

# HOLLEY NAVARRE WATER SYSTEM INC

## INCOME STATEMENT

Month- and Year-to-Date, December 2022 - current month

	<i>1 Month Ended</i> <i>December 31, 2022</i>		<i>12 Months Ended</i> <i>December 31, 2022</i>	
<b>REVENUE</b>				
Taps - Water	(1,534.27)	-0.1 %	191,955.02	1.5 %
Water Sales	477,084.21	45.5 %	5,563,095.61	44.8 %
Penalties	6,913.04	0.7 %	66,523.84	0.5 %
Disconnect Fees	2,300.00	0.2 %	26,525.00	0.2 %
NSF Fees	1,600.00	0.2 %	16,984.75	0.1 %
Service Charge - Water	5,545.00	0.5 %	88,870.00	0.7 %
Handling Fees	4,644.00	0.4 %	54,385.62	0.4 %
Hydrant Meter Non-Refundable Setup Fee	300.00	0.0 %	2,250.00	0.0 %
Recovery of Bad Debt	70.41	0.0 %	1,663.87	0.0 %
Interest Income	15,962.59	1.5 %	33,432.37	0.3 %
REIMBURSEMENT FROM THE CLUB	29,885.52	2.9 %	43,651.39	0.4 %
Misc Revenue - Water	250.00	0.0 %	29,000.00	0.2 %
Misc Revenue - Cash Rebates	1,262.46	0.1 %	14,432.31	0.1 %
Reimbursement From FRUS	34,279.19	3.3 %	420,976.77	3.4 %
Taps - Sewer	(415.38)	0.0 %	321,446.73	2.6 %
Wastewater Sales	470,153.88	44.8 %	5,528,324.24	44.5 %
Misc Revenue - Wastewater	250.00	0.0 %	25,700.93	0.2 %
<b>TOTAL REVENUE</b>	<b>1,048,550.65</b>	<b>100.0 %</b>	<b>12,429,218.45</b>	<b>100.0 %</b>
***** TOTAL REVENUE	1,048,550.65	100.0 %	12,429,218.45	100.0 %
***** GROSS PROFIT	1,048,550.65	100.0 %	12,429,218.45	100.0 %
<b>EXPENSES</b>				
<b>GENERAL &amp; ADMINISTRATIVE EXPENSE</b>				
Wages	298,840.82	28.5 %	3,741,967.81	30.1 %
Capitalized Labor	(437.32)	0.0 %	(46,873.57)	-0.4 %
Payroll Taxes	32,169.06	3.1 %	304,708.67	2.5 %
Group Insurance	110,687.41	10.6 %	1,258,853.24	10.1 %
Net Periodic Pension Cost	0.00	0.0 %	107,360.16	0.9 %
Pension - Professional Fees	1,726.00	0.2 %	51,948.00	0.4 %
401K - Professional Fees	145.00	0.0 %	3,346.77	0.0 %
Other Taxes/License/Dues	173.76	0.0 %	90,124.88	0.7 %
Computer Expense	3,713.85	0.4 %	42,355.97	0.3 %
Software Services/Licenses	9,528.52	0.9 %	162,328.24	1.3 %
SCADA/Radio Services	5,127.29	0.5 %	58,686.29	0.5 %

