

# HOLLEY NAVARRE WATER SYSTEM INC

## INCOME STATEMENT

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

	<i>1 Month Ended</i> <i>October 31, 2022</i>		<i>10 Months Ended</i> <i>October 31, 2022</i>	
<b>REVENUE</b>				
Taps - Water	54,946.23	4.6 %	166,352.49	1.6 %
Water Sales	495,393.61	41.1 %	4,643,714.02	44.8 %
Penalties	5,405.28	0.4 %	54,108.19	0.5 %
Disconnect Fees	2,450.00	0.2 %	22,675.00	0.2 %
NSF Fees	1,871.65	0.2 %	13,659.75	0.1 %
Service Charge - Water	7,595.00	0.6 %	78,425.00	0.8 %
Handling Fees	4,347.90	0.4 %	45,022.62	0.4 %
Hydrant Meter Non-Refundable Setup Fee	0.00	0.0 %	1,950.00	0.0 %
Recovery of Bad Debt	0.00	0.0 %	1,443.16	0.0 %
Interest Income	4,151.74	0.3 %	11,000.77	0.1 %
REIMBURSEMENT FROM THE CLUB	0.00	0.0 %	13,765.87	0.1 %
Misc Revenue - Water	375.00	0.0 %	28,750.00	0.3 %
Misc Revenue - Cash Rebates	1,023.76	0.1 %	12,221.58	0.1 %
Reimbursement From FRUS	56,003.37	4.6 %	356,266.34	3.4 %
Taps - Sewer	94,203.33	7.8 %	293,312.31	2.8 %
Wastewater Sales	476,249.59	39.5 %	4,604,492.03	44.4 %
Misc Revenue - Wastewater	375.00	0.0 %	25,450.93	0.2 %
<b>TOTAL REVENUE</b>	<b>1,204,391.46</b>	<b>100.0 %</b>	<b>10,372,610.06</b>	<b>100.0 %</b>
***** TOTAL REVENUE	1,204,391.46	100.0 %	10,372,610.06	100.0 %
***** GROSS PROFIT	1,204,391.46	100.0 %	10,372,610.06	100.0 %
<b>EXPENSES</b>				
<b>GENERAL &amp; ADMINISTRATIVE EXPENSE</b>				
Wages	296,994.85	24.7 %	3,063,371.88	29.5 %
Capitalized Labor	(8,857.36)	-0.7 %	(46,436.25)	-0.4 %
Payroll Taxes	21,772.25	1.8 %	245,093.92	2.4 %
Group Insurance	98,303.04	8.2 %	1,043,542.10	10.1 %
Net Periodic Pension Cost	22,877.97	1.9 %	107,360.16	1.0 %
Pension - Professional Fees	37,044.00	3.1 %	50,222.00	0.5 %
401K - Professional Fees	0.00	0.0 %	3,201.77	0.0 %
Other Taxes/License/Dues	598.00	0.0 %	49,221.90	0.5 %
Computer Expense	2,515.36	0.2 %	36,930.01	0.4 %
Software Services/Licenses	27,432.48	2.3 %	139,838.36	1.3 %
SCADA/Radio Services	3,235.30	0.3 %	48,431.76	0.5 %

