

HOLLEY NAVARRE WATER SYSTEM INC

INCOME STATEMENT

Month- and Year-to-Date, July 2022

	<i>1 Month Ended</i>		<i>7 Months Ended</i>	
	<i>July 31, 2022</i>		<i>July 31, 2022</i>	
REVENUE				
Taps - Water	11,412.00	1.0 %	91,046.01	1.3 %
Water Sales	500,245.12	46.0 %	3,219,204.93	44.9 %
Penalties	6,849.17	0.6 %	37,042.79	0.5 %
Disconnect Fees	2,600.00	0.2 %	15,825.00	0.2 %
NSF Fees	1,775.00	0.2 %	8,975.00	0.1 %
Service Charge - Water	8,560.00	0.8 %	54,430.00	0.8 %
Handling Fees	4,488.00	0.4 %	31,464.72	0.4 %
Hydrant Meter Non-Refundable Setup Fee	150.00	0.0 %	1,800.00	0.0 %
Recovery of Bad Debt	43.71	0.0 %	1,009.44	0.0 %
Interest Income	675.81	0.1 %	4,884.76	0.1 %
Misc Revenue - Water	27,625.00	2.5 %	28,250.00	0.4 %
Misc Revenue - Cash Rebates	1,362.92	0.1 %	10,045.89	0.1 %
Reimbursement From FRUS	17,662.26	1.6 %	257,427.08	3.6 %
Taps - Sewer	25,053.00	2.3 %	170,401.98	2.4 %
Wastewater Sales	479,751.36	44.1 %	3,204,852.38	44.7 %
Misc Revenue - Wastewater	18.28	0.0 %	25,356.16	0.4 %
TOTAL REVENUE	1,088,271.63	100.0 %	7,162,016.14	100.0 %
***** TOTAL REVENUE	1,088,271.63	100.0 %	7,162,016.14	100.0 %
***** GROSS PROFIT	1,088,271.63	100.0 %	7,162,016.14	100.0 %
EXPENSES				
GENERAL & ADMINISTRATIVE EXPENSE				
Wages	306,733.42	28.2 %	2,138,110.12	29.9 %
Capitalized Labor	(3,812.26)	-0.4 %	(33,300.02)	-0.5 %
Payroll Taxes	34,797.60	3.2 %	179,902.81	2.5 %
Group Insurance	114,112.79	10.5 %	739,434.48	10.3 %
Net Periodic Pension Cost	23,028.10	2.1 %	84,482.19	1.2 %
Pension - Professional Fees	0.00	0.0 %	12,002.00	0.2 %
401K - Professional Fees	0.00	0.0 %	1,056.18	0.0 %
Other Taxes/License/Dues	2,482.00	0.2 %	46,404.73	0.6 %
Computer Expense	1,392.53	0.1 %	26,665.63	0.4 %
Software Services/Licenses	13,017.78	1.2 %	102,104.07	1.4 %
SCADA/Radio Services	4,957.38	0.5 %	34,701.66	0.5 %
Supplies	309.14	0.0 %	11,572.57	0.2 %