	<i>1 Month Ended</i>		<i>12 Months Ended</i>	
	<i>December 31, 2022</i>		<i>December 31, 2022</i>	
Supplies	633.62	0.1 %	19,597.15	0.2 %
Utilities	5,765.90	0.5 %	50,883.80	0.4 %
Repairs & Maintenance	1,167.37	0.1 %	16,135.85	0.1 %
Safety Supplies/Equipment	0.00	0.0 %	1,266.03	0.0 %
Vehicle/Gas Expense	703.35	0.1 %	(4,613.52)	0.0 %
Education & Training	4,505.00	0.4 %	22,977.88	0.2 %
Travel Expense	4.50	0.0 %	7,359.67	0.1 %
Mileage	115.13	0.0 %	755.49	0.0 %
Office Equipment	1,366.00	0.1 %	6,500.03	0.1 %
Office Expense	14,166.85	1.4 %	150,190.19	1.2 %
BOD Related Expense	3,027.92	0.3 %	26,019.96	0.2 %
Groundskeeping Expense	357.22	0.0 %	3,214.98	0.0 %
Postage	3,496.68	0.3 %	49,728.56	0.4 %
Insurance Expense	19,131.09	1.8 %	215,880.86	1.7 %
Legal Expense	6,813.75	0.6 %	128,577.59	1.0 %
Accounting/Auditing Expense	0.00	0.0 %	34,900.00	0.3 %
Engineering Expense	987.50	0.1 %	39,263.30	0.3 %
Advertising Expense	0.00	0.0 %	5,889.68	0.0 %
Bad Debt	4,450.75	0.4 %	21,118.13	0.2 %
Bank Charges	2,418.55	0.2 %	28,408.82	0.2 %
Bond Issue-Administrative Fees	1,000.00	0.1 %	15,300.00	0.1 %
Professional Services	1,704.41	0.2 %	32,404.00	0.3 %
Landrum HR/Payroll Services	0.00	0.0 %	2,704.00	0.0 %
Payroll Services	1,292.75	0.1 %	15,945.00	0.1 %
Interest Expense	24,573.63	2.3 %	303,031.44	2.4 %
Uniform Expense	246.64	0.0 %	4,331.34	0.0 %
Charitable Contribution	0.00	0.0 %	2,364.75	0.0 %
CASH OVER/SHORT	(0.10)	0.0 %	79.71	0.0 %
<b>TOTAL GENERAL &amp; ADMINISTRATIVE EXPENSE</b>	<b>559,602.90</b>	<b>53.4 %</b>	<b>6,975,021.15</b>	<b>56.1 %</b>
<b>DEPRECIATION &amp; AMORTIZATION EXPENSE</b>				
Amortization Expense	(111,859.58)	-10.7 %	(1,342,314.96)	-10.8 %
Depreciation Expense	206,561.24	19.7 %	2,474,421.00	19.9 %
<b>TOTAL DEPRECIATION &amp; AMORTIZATION EXPENSE</b>	<b>94,701.66</b>	<b>9.0 %</b>	<b>1,132,106.04</b>	<b>9.1 %</b>
<b>WATER EXPENSE</b>				
Computer Related Expense	1,486.24	0.1 %	3,012.53	0.0 %
Supplies	2,005.65	0.2 %	22,604.35	0.2 %
Tools	781.58	0.1 %	10,021.44	0.1 %
Utilities	9,672.43	0.9 %	106,454.36	0.9 %
Chemicals	0.00	0.0 %	26,016.00	0.2 %
Repairs & Maintenance	14,107.26	1.3 %	220,832.81	1.8 %
Equipment Rental	0.00	0.0 %	195.60	0.0 %
Safety Supplies/Equipment	117.76	0.0 %	16,033.63	0.1 %
General Equipment - Distribution System	0.00	0.0 %	3,896.76	0.0 %
Vehicle Expense	3,705.55	0.4 %	52,600.52	0.4 %
Vehicle/Equipment Gas Expense	4,842.87	0.5 %	64,343.06	0.5 %
Water Testing	1,773.00	0.2 %	17,849.00	0.1 %