	<i>1 Month Ended</i> <i>October 31, 2022</i>		<i>10 Months Ended</i> <i>October 31, 2022</i>	
Supplies	941.96	0.1 %	17,218.61	0.2 %
Utilities	3,725.83	0.3 %	41,411.67	0.4 %
Repairs & Maintenance	142.32	0.0 %	13,483.09	0.1 %
Safety Supplies/Equipment	0.00	0.0 %	1,266.03	0.0 %
Vehicle/Gas Expense	(4,056.16)	-0.3 %	(5,993.78)	-0.1 %
Education & Training	1,115.00	0.1 %	17,966.94	0.2 %
Travel Expense	1,109.11	0.1 %	6,973.11	0.1 %
Mileage	(10.71)	0.0 %	487.67	0.0 %
Office Equipment	371.00	0.0 %	5,134.03	0.0 %
Office Expense	13,088.56	1.1 %	124,283.03	1.2 %
BOD Related Expense	1,227.68	0.1 %	15,951.09	0.2 %
Groundskeeping Expense	357.22	0.0 %	2,500.54	0.0 %
Postage	4,201.68	0.3 %	41,876.36	0.4 %
Insurance Expense	18,379.97	1.5 %	172,805.81	1.7 %
Legal Expense	10,295.00	0.9 %	112,582.59	1.1 %
Accounting/Auditing Expense	0.00	0.0 %	31,500.00	0.3 %
Engineering Expense	4,740.00	0.4 %	36,103.30	0.3 %
Advertising Expense	349.23	0.0 %	5,616.79	0.1 %
Bad Debt	1,466.17	0.1 %	15,723.36	0.2 %
Bank Charges	2,629.01	0.2 %	23,663.10	0.2 %
Bond Issue-Administrative Fees	2,650.00	0.2 %	13,300.00	0.1 %
Professional Services	1,093.21	0.1 %	27,560.38	0.3 %
Landrum HR/Payroll Services	0.00	0.0 %	2,704.00	0.0 %
Payroll Services	1,309.25	0.1 %	13,359.50	0.1 %
Interest Expense	28,775.20	2.4 %	253,786.62	2.4 %
Uniform Expense	0.00	0.0 %	4,084.70	0.0 %
Charitable Contribution	0.00	0.0 %	2,364.75	0.0 %
CASH OVER/SHORT	2.90	0.0 %	80.81	0.0 %
<b>TOTAL GENERAL &amp; ADMINISTRATIVE EXPENSE</b>	<b>595,819.32</b>	<b>49.5 %</b>	<b>5,738,571.71</b>	<b>55.3 %</b>
<b>DEPRECIATION &amp; AMORTIZATION EXPENSE</b>				
Amortization Expense	(111,859.58)	-9.3 %	(1,118,595.80)	-10.8 %
Depreciation Expense	206,561.24	17.2 %	2,061,298.52	19.9 %
<b>TOTAL DEPRECIATION &amp; AMORTIZATION EXPENSE</b>	<b>94,701.66</b>	<b>7.9 %</b>	<b>942,702.72</b>	<b>9.1 %</b>
<b>WATER EXPENSE</b>				
Computer Related Expense	194.95	0.0 %	1,516.80	0.0 %
Supplies	855.37	0.1 %	18,542.06	0.2 %
Tools	2,767.91	0.2 %	10,529.14	0.1 %
Utilities	9,948.54	0.8 %	87,941.74	0.8 %
Chemicals	2,286.00	0.2 %	23,349.00	0.2 %
Repairs & Maintenance	17,224.31	1.4 %	187,160.29	1.8 %
Equipment Rental	0.00	0.0 %	195.60	0.0 %
Safety Supplies/Equipment	1,213.39	0.1 %	15,884.96	0.2 %
General Equipment - Distribution System	0.00	0.0 %	1,543.07	0.0 %
Vehicle Expense	6,582.65	0.5 %	37,896.32	0.4 %
Vehicle/Equipment Gas Expense	5,994.41	0.5 %	54,415.86	0.5 %
Water Testing	0.00	0.0 %	13,333.00	0.1 %

