

**KEMPNER WATER SUPPLY
CORPORATION
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FINANCIAL REPORT
FEBRUARY 2026**



KEMPNER WATER SUPPLY CORPORATION

FEBRUARY 2026

INCOME

REVENUE	\$ 927,326
EXPENSE	\$ 897,915
NET REVENUE	\$ 27,411

Kempner Water Supply Corporation
Profit & Loss
February 2026

	Feb 26
Ordinary Income/Expense	
Income	
40000 · Water Sales	781,861.17
40180 · Income from meters	11,425.00
40790 · Salado WSC Payment	30,963.01
40900 · City of Lampasas Payment	68,261.89
40960 · Field Operating Costs-Income	0.00
41300 · Professional Fees-Income	150.00
Total Income	892,661.07
Gross Profit	892,661.07
Expense	
60000 · Expense- General Budget	
60050 · Adminstration	48,927.50
60055 · Field & Plant Operating Costs	49,480.66
60100 · Utilities	52,102.23
60250 · Payroll Expenses	144,878.10
61150 · Professional Fees	24,227.96
61700 · Insurance	40,835.64
62010 · CTWSC Payments	110,167.39
62499 · BRA Payments	62,258.65
63198 · Pass Thru Expenses	45,608.13
63210 · Taxes Fees	520.00
63410 · Continuing Education	659.95
Total 60000 · Expense- General Budget	579,666.21
Total Expense	579,666.21
Net Ordinary Income	312,994.86
Other Income/Expense	
Other Income	
41600 · Other Income	2,471.43
40700 · Interest	32,193.91
Total Other Income	34,665.34
Other Expense	
63520 · Interest Expense	113,625.21
69750 · Loss on Marketable Securities	6,663.04
62700 · Depreciation Expense	197,960.58
Total Other Expense	318,248.83
Net Other Income	-283,583.49
Net Income	29,411.37

**KEMPNER WATER SUPPLY
CORPORATION
REVENUE & EXPENSE COMPARISON
FEBRUARY 2026 YTD**

OPERATIONS INCOME	\$ 4,526,533
INTEREST INCOME	148,051
OTHER INCOME	7,093
M/S EARNINGS	23,185
CAPITAL CONTRIBUTIONS	18,492
REVENUE:	\$ 4,718,354

OPERATING EXPENSES	
BEFORE DEPRECIATION	\$ 2,605,399
INTEREST ON LOAN	564,654
DEPRECIATION	989,803
M/S LOSS	6,663
EXPENSE:	\$ 4,166,519