	<i>1 Month Ended</i> <i>December 31, 2022</i>		<i>12 Months Ended</i> <i>December 31, 2022</i>	
Water Purchases	132,137.50	12.6 %	1,556,982.64	12.5 %
Water Operations Expense	212.46	0.0 %	5,736.82	0.0 %
Groundskeeping Expense	1,071.66	0.1 %	10,701.06	0.1 %
Engineering - MESI	429.75	0.0 %	4,665.75	0.0 %
Engineering - System	2,026.44	0.2 %	29,369.73	0.2 %
Professional Services	1,225.00	0.1 %	1,225.00	0.0 %
Uniform Expense	1,737.91	0.2 %	5,467.74	0.0 %
<b>TOTAL WATER EXPENSE</b>	<b>177,333.06</b>	<b>16.9 %</b>	<b>2,158,008.80</b>	<b>17.4 %</b>
<b>WASTEWATER EXPENSE</b>				
Computer Related Expense	1,307.76	0.1 %	5,463.91	0.0 %
Supplies	2,081.16	0.2 %	23,895.80	0.2 %
Supplies-Grinders	0.00	0.0 %	6.59	0.0 %
Tools	442.36	0.0 %	20,676.78	0.2 %
Utilities	39,515.04	3.8 %	577,700.40	4.6 %
Chemicals - Navarre Plant	3,429.00	0.3 %	77,810.33	0.6 %
Chemicals - Holley Plant	1,765.00	0.2 %	12,420.99	0.1 %
Chemicals - Collection System	0.00	0.0 %	2,530.00	0.0 %
Polymers	0.00	0.0 %	33,303.89	0.3 %
Sewer Lab Equip/Supplies - Navarre Plant	0.00	0.0 %	3,972.29	0.0 %
Sewer Lab Equip/Supplies - Holley Plant	0.00	0.0 %	6,301.63	0.1 %
Repairs & Maintenance	21,835.34	2.1 %	273,120.35	2.2 %
General Equipment - WWTP	0.00	0.0 %	4,523.51	0.0 %
General Equipment - Collection System	0.00	0.0 %	1,543.08	0.0 %
Safety Supplies/Equipment	0.00	0.0 %	9,009.60	0.1 %
Sludge Removal Expense - Navarre Plant	9,373.50	0.9 %	95,136.80	0.8 %
Vehicle Expense	3,802.83	0.4 %	39,167.45	0.3 %
Vehicle/Equipment Gas Expense	2,164.51	0.2 %	67,582.73	0.5 %
Wastewater Testing - Navarre Plant	2,231.00	0.2 %	38,827.00	0.3 %
Wastewater Testing - Holley Plant	1,159.00	0.1 %	15,761.00	0.1 %
Wastewater Permits	0.00	0.0 %	1,045.45	0.0 %
Plant Operations Expense - Navarre Plant	344.46	0.0 %	19,743.99	0.2 %
Groundskeeping Expense	7,491.67	0.7 %	72,962.36	0.6 %
Engineering - MESI	429.75	0.0 %	6,069.75	0.0 %
Engineering - System	2,263.44	0.2 %	30,014.64	0.2 %
Professional Services	0.00	0.0 %	900.00	0.0 %
Uniform Expense	4,007.22	0.4 %	10,092.53	0.1 %
<b>TOTAL WASTEWATER EXPENSE</b>	<b>103,643.04</b>	<b>9.9 %</b>	<b>1,449,582.85</b>	<b>11.7 %</b>
<b>TOTAL EXPENSES</b>	<b>935,280.66</b>	<b>89.2 %</b>	<b>11,714,718.84</b>	<b>94.3 %</b>
<b>***** OPERATING INCOME/LOSS</b>	<b>113,269.99</b>	<b>10.8 %</b>	<b>714,499.61</b>	<b>5.7 %</b>
<b>*****</b>	<b>113,269.99</b>	<b>10.8 %</b>	<b>714,499.61</b>	<b>5.7 %</b>

	<i>1 Month Ended December 31, 2022</i>		<i>12 Months Ended December 31, 2022</i>	
***** NET INCOME/LOSS	113,269.99	10.8 %	714,499.61	5.7 %

# ***HOLLEY NAVARRE WATER SYSTEM INC***

## ***BALANCE SHEET***

***December 2022***

### ASSETS

#### CURRENT ASSETS

Petty Cash	600.00
Centennial Bank - Cash Account	187,997.51
Ameris Bank - Operating	2,444,004.24
Ameris Bank - Water Deposits	444,246.97
Ameris Bank - Sewer Deposits	273,089.12
Ameris Bank - Impact Fees	6,935,364.85
ServisFirst Bank - LOC Draws	475,328.71
Hancock Bank - HNWS14 Bond Fund	162,333.30
Accounts Receivable	1,564,585.67
Accounts Receivable - Taps	25,056.55
Capital Contribution - Fairpoint	260,700.23
Due From Fairpoint	72,383.35
Due From The Club At Hidden Creek	31,158.35
Due From Municipal Engineering Services	3,294.93
Allowance for Bad Debt	(25,000.00)
Materials Inventory	331,905.63
Deposits	11,048.50
Prepaid Insurance	140,795.89
Prepaid Expenses	32,091.59