	<i>1 Month Ended</i> <i>October 31, 2022</i>		<i>10 Months Ended</i> <i>October 31, 2022</i>	
Water Purchases	132,137.50	11.0 %	1,296,970.14	12.5 %
Water Operations Expense	329.46	0.0 %	5,311.90	0.1 %
Groundskeeping Expense	1,071.66	0.1 %	8,557.74	0.1 %
Engineering - MESI	201.75	0.0 %	3,780.00	0.0 %
Engineering - System	1,858.98	0.2 %	25,299.17	0.2 %
Uniform Expense	0.00	0.0 %	3,186.33	0.0 %
<b>TOTAL WATER EXPENSE</b>	<b>182,666.88</b>	<b>15.2 %</b>	<b>1,795,413.12</b>	<b>17.3 %</b>
<b>WASTEWATER EXPENSE</b>				
Computer Related Expense	795.06	0.1 %	3,868.33	0.0 %
Supplies	2,027.80	0.2 %	18,905.80	0.2 %
Supplies-Grinders	0.00	0.0 %	6.59	0.0 %
Tools	68.56	0.0 %	19,538.72	0.2 %
Utilities	46,901.99	3.9 %	494,800.71	4.8 %
Chemicals - Navarre Plant	8,918.62	0.7 %	67,523.33	0.7 %
Chemicals - Holley Plant	2,398.02	0.2 %	9,703.49	0.1 %
Polymers	0.00	0.0 %	29,286.51	0.3 %
Sewer Lab Equip/Supplies - Navarre Plant	0.00	0.0 %	3,677.73	0.0 %
Sewer Lab Equip/Supplies - Holley Plant	373.74	0.0 %	6,007.07	0.1 %
Repairs & Maintenance	20,934.36	1.7 %	221,602.16	2.1 %
General Equipment - WWTP	22.99	0.0 %	4,523.51	0.0 %
General Equipment - Collection System	0.00	0.0 %	1,543.08	0.0 %
Safety Supplies/Equipment	1,214.89	0.1 %	8,978.69	0.1 %
Sludge Removal Expense - Navarre Plant	6,249.00	0.5 %	77,639.60	0.7 %
Vehicle Expense	3,021.34	0.3 %	26,925.78	0.3 %
Vehicle/Equipment Gas Expense	3,080.05	0.3 %	62,943.85	0.6 %
Wastewater Testing - Navarre Plant	(1,159.00)	-0.1 %	28,959.00	0.3 %
Wastewater Testing - Holley Plant	0.00	0.0 %	11,623.50	0.1 %
Wastewater Permits	0.00	0.0 %	1,045.45	0.0 %
Plant Operations Expense - Navarre Plant	1,740.58	0.1 %	19,051.87	0.2 %
Groundskeeping Expense	7,491.67	0.6 %	57,979.02	0.6 %
Engineering - MESI	201.75	0.0 %	5,008.50	0.0 %
Engineering - System	2,392.24	0.2 %	24,936.82	0.2 %
Professional Services	0.00	0.0 %	900.00	0.0 %
Uniform Expense	30.18	0.0 %	5,965.31	0.1 %
<b>TOTAL WASTEWATER EXPENSE</b>	<b>106,703.84</b>	<b>8.9 %</b>	<b>1,212,944.42</b>	<b>11.7 %</b>
<b>TOTAL EXPENSES</b>	<b>979,891.70</b>	<b>81.4 %</b>	<b>9,689,631.97</b>	<b>93.4 %</b>
<b>***** OPERATING INCOME/LOSS</b>	<b>224,499.76</b>	<b>18.6 %</b>	<b>682,978.09</b>	<b>6.6 %</b>
<b>*****</b>	<b>224,499.76</b>	<b>18.6 %</b>	<b>682,978.09</b>	<b>6.6 %</b>
<b>***** NET INCOME/LOSS</b>	<b>224,499.76</b>	<b>18.6 %</b>	<b>682,978.09</b>	<b>6.6 %</b>