NET REVENUE **\$ 551,835**

DEBT PRINCIPAL **\$ 543,624**

Kempner Water Supply Corporation

Profit & Loss Budget vs. Actual

Year to Date

Oct 26-

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	February	Budget	% of Budget	YTD Annualized	Variance
Ordinary Income/Expense					
Income					
40000 · Water Sales	3,885,737.46	10,389,739.20	37.4%	9,325,770	(1,063,969)
40180 · Income from meters	77,825.00	225,500.00	34.51%	186,780	(38,720)
40790 · Salado WSC Payment	178,504.84	400,000.00	44.63%	428,412	28,412
40900 · City of Lampasas Payment	383,466.22	854,763.64	44.86%	920,319	65,555
40960 · Field Operating Costs-Income	0.00	15,000.00	0.0%	-	(15,000)
41300 · Professional Fees-Income	1,000.00	15,000.00	6.67%	2,400	(12,600)
Total Income	4,526,533.52	11,900,002.84	38.04%	10,863,680	(1,036,322)
Gross Profit	4,526,533.52	11,900,002.84	38.04%	10,863,680	(1,036,322)
Expense					
60000 · Expense- General Budget					
60050 · Administration	165,443.97	373,500.00	44.3%	397,066	23,566
60055 · Field & Plant Operating Costs	306,813.93	1,426,600.00	21.51%	736,353	(690,247)
60100 · Utilities	269,372.47	794,000.00	33.93%	646,494	(147,506)
60250 · Payroll Expenses	822,413.94	2,128,104.46	38.65%	1,973,793	(154,311)
61150 · Professional Fees	50,061.25	201,000.00	24.91%	120,147	(80,853)
61700 · Insurance	216,801.11	578,639.04	37.47%	520,323	(58,316)
62010 · CTWSC Payments	408,277.95	1,002,000.00	40.75%	979,867	(22,133)
62499 · BRA Payments	311,293.25	941,815.00	33.05%	747,104	(194,711)
63198 · Pass Thru Expenses	50,448.63	76,000.00	66.38%	121,077	45,077
63210 · Taxes Fees	1,075.88	4,150.00	25.93%	2,582	(1,568)
63410 · Continuing Education	3,396.91	24,000.00	14.15%	8,153	(15,847)
Total 60000 · Expense- General Budget	2,605,399.29	7,549,808.50	34.51%	6,252,958	(1,296,850)
Total Expense	2,605,399.29	7,549,808.50	34.51%	6,252,958	(1,296,850)
Net Ordinary Income	1,921,134.23	4,350,194.34	44.16%	4,610,722	260,528
Other Income/Expense					
Other Income					
41732 · Capital Contributions	18,492.10	0	100.0%	44,381	44,381
41925 · Gain-Sale of CCN Rights		15,000.00	0.0%	-	(15,000)
41915 · CoBank Investment Dividends		275,000.00	0.0%	-	(275,000)
41600 · Other Income	7,093.23	6,000.00	118.22%	17,024	11,024
41922 · Gain-Sale of Vehicles/Equipment		3,000.00	0.0%	-	(3,000)
41730 · Earnings-Marketable Securities	23,185.29	60,000.00	38.64%	55,645	(4,355)
40700 · Interest	143,050.62	168,729.00	84.78%	343,321	174,592
Total Other Income	191,821.24	527,729.00	36.35%	460,371	(67,358)
Other Expense					
63520 · Interest Expense	564,654.00	1,386,793.26	40.72%	1,355,170	(31,624)
69750 · Loss on Marketable Securities	6,663	0	100.0%	15,991	15,991
62700 · Depreciation Expense	989,802.90	2,127,084.36	46.53%	2,375,527	248,443
Total Other Expense	1,561,119.94	3,513,878	44.43%	3,746,688	232,810
Net Other Income	-1,369,298.70	-2,986,149	45.86%	(3,286,317)	(300,168)
	551,835.53	1,364,046	40.46%	1,324,405	(39,640)

