS	2,000.00	0.2 %	2,000.00	0.1 %
Vehicle Expense	887.28	0.1 %	1,395.19	0.1 %
Vehicle/Equipment Gas Expense	5,459.22	0.6 %	5,459.22	0.3 %
Wastewater Testing - HBTS	4,570.00	0.5 %	4,570.00	0.3 %
Wastewater Testing - HWWTP	1,839.00	0.2 %	1,839.00	0.1 %
Plant Operations Expense - HBTS	1,523.69	0.2 %	1,060.01	0.1 %
Engineering - MESI	3,570.00	0.4 %	3,570.00	0.2 %
Engineering - System	2,501.25	0.3 %	2,501.25	0.1 %
Misc Expense	561.00	0.1 %	1,195.00	0.1 %
Uniform Expense	37.99	0.0 %	37.99	0.0 %
TOTAL WASTEWATER EXPENSE	137,680.75	15.5 %	156,587.92	9.2 %
TOTAL EXPENSES	877,013.64	98.7 %	1,249,673.48	73.8 %
***** OPERATING INCOME/LOSS	11,425.88	1.3 %	444,085.38	26.2 %
*****	11,425.88	1.3 %	444,085.38	26.2 %
***** NET INCOME/LOSS	11,425.88	1.3 %	444,085.38	26.2 %