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

## ***BALANCE SHEET***

***October 2022***

### ASSETS

#### CURRENT ASSETS

Petty Cash	600.00
Centennial Bank - Cash Account	333,071.95
Ameris Bank - Operating	2,217,878.27
Ameris Bank - Water Deposits	430,895.66
Ameris Bank - Sewer Deposits	263,249.91
Ameris Bank - Impact Fees	7,145,260.68
ServisFirst Bank - LOC Draws	475,187.43
Hancock Bank - HNWS14 Bond Fund	211,057.33
Accounts Receivable	1,608,673.03
Accounts Receivable - Taps	27,506.27
Capital Contribution - Fairpoint	260,700.23
Due From Fairpoint	62,486.35
Due From The Club At Hidden Creek	4,461.82
Due From Municipal Engineering Services	8,708.72
Allowance for Bad Debt	(25,000.00)
Materials Inventory	332,292.53
Deposits	11,048.50
Prepaid Insurance	139,643.68
Prepaid Expenses	35,487.89

#### TOTAL CURRENT ASSETS

13,543,210.25

#### OTHER ASSETS

Land	2,201,266.83
Water Distribution System	25,745,698.10
Sewer Facility	51,967,688.04
CIP - VT SCADA	61,318.99
Office and Storage -Main Office Building	2,173,820.43
Improvements O/T -Main Office	330,190.20
Software Upgrade	194,580.00
F, F & E - Main Office	255,804.94
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	103,433.00
CIP - 2020 Wastewater Master Plan	43,288.76
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	74,100.90
CIP - Well 4 Generator	19,791.60
CIP - Building Security	8,356.69

CIP - Field Ops Warehouse 2	184,695.93	
CIP - Mechanic Shop at Navarre WWTP	21,992.00	
CIP - Field Ops Office Building	231,730.40	
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	401,022.47	
CIP - SR 87 Booster Station & GST	381,573.02	
CIP - Eglin Reuse/RIBS	1,216,050.70	
CIP - Gulf Breeze Reuse	85,297.53	
CIP- SR30 Widening-Water Ortega-Okaloosa	820.59	
CIP- SR30 Widening-Sewer Ortega-Okaloosa	820.61	
CIP - General Lift Station Upgrades	169,294.42	
CIP - General Water Line Upgrades	17,525.57	
CIP - General Sewer Line Upgrades	15,383.86	
CIP - General WWTP Upgrades	207,393.95	
Bond Issue Costs	11,024.65	
Bond Discounts	17,240.32	
Accum Amort - Bond Issue Costs	(13,779.26)	
Accum Amort - Bond Discount	(21,080.96)	
Accumulated Depreciation	(38,339,693.95)	
Pension Liability - Current Portion	(250,000.00)	
TOTAL OTHER ASSETS		<u>61,090,692.48</u>
TOTAL ASSETS		<u><u>74,633,902.73</u></u>

LIABILITIES

CURRENT LIABILITIES

Accounts Payable	501,398.08
Bonds Payable - Current Portion	160,000.00
Regions Note Payable - Current Portion	151,690.00
Accrued Taxes	127,386.37
Accrued Compensated Absences	16,419.89
Employee Deduction - Life Insurance	(1,059.48)
Employee Deduction - Child Support	40.00
Employee Deduction - 401K	278.38
Employee Deduction - Prepaid Legal	469.11
Employee Deduction - Supplemental Ins.	9,757.45
Employee Deduction - Gym	(486.20)
Accrued Interest Payable	187,586.93

TOTAL CURRENT LIABILITIES

1,153,480.53

LONG-TERM LIABILITIES

Water Deposits	377,767.04
Sewer Deposits	223,897.31
Net Pension Obligation	6,653,148.84
Lease Payable - Regions Bank	676,705.16
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

13,776,234.87

TOTAL LIABILITIES

14,929,715.40

CONTRIB/PROPRIETARY CAPITAL

Contri-aid-Construction Water	24,618,195.23
Contri-aid-Construction Sewer	42,990,551.02
Accum Amort - Construction	(27,002,147.42)
Membership Certificates	322,920.00
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	682,978.09

TOTAL CONTRIB/PROPRIETARY CAPITAL

59,704,187.33

TOTAL LIABILITIES & CONTRIB/PROPRIETARY CAPITAL

74,633,902.73