Kempner Water Supply Corporation
Profit & Loss Budget vs. Actual
YOY Comparison

	FYE 2025	Budget	% of Budget	FYE 2026	Budget	% of Budget
Ordinary Income/Expense						
Income						
40000 · Water Sales	3,744,949.89	9,775,493.15	38.31%	3,885,737.46	10,389,739.20	37.4%
40180 · Income from meters	64,350.00	183,500.00	35.07%	77,825.00	225,500.00	34.51%
40790 · Salado WSC Payment	242,153.72	360,000.00	67.27%	178,504.84	400,000.00	44.63%
40900 · City of Lampasas Payment	417,834.03	829,763.64	50.36%	383,466.22	854,763.64	44.86%
40960 · Field Operating Costs-Income	21,500.00	15,000.00	143.33%	0.00	15,000.00	0.0%
41300 · Professional Fees-Income	7,250.00	15,000.00	48.33%	1,000.00	15,000.00	6.67%
Total Income	4,498,037.64	11,178,756.79	40.24%	4,526,533.52	11,900,002.84	38.04%
Gross Profit	4,498,037.64	11,178,756.79	40.24%	4,526,533.52	11,900,002.84	38.04%
Expense						
60000 · Expense- General Budget						
60050 · Administration	164,485.37	338,500.00	48.59%	165,443.97	373,500.00	44.3%
60055 · Field & Plant Operating Costs	389,990.81	1,318,000.00	29.59%	306,813.93	1,426,600.00	21.51%
60100 · Utilities	374,414.64	773,000.00	48.44%	269,372.47	794,000.00	33.93%
60250 · Payroll Expenses	778,995.70	1,973,110.80	39.48%	822,413.94	2,128,104.46	38.65%
61150 · Professional Fees	46,869.79	215,000.00	21.8%	50,061.25	201,000.00	24.91%
61700 · Insurance	227,393.58	505,034.04	45.03%	216,801.11	578,639.04	37.47%
62010 · CTWSC Payments	400,161.07	982,000.00	40.75%	408,277.95	1,002,000.00	40.75%
62499 · BRA Payments	300,565.20	876,285.00	34.3%	311,293.25	941,815.00	33.05%
63198 · Pass Thru Expenses	49,066.21	69,000.00	71.11%	50,448.63	76,000.00	66.38%
63210 · Taxes Fees	1,148.31	4,150.00	27.67%	1,075.88	4,150.00	25.93%
63410 · Continuing Education	5,925.16	27,800.00	21.31%	3,396.91	24,000.00	14.15%
Total 60000 · Expense- General Budget	2,739,015.84	7,081,879.84	38.68%	2,605,399.29	7,549,808.50	34.51%
Total Expense	2,739,015.84	7,081,879.84	38.68%	2,605,399.29	7,549,808.50	34.51%
Net Ordinary Income	1,759,021.80	4,096,876.95	42.94%	1,921,134.23	4,350,194.34	44.16%
Other Income/Expense						
Other Income						
41732 · Capital Contributions	0.00	0.00	0.0%	18,492.10	0	100.0%
41925 · Gain-Sale of CCN Rights	0.00	15,000.00	0.0%		15,000.00	0.0%
41915 · CoBank Investment Dividends	0.00	202,000.00	0.0%		275,000.00	0.0%
41600 · Other Income	9,336.75	19,800.00	47.16%	7,093.23	6,000.00	118.22%
41922 · Gain-Sale of Vehicles/Equipment	0.00	5,000.00	0.0%		3,000.00	0.0%
41730 · Earnings-Marketable Securities	16,005.51	80,000.00	20.01%	23,185.29	60,000.00	38.64%
40700 · Interest	156,769.57	151,170.00	103.7%	143,050.62	168,729.00	84.78%
Total Other Income	182,111.83	472,970.00	38.5%	191,821.24	527,729.00	36.35%
Other Expense						
63520 · Interest Expense	586,046.96	1,386,793.26	42.26%	564,654.00	1,386,793.26	40.72%
69750 · Loss on Marketable Securities	21,962.78	0.00	100.0%	6,663	0	100.0%
62700 · Depreciation Expense	886,285.07	1,700,000.00	52.13%	989,802.90	2,127,084.36	46.53%
Total Other Expense	1,494,294.81	3,086,793.26	48.41%	1,561,119.94	3,513,878	44.43%
Net Other Income	-1,312,182.98	-2,613,823.26	50.2%	-1,369,298.70	-2,986,149	45.86%
Net Income	446,838.82	1,483,053.69	30.13%	551,835.53	1,364,046	40.46%

KEMPNER WATER SUPPLY CORPORATION

FEBRUARY 2026

FUND'S DETAIL

CHECKING/SAVINGS (LIQUID FUNDS)

OPERATING FUNDS	\$ 1,063,800
CONTRACTUAL RESERVES	\$ 509,002
LONG RANGE PLAN:	
IMPACT FEES	\$ 1,270,154
EQUITY BUY IN	\$ 22,500
LRP-DEPRECIATION	\$ 3,721,657

MARKETABLE SECURITIES

MEMBERSHIP RESERVES	\$ 125,000
LOAN RESERVES	\$ 1,373,596
CAPITAL RESERVES	\$ 1,770,205
CO BANK INVESTMENT	\$ 521,622
ACCOUNTS RECEIVABLE	\$ 863,239
ACCOUNTS PAYABLES	\$ 304,422

*** NET CHANGE IN CASH: \$ 212,379

Kempner Water Supply Corporation
Balance Sheet
As of February 28, 2026

ASSETS

Current Assets

Checking/Savings

0999 · Operating Account	138,949.60
0999.1 · WTP-Contingency Acct	786.41
0999.71 · Frost - Business Checking	523,293.94
0999.8 · TexPool/Logic - Cash	
10805 · RD9106/9107 #006	399,184.35
10800 · Jt Use Fclts Cntr Reserve #003	326,018.41
10801 · Long Range Plan #005	5,014,310.95
10802 · KWSC - General #001	574.21
10803 · Jt Use Base Loan Reserve #002	182,887.67
10804 · Tank Maintenance #004	97.13

Total 0999.8 · TexPool/Logic - Cash 5,923,072.72

1000 · Petty Cash 1,012.36

Total Checking/Savings 6,587,115.03

Other Current Assets

14935 · Investment in CoBank	521,622.14
14981 · Inventory-AMR Meters	4,355.24
0999.7 · Marketable Securities	
10702 · Membership	125,000.00
10703 · Co Bank	1,360,000.00
10704 · USDA	13,596.00
10705 · KWSC	1,770,205.41

