

FROST TOWN WATER SYSTEM, INC.

Downsville, Louisiana

Financial Statements

For the Year Ended December 31, 2025

FROST TOWN WATER SYSTEM, INC.
Downsville, Louisiana

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For the Year Ended December 31, 2025

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Keeping you on course!

ACCOUNTANT'S COMPILATION REPORT

Board of Directors
Frost Town Water System, Inc.
Downsville, Louisiana

Management is responsible for the accompanying financial statements of **Frost Town Water System, Inc.** (a nonprofit organization, the System), which comprise the statement of financial position as of December 31, 2025, and the related statements of activities and cash flows for the year then ended, in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. We do not express an opinion, a conclusion, nor provide any assurance on these financial statements.

Management has elected to omit substantially all the disclosures required by accounting principles generally accepted in the United States of America. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the System's financial position, changes in net assets, and cash flows. Accordingly, these financial statements are not designed for those who are not informed about such matters.

We are not independent with respect to Frost Town Water System, Inc. for the year ended December 31, 2025.

Woodard & Associates

(A Professional Accounting Corporation)
Monroe, Louisiana

July 21, 2026

BASIC FINANCIAL STATEMENTS

Statement A**FROST TOWN WATER SYSTEM, INC.**

Downsville, Louisiana

Statement of Financial Position

For the Year Ended December 31, 2025

Assets

Current assets

Cash	\$	219,444
Accounts receivable		21,219
Total current assets		<u>240,663</u>

Noncurrent assets

Investments - certificate of deposit		62,629
Restricted cash		31,500
Property, plant, and equipment, net		563,707
Total noncurrent assets		<u>657,836</u>

Total assets	\$	<u><u>898,499</u></u>
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Liabilities and net assets

Current liabilities

Accounts payable	\$	6,515
Payroll taxes payable		24
Retainage payable		3,375
Customer deposits		16,771
Total current liabilities		<u>26,685</u>

Long Term liabilities

Drinking Water Revolving Fund Loan		<u>85,872</u>
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Total liabilities		112,557
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Net assets

Without donor restrictions		<u>785,942</u>
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Total liabilities and net assets	\$	<u><u>898,499</u></u>
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See Accountant's Compilation Report

Statement B**FROST TOWN WATER SYSTEM, INC.**

Downsville, Louisiana

Statement of Activities

For the Year Ended December 31, 2025

Operating Revenue

Water sales	\$	278,087
New meter fees		8,125
Other revenue		327
Total operating revenue		<u>286,539</u>

Operating Expenses

Salaries	\$	63,076
Payroll taxes		4,819
Depreciation		28,115
Utilities and telephone		22,649
Maintenance and repairs		22,003
Contract services		12,460
Safe drinking water fee		11,699
Insurance		10,848
Supplies		10,199
Software and technical support		1,867
Accounting fees		1,460
Other operating expenses		2,269
Total operating expenses		<u>191,464</u>

Operating Income95,075**Non-Operating Revenue (Expenses)**

Interest income	2,729
Interest expense	(226)
Federal revenue - gain on forgiveness of debt	82,503
Total non-operating revenue	<u>85,006</u>

Increase in Net Assets

180,048

Net Assets at Beginning of Year605,894**Net Assets at End of Year**\$ 785,942

See Accountant's Compilation Report

Statement C**FROST TOWN WATER SYSTEM, INC.**

Downsville, Louisiana

Statement of Cash Flows

For the Year Ended December 31, 2025

Cash flows from operating activities

Increase in net assets	\$ 180,048
Adjustments to reconcile increase in net assets to	
Net cash provided by operating activities	
Depreciation expense	28,115
Changes in assets and liabilities	
Increase in accounts receivable	(670)
Increase in accounts payable	1,824
Decrease in payroll tax payable	(2,282)
Increase in customer deposits	180
Gain on forgiveness of debt	(82,503)
Interest expense	226
Interest income	(2,729)
Total adjustments	(57,839)
Net cash provided by operating activities	122,209

Cash flows from financing activities

Proceeds from Drinking Water Revolving Fund Loan	125,375
Net cash provided by financing activities	125,375

Cash flows from investing activities

Purchase of equipment	(2,275)
Construction in progress	(128,750)
Increase in retainage payable	3,375
Interest expense	(226)
Interest income	2,729
Increase in investments	(2,666)
Net cash provided by investing activities	(127,813)

Net increase in cash 119,771

Cash at beginning of year 131,173

Cash at end of year \$ 250,944

See Accountant's Compilation Report

FROST TOWN WATER SYSTEM, INC.

Downsville, Louisiana

Schedule of Compensation, Benefits, and Other
Payments to Agency Head
For the Year Ended December 31, 2025

Agency Head - Curt Meachum - President

No compensation was given from public funds.