	<i>1 Month Ended</i>		<i>7 Months Ended</i>	
	<i>July 31, 2022</i>		<i>July 31, 2022</i>	
Utilities	4,150.16	0.4 %	29,866.19	0.4 %
Repairs & Maintenance	76.13	0.0 %	10,942.06	0.2 %
Safety Supplies/Equipment	0.00	0.0 %	967.20	0.0 %
Vehicle/Gas Expense	783.30	0.1 %	4,532.84	0.1 %
Education & Training	257.51	0.0 %	11,497.47	0.2 %
Travel Expense	0.00	0.0 %	126.63	0.0 %
Mileage	31.48	0.0 %	289.70	0.0 %
Office Equipment	1,390.17	0.1 %	3,735.62	0.1 %
Office Expense	11,686.47	1.1 %	90,416.94	1.3 %
BOD Related Expense	975.24	0.1 %	12,985.35	0.2 %
Groundskeeping Expense	357.22	0.0 %	1,428.88	0.0 %
Postage	4,133.67	0.4 %	29,123.00	0.4 %
Insurance Expense	18,414.35	1.7 %	117,597.27	1.6 %
Legal Expense	8,222.50	0.8 %	63,819.28	0.9 %
Accounting/Auditing Expense	0.00	0.0 %	31,500.00	0.4 %
Engineering Expense	3,140.55	0.3 %	26,445.55	0.4 %
Advertising Expense	0.00	0.0 %	5,267.56	0.1 %
Bad Debt	635.96	0.1 %	9,888.34	0.1 %
Bank Charges	2,486.94	0.2 %	16,155.06	0.2 %
Bond Issue-Administrative Fees	1,000.00	0.1 %	8,650.00	0.1 %
Professional Services	8,079.23	0.7 %	18,544.03	0.3 %
Landrum HR/Payroll Services	0.00	0.0 %	2,704.00	0.0 %
Payroll Services	1,391.75	0.1 %	9,497.75	0.1 %
Interest Expense	24,816.29	2.3 %	175,523.60	2.5 %
Uniform Expense	0.00	0.0 %	2,414.80	0.0 %
Charitable Contribution	0.00	0.0 %	2,364.75	0.0 %
CASH OVER/SHORT	0.16	0.0 %	74.19	0.0 %
TOTAL GENERAL & ADMINISTRATIVE EXPENSE	589,047.56	54.1 %	4,029,494.48	56.3 %
DEPRECIATION & AMORTIZATION EXPENSE				
Amortization Expense	(111,859.58)	-10.3 %	(783,017.06)	-10.9 %
Depreciation Expense	206,561.24	19.0 %	1,441,614.80	20.1 %
TOTAL DEPRECIATION & AMORTIZATION EXPENSE	94,701.66	8.7 %	658,597.74	9.2 %
WATER EXPENSE				
Computer Related Expense	0.00	0.0 %	1,214.07	0.0 %
Supplies	3,522.40	0.3 %	14,678.02	0.2 %
Tools	1,733.89	0.2 %	4,409.33	0.1 %
Utilities	8,736.24	0.8 %	59,264.76	0.8 %
Chemicals	5,046.00	0.5 %	18,777.00	0.3 %
Repairs & Maintenance	23,709.67	2.2 %	130,001.28	1.8 %
Equipment Rental	0.00	0.0 %	75.00	0.0 %
Safety Supplies/Equipment	187.32	0.0 %	14,620.62	0.2 %
General Equipment - Distribution System	0.00	0.0 %	1,543.07	0.0 %
Vehicle Expense	3,263.53	0.3 %	25,245.81	0.4 %
Vehicle/Equipment Gas Expense	7,019.51	0.6 %	32,411.33	0.5 %
Water Testing	1,987.00	0.2 %	10,124.00	0.1 %
Water Purchases	132,137.50	12.1 %	904,820.14	12.6 %

	<i>1 Month Ended</i>		<i>7 Months Ended</i>	
	<i>July 31, 2022</i>		<i>July 31, 2022</i>	
Water Operations Expense	554.46	0.1 %	4,561.50	0.1 %
Groundskeeping Expense	1,071.66	0.1 %	5,342.76	0.1 %
Engineering - MESI	456.00	0.0 %	2,736.00	0.0 %
Engineering - System	2,429.24	0.2 %	19,643.59	0.3 %
Uniform Expense	120.00	0.0 %	337.10	0.0 %
TOTAL WATER EXPENSE	191,974.42	17.6 %	1,249,805.38	17.5 %
WASTEWATER EXPENSE				
Computer Related Expense	154.55	0.0 %	2,434.33	0.0 %
Supplies	2,452.89	0.2 %	13,385.33	0.2 %
Supplies-Grinders	0.00	0.0 %	6.59	0.0 %
Tools	1,335.61	0.1 %	15,885.88	0.2 %
Utilities	48,059.23	4.4 %	349,434.13	4.9 %
Chemicals - Navarre Plant	6,856.50	0.6 %	43,364.00	0.6 %
Chemicals - Holley Plant	5,217.98	0.5 %	6,543.47	0.1 %
Polymers	3,681.78	0.3 %	23,524.78	0.3 %
Sewer Lab Equip/Supplies - Navarre Plant	218.79	0.0 %	1,857.38	0.0 %
Sewer Lab Equip/Supplies - Holley Plant	0.00	0.0 %	3,416.97	0.0 %
Repairs & Maintenance	13,507.08	1.2 %	157,111.88	2.2 %
General Equipment - Collection System	0.00	0.0 %	1,543.08	0.0 %
Safety Supplies/Equipment	262.11	0.0 %	6,957.57	0.1 %
Sludge Removal Expense - Navarre Plant	9,998.40	0.9 %	57,017.90	0.8 %
Vehicle Expense	1,282.24	0.1 %	18,546.46	0.3 %
Vehicle/Equipment Gas Expense	8,626.92	0.8 %	47,515.74	0.7 %
Wastewater Testing - Navarre Plant	6,821.00	0.6 %	23,561.00	0.3 %
Wastewater Testing - Holley Plant	1,666.50	0.2 %	9,025.00	0.1 %
Wastewater Permits	1,045.45	0.1 %	1,045.45	0.0 %
Plant Operations Expense - Navarre Plant	627.46	0.1 %	16,566.03	0.2 %
Groundskeeping Expense	7,491.67	0.7 %	35,504.01	0.5 %
Engineering - MESI	114.00	0.0 %	3,613.50	0.1 %
Engineering - System	2,488.51	0.2 %	18,214.71	0.3 %
Professional Services	0.00	0.0 %	900.00	0.0 %
Uniform Expense	480.00	0.0 %	1,950.64	0.0 %
TOTAL WASTEWATER EXPENSE	122,388.67	11.2 %	858,925.83	12.0 %
TOTAL EXPENSES	998,112.31	91.7 %	6,796,823.43	94.9 %
***** OPERATING INCOME/LOSS	90,159.32	8.3 %	365,192.71	5.1 %
*****	90,159.32	8.3 %	365,192.71	5.1 %
***** NET INCOME/LOSS	90,159.32	8.3 %	365,192.71	5.1 %