Total 0999.7 · Marketable Securities 3,268,801.41

14921 · Prepaid insurance-General 132,709.19

14940 · Deposit US Post Office 600.00

14980 · Inventory 120,579.17

14950 · Accounts Receivable - Water 863,239.11

Total Other Current Assets 4,911,906.26

Total Current Assets 11,499,021.29

Fixed Assets

26040.1 · USDA-Cobank (T04) Issuance	17,577.46
26016.1 · Prosperity Bank-AMR Issuance	12,727.59
15100 · Water Distribution System	1,878,776.88
15400 · Furniture & Fixtures	62,371.06
15500 · Land	1,256,134.46
15600 · Office Building	271,530.78
15650 · Vehicles	790,529.94
15700 · Tools & Equipment	1,219,806.56
15775 · Other Fixed Assets	59,684,599.74
15200 · Accumulated Depreciation	-30,813,138.65
15800 · Construction in Progress	2,070,672.98

Total Fixed Assets 36,451,588.80

TOTAL ASSETS 47,950,610.09

Kempner Water Supply Corporation
Balance Sheet
As of February 28, 2026

LIABILITIES & EQUITY

Liabilities

Current Liabilities

Accounts Payable 304,421.81

Other Current Liabilities

22005 · Accrued Expenses

22012 · Accrued Vacation 102,781.25

22010 · Accrued Salaries 44,174.12

21010 · Accrued Liabilities 5,925.41

Total 22005 · Accrued Expenses 152,880.78

14920 · Current Portion of LT Debt 1,328,809.01

20201 · Interest Payable - TWDB

20201.1 · Interest Payable - All Others 109,285.41

Total 20201 · Interest Payable - TWDB 109,285.41

Total Other Current Liabilities 1,590,975.20

Total Current Liabilities 1,895,397.01

Long Term Liabilities

26050 · CoBank T05 2,490,807.66

26040 · CoBank T04 2,098,581.85

26030 · CoBank T02 3,130,180.50

26020 · CoBank T01 23,733,159.77

26016 · Prosperity Bank-AMR Mtrs 577,085.65

20207 · USDA Loan #91-09 312,775.22

26009 · Current Portion LT Liability -1,328,809.01

Total Long Term Liabilities 31,013,781.64

Total Liabilities 32,909,178.65

Equity

30100.8 · CoBank T01/02&04 Reserves 1,360,000.00

30100 · Retained Earnings 12,999,402.77

30100.3 · Membership Reserve 125,000.00

30300 · Member Investment 5,193.14

Net Income 551,835.53

Total Equity 15,041,431.44

TOTAL LIABILITIES & EQUITY 47,950,610.09

KEMPNER WATER SUPPLY CORPORATION

FUNDS DETAIL

	OCT	NOV	DEC	JAN	FEB	MARCH	APR	MAY	JUN	JUL	AUG	SEP
CHECKING/SAVINGS - LIQUID FUNDS												
OPERATING FUNDS	617,120	520,113	673,541	497,707	1,063,800							
CONTRACTUAL RESERVES (LAMPASAS)	509,445	504,142	505,853	507,516	509,003							
LONG RANGE PLAN /SOURCE:												
IMPACT FEES	1,247,654	1,261,354	1,261,354	1,269,304	601,162							
EQUITY BUY IN FEES	0	4,500	4,500	20,250	22,500							
DEPRECIATION & INTEREST	4,283,633	3,751,385	3,768,420	4,074,019	4,106,037							
MARKETABLE SECURITIES												
MEMBERSHIP RESERVES	125,000	125,000	125,000	125,000	125,000							
CONTRACTUAL RESERVES (LOANS)	1,373,596	1,373,596	1,373,596	1,373,596	1,373,596							
OPERATIONAL RESERVE (APPROX. 60 DAYS)	2,259,632	2,264,578	2,275,265	2,276,868	1,770,205							
COBANK INVESTMENT	521,622	521,622	521,622	521,622	521,622							
CASH & MARKETABLE SECURITIES	10,930,702	10,326,290	10,509,151	10,665,882	10,092,925	0	0	0	0	0	0	0
ACCOUNTS RECEIVABLE												
	911,946	834,457	761,613	851,548	863,239							
ACCOUNTS PAYABLE												
	148,641	38,277	43,018	91,141	304,422							
CAPITAL EXPENDITURES												
	393,841	666,658	6,100	11,624	629,214							
NET CHANGE IN CASH (CASH FLOW)												
CURRENT MONTH	108,396	-609,358	172,175	121,944	212,379							
YTD	-108,396	-717,755	-545,580	-423,636	-211,258							