#### TOTAL CURRENT ASSETS

13,370,985.39

#### OTHER ASSETS

Land	2,201,266.83
Water Distribution System	25,754,457.79
Sewer Facility	51,984,374.10
CIP - VT SCADA	71,318.99
Office and Storage -Main Office Building	2,244,243.88
Improvements O/T -Main Office	330,190.20
Software Upgrade	194,580.00
F, F & E - Main Office	256,642.92
Equipment	2,378,927.67
Telemetry	233,043.04
Trucks	2,186,504.75
Water Master Plan	26,360.00
Wastewater Master Plan	2,290.00
Investment in THE CLUB AT HIDDEN CREEK	2,601,823.23
Investment in MESI	928,995.00
Investment in JV FRUS	4,895,440.00
CIP - 2020 Water Master Plan	106,853.00
CIP - 2020 Wastewater Master Plan	45,102.01
CIP - Standby Generator Well 1	19,148.94
CIP - Standby Generator Well 3	19,148.94
CIP - Frontera BPS Transmission Main	12,820.75
CIP - Standby Generator Well 4&5	21,338.46
CIP - Hwy 87 L-S Upgrade	74,556.90
CIP - Well 4 Generator	19,791.60
CIP - Building Security	8,356.69

CIP - 2022 Sprayfield Requirements	7,800.00	
CIP - Field Ops Warehouse 2	187,778.43	
CIP - Mechanic Shop at Navarre WWTP	21,992.00	
CIP - Field Ops Office Building	234,812.90	
CIP - 2015 W Model Project	26,502.00	
CIP - 2015 WW Model Project	103,190.00	
CIP - Navarre Beach	24,390.28	
CIP - Highway 399 Connection	11,268.54	
CIP - Reuse Capacity	76,059.85	
CIP - Inflow & Infiltration	441,780.85	
CIP - Frontera BPS & EST	405,079.02	
CIP - Eglin Reuse/RIBS	1,228,925.54	
CIP - Gulf Breeze Reuse	85,297.53	
CIP- SR30 Widening-Water Ortega-Okaloosa	850.22	
CIP- SR30 Widening-Sewer Ortega-Okaloosa	850.23	
CIP - General Lift Station Upgrades	230,581.22	
CIP - General Water Line Upgrades	17,525.57	
CIP - General Sewer Line Upgrades	15,462.86	
CIP - General WWTP Upgrades	216,759.64	
Bond Issue Costs	11,024.65	
Bond Discounts	17,240.32	
Accum Amort - Bond Issue Costs	(15,031.92)	
Accum Amort - Bond Discount	(21,532.80)	
Accumulated Depreciation	(38,752,816.43)	
Pension Liability - Current Portion	(250,000.00)	
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TOTAL OTHER ASSETS		60,943,366.19
TOTAL ASSETS		<hr/> <hr/> 74,314,351.58

LIABILITIES

CURRENT LIABILITIES

Accounts Payable	434,448.10
Accrued Accounts Payable	20,239.13
Bonds Payable - Current Portion	160,000.00
Regions Note Payable - Current Portion	151,690.00
Accrued Taxes	42,843.91
Employee Deduction - Life Insurance	(4,271.11)
Employee Deduction - Child Support	156.88
Employee Deduction - 401K	163.00
Employee Deduction - Prepaid Legal	790.02
Employee Deduction - Supplemental Ins.	6,845.75
Employee Deduction - Gym	(258.54)
Accrued Interest Payable	113,700.05

TOTAL CURRENT LIABILITIES

926,347.19

LONG-TERM LIABILITIES

Water Deposits	379,322.04
Sewer Deposits	225,272.31
Net Pension Obligation	6,653,148.84
Lease Payable - Regions Bank	648,778.29
Loan Payable - CTA	5,610,000.00
LOC Payable - ServisFirst Bank (It)	475,000.00
Debt Issue Costs	(223,977.37)
Loan Discount	(81,344.25)
Bond Issue Costs	(0.46)
Accum Amort - Bond Issue Costs	47,798.28
Accum Amort - Bond Discount	17,240.32

TOTAL LONG-TERM LIABILITIES

13,751,238.00

TOTAL LIABILITIES

14,677,585.19

CONTRIB/PROPRIETARY CAPITAL

Contri-aid-Construction Water	24,677,934.45
Contri-aid-Construction Sewer	43,056,198.00
Accum Amort - Construction	(27,227,571.08)
Membership Certificates	324,015.00
Contributed Capital	27,200.00
Capital Federal Grant	532,765.65
Unfunded Pension Liability	(5,454,155.92)
Retained Earnings	22,985,880.68
Year-to-Date Earnings	714,499.61

TOTAL CONTRIB/PROPRIETARY CAPITAL

59,636,766.39

TOTAL LIABILITIES & CONTRIB/PROPRIETARY CAPITAL

74,314,351.58