HOLLEY NAVARRE WATER SYSTEM INC

BALANCE SHEET

July 2022

ASSETS

CURRENT ASSETS

Petty Cash	600.00
Centennial Bank - Cash Account	324,974.66
Ameris Bank - Operating	1,406,741.15
Ameris Bank - Water Deposits	428,615.52
Ameris Bank - Sewer Deposits	261,632.14
Ameris Bank - Impact Fees	7,809,841.43
Hancock Bank - HNWS14 Bond Fund	109,475.42
Accounts Receivable	1,646,302.99
Accounts Receivable - Taps	29,780.64
Capital Contribution - Fairpoint	260,700.23
Due From Fairpoint	67,217.16
Due From The Club At Hidden Creek	2,615.49
Due From Municipal Engineering Services	10,993.80
Allowance for Bad Debt	(25,000.00)
Materials Inventory	327,760.25
Deposits	11,048.50
Prepaid Insurance	194,852.22
Prepaid Expenses	53,263.09

TOTAL CURRENT ASSETS

12,921,414.69

OTHER ASSETS

Land	2,201,266.83
Water Distribution System	25,732,369.30
Sewer Facility	51,767,515.79
CIP - VT SCADA	61,318.99
Office and Storage -Main Office Building	1,916,231.56
Improvements O/T -Main Office	330,190.20
F, F & E - Main Office	246,490.63
Equipment	2,385,851.67
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	100,811.00
CIP - 2020 Wastewater Master Plan	42,034.76
CIP - Standby Generator Well 1	19,104.51
CIP - Standby Generator Well 3	19,104.51
CIP - BPS/GST Waterline Updgrades	12,820.75
CIP - Standby Generator Well 4&5	21,294.02
CIP - Hwy 87 L-S Upgrade	73,530.90
CIP - Well 4 Generator	19,791.60
CIP - Building Security	8,356.69
CIP - Field Ops Warehouse 2	179,409.90
CIP - Mechanic Shop at Navarre WWTP	21,992.00

CIP - Field Ops Office Building	219,236.38	
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	315,536.48	
CIP - SR 87 Booster Station & GST	308,256.01	
CIP - Eglin Reuse/RIBS	1,201,720.69	
CIP - Gulf Breeze Reuse	85,297.53	
CIP- SR30 Widening-Water Ortega-Okaloosa	573.72	
CIP- SR30 Widening-Sewer Ortega-Okaloosa	573.73	
CIP - General Lift Station Upgrades	158,399.09	
CIP - General Water Line Upgrades	17,525.57	
CIP - General Sewer Line Upgrades	124,702.94	
CIP - General WWTP Upgrades	179,169.50	
Bond Issue Costs	10,265.00	
Bond Discounts	17,240.32	
Accum Amort - Bond Issue Costs	(11,900.27)	
Accum Amort - Bond Discount	(20,403.20)	
Accumulated Depreciation	(37,720,010.23)	
Pension Liability - Current Portion	(250,000.00)	
TOTAL OTHER ASSETS		<u>60,911,535.56</u>
TOTAL ASSETS		<u>73,832,950.25</u>

LIABILITIES

CURRENT LIABILITIES

Accounts Payable	755,672.43
Bonds Payable - Current Portion	160,000.00
Regions Note Payable - Current Portion	151,690.00
Accrued Taxes	42,461.12
Accrued Compensated Absences	16,419.89
Employee Deduction - Life Insurance	(2,023.11)
Employee Deduction - Child Support	35.00
Employee Deduction - 401K	278.38
Employee Deduction - Prepaid Legal	1,085.52
Employee Deduction - Supplemental Ins.	7,101.13
Employee Deduction - Gym	(102.30)
Accrued Interest Payable	123,165.68

TOTAL CURRENT LIABILITIES

1,255,783.74

LONG-TERM LIABILITIES

Water Deposits	363,219.09
Sewer Deposits	213,346.86
Net Pension Obligation	6,653,148.84
Lease Payable - Regions Bank	718,303.68
Loan Payable - CTA	5,610,000.00
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

13,317,734.99

TOTAL LIABILITIES

14,573,518.73

CONTRIB/PROPRIETARY CAPITAL

Contri-aid-Construction Water	24,442,480.08
Contri-aid-Construction Sewer	42,703,760.25
Accum Amort - Construction	(26,664,011.93)
Membership Certificates	320,320.00
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	365,192.71

TOTAL CONTRIB/PROPRIETARY CAPITAL

59,259,431.52

TOTAL LIABILITIES & CONTRIB/PROPRIETARY CAPITAL

73,832,950.25