Kempner Water Supply Corporation
Statement of Cash Flows
October 2025 through February 2026

Oct '25 - Feb 26

OPERATING ACTIVITIES	
Net Income	551,835.53
Adjustments to reconcile Net Income	
to net cash provided by operations:	
14981 · Inventory-AMR Meters	3,615.45
0999.7 · Marketable Securities:10705 · KWSC	483,477.75
14921 · Prepaid insurance-General	-132,709.19
14980 · Inventory	55.00
14950 · Accounts Receivable - Water	91,091.08
20000 · *Accounts Payable	177,915.65
22005 · Accrued Expenses:21010 · Accrued Liabilities	-119,841.72
Net cash provided by Operating Activities	<u>1,055,439.55</u>
INVESTING ACTIVITIES	
15700 · Tools & Equipment	-500.00
15775 · Other Fixed Assets	-3,615.45
15200 · Accumulated Depreciation	989,802.90
15800 · Construction in Progress:15822 · Projects:15822.1 · Engineering	-68,093.36
15800 · Construction in Progress:15822 · Projects:15822.3 · Construction	-1,645,860.41
Net cash provided by Investing Activities	<u>-728,266.32</u>
FINANCING ACTIVITIES	
26050 · CoBank T05	-38,856.62
26040 · CoBank T04	-19,980.27
26030 · CoBank T02	-206,997.61
26020 · CoBank T01	-242,993.14
26016 · Prosperity Bank-AMR Mtrs	-31,604.57
20207 · USDA Loan #91-09	-3,191.76
30300 · Member Investment:30310 · Applied to Balance	-1,706.86
30300 · Member Investment:30311 · Membership Refund	1,600.00
30300 · Member Investment:30312 · New Meters	5,300.00
Net cash provided by Financing Activities	<u>-538,430.83</u>
Net cash increase for period	<u>-211,257.60</u>
Cash at beginning of period	<u>6,798,372.63</u>
Cash at end of period	<u><u>6,587,115.03</u></u>

Description	Memo	Notes	Account #	Amount
Transfer of Asset 3/18	TexPool to invest-Drafts	Office	999.1	(\$187,000.00)
Transfer of Asset 3/18	TexPool to invest-Drafts	Office	10805	\$187,000.00
TexPool Internal Transfer 3/18	Intrest Accrued- Jt Use	Office	10803	(\$535.55)
TexPool Internal Transfer 3/18	Intrest Accrued- Jt Use	Office	10800	\$535.55
TexPool Internal Transfer 3/18	Depreciation Reserve to LRP	Office	10805	(\$143,350.00)
TexPool Internal Transfer 3/18	Depreciation Reserve to LRP	Office	10801	\$143,350.00
TexPool Internal Transfer 3/18	Earnings to LRP	Office	10805	(\$1,095.21)
TexPool Internal Transfer 3/18	Earnings to LRP	Office	10801	\$1,095.21
Transfer of Asset 3/18	Impact Fees to LRP	Office	10805	(\$2,250.00)
Transfer of Asset 3/18	Impact Fees to LRP	Office	10801	\$2,250.00
Transfer of Asset 3/18	EBI Fees to LRP	Office	10805	(\$6,750.00)
Transfer of Asset 3/18	EBI Fees to LRP	Office	10801	\$6,750.00
CIP Payment 3/2	Clearwell Project- Trew	Office	10801	(\$157,689.48)
CIP Payment 3/2	Clearwell Project-Trew	Office	15822.3	\$157,689.48
Transfer of asset 3/2	Clearwell Project	Office	10805	(\$157,689.48)
Transfer of asset 3/2	Clearwell Project	Office	10801	\$157,689.48
CIP Payment 3/2	Stone Oaks Line Upgrade	Office	10801	(\$126,922.32)
CIP Payment 3/2	Stone Oaks Line Upgrade	Office	15822.3	\$126,922.32
Transfer of Asset 3/5	To cover AP	Office	10801	(\$100,000.00)
Transfer of Asset 3/5	To cover AP	Office	15822.3	\$100,000.00