City of West Plains, Missouri

Basic Financial Statements

Year Ended December 31, 2025

KPM

CPAS & ADVISORS

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Independent Auditors' Report

Honorable Mayor and Board of Aldermen
City of West Plains
West Plains, Missouri

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the City of West Plains, Missouri, as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the City of West Plains, Missouri, as of December 31, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of West Plains and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, budgetary comparison, and pension information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying combining nonmajor funds financial statements and Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining nonmajor funds financial statements and the Schedule of Expenditures of Federal Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 15, 2026, on our consideration of the City of West Plains, Missouri's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of West Plains, Missouri's internal control over financial reporting and compliance.

KPM CPAs, LLC

KPM CPAs, LLC
Springfield, Missouri
June 15, 2026

Management's Discussion and Analysis

The Management's Discussion and Analysis of the City of West Plains' financial performance provides an overview of the City's financial activities for the year ended December 31, 2025. Please read it in conjunction with the City's financial statements.

Financial Highlights

- Significant projects completed during this fiscal year include acquisition of property for a downtown parking lot, HVAC upgrade at the library, a roof spraying rig and replacement of police and street vehicles. The City also installed a new irrigation well for the exclusive use of the golf course to reduce strain on the water system during peak watering seasons.
- In this fiscal year, the City continued work on significant grant-funded projects including the new railroad overpass on Highway 160 which was opened to the public in May 2026. Other grant-funded projects include continued assistance to homeowners as a result of the 2017 flood, continued investment in the Garner Villas senior and low-income housing project, architectural plans for the building at 601 Washington, and purchase of land and easements for the St Louis Street Bridge replacement.
- Major utility accomplishments during the fiscal year included the completion of the Lincoln Substation in July 2025, rebuilding an electric generator unit, beginning the transition to sideload trash trucks and receptacles, and purchase of a commercial-grade shredder to increase the capacity and efficiency of the recycling program. Large vehicles and equipment were also replaced including backhoes for water and sanitation, a sewer jetter truck, and an electric digger derrick truck.

Using this Report

This report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities provide information about the activities of the City as a whole and present a longer-term view of the City's finances. Fund financial statements tell how these services were financed in the short-term as well as what remains for future spending. Fund financial statements also report the City's operations in more detail than the government-wide statements by providing information about the City's most significant funds.

Government-Wide Financial Statements

One of the most important questions asked about the City's finances is, "Is the City as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position and Statement of Activities report information about the City as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. These two statements report the City's net position and changes in it. The City's net position – the difference between assets and liabilities – is one way to measure the City's financial health, or financial position. Over time, increases or decreases in the City's net position are one indicator of whether its financial health is improving or deteriorating.

In the Statement of Net Position and the Statement of Activities, we divide the City into two kinds of activities:

Governmental Activities: Most of the City's basic services are reported here. Taxes are the primary source of financing for these activities.

Business-Type Activities: The City charges a fee to customers to help it cover all or most of the cost of certain services it provides. The City's utility services are provided here.

Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds and not the City as a whole. However, the City Council establishes many other funds to help it control and manage money for a particular purpose or to show that it is meeting legal responsibilities for using certain taxes and grants.

Governmental Funds: Most of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. The differences between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and the governmental funds are shown in a reconciliation following the fund financial statement.

Proprietary Funds: When the City charges customers for the services it provides – whether to outside customers or to other units of the City – these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities.

Notes to the Basic Financial Statements

The Notes to the Basic Financial Statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Government-Wide Financial Analysis

Net Position

The following table presents the condensed Statement of Net Position for the City as of December 31, 2025 and 2024:

	Governmental Activities	Business-Type Activities	Total December 31, 2025	Total December 31, 2024
Assets				
Current and other assets	$ 13,475,976	$ 17,752,511	$ 31,228,487	$ 31,997,411
Capital assets	51,266,294	54,780,724	106,047,018	98,274,961
Total Assets	64,742,270	72,533,235	137,275,505	130,272,372
Deferred Outflow of Resources				
Deferred pension outflows	2,938,274	1,208,914	4,147,188	2,917,347
Liabilities				
Other liabilities	2,588,556	3,035,919	5,624,475	6,671,076
Long-term liabilities	906,014	1,833,566	2,739,580	1,957,051
Total Liabilities	3,494,570	4,869,485	8,364,055	8,628,127
Deferred Inflow of Resources				
Deferred pension inflows	12,414	-	12,414	183,030
Net position				
Net investment in capital assets	51,060,621	53,754,128	104,814,749	96,753,211
Restricted	7,858,087	81,716	7,939,803	6,659,328
Unrestricted	5,254,852	15,036,820	20,291,672	20,966,023
Total Net Position	$ 64,173,560	$ 68,872,664	$ 133,046,224	$ 124,378,562

Total net position of the City increased by $8,667,662 for the year due to current year activity. Total liabilities for the City decreased by $264,072. Restricted net position of the City totaled $7.9 million as of December 31, 2025. This amount represents monies that are restricted for specific purposes as well as various projects within the City.

Changes in Net Position

The following table presents the Changes in Net Position for the City for the year ended December 31, 2025 and the year ended December 31, 2024:

	Governmental Activities	Business-Type Activities	Total Year Ending December 31, 2025	Total Year Ending December 31, 2024
Revenues				
Program Revenues				
Charges for services	$ 1,963,570	$ 28,563,823	$ 30,527,393	$ 28,574,868
Operating grants and contributions	3,949,458	6,700	3,956,158	2,060,316
Capital grants and contributions	6,880,177	-	6,880,177	1,022,429
General Revenues				
Sales taxes	10,323,338	-	10,323,338	9,014,766
Ad valorem taxes	1,043,515	-	1,043,515	992,714
Motor vehicle and gas taxes	711,789	-	711,789	621,874
Other taxes	1,239,086	-	1,239,086	1,402,467
Franchise taxes	1,859,671	-	1,859,671	2,144,010
Interest	409,091	538,477	947,568	1,355,296
Other revenue	192,813	686,197	879,010	808,055
Total Revenues	28,572,508	29,795,197	58,367,705	47,996,795
Expenses				
Administrative	410,337	-	410,337	519,181
Human resources	614,059	-	614,059	593,761
Information technology	191,966	-	191,966	122,497
Building maintenance	362,782	-	362,782	258,842
Public relations	96,435	-	96,435	50,004
Building official	204,016	-	204,016	152,943
City attorney	57,342	-	57,342	59,617
Court	196,370	-	196,370	171,721
Police	4,079,499	-	4,079,499	3,726,309
Animal control	93,312	-	93,312	86,555
Emergency management	483	-	483	16,141
Fire	1,840,638	-	1,840,638	1,623,040
Airport	462,599	-	462,599	519,682
Street	3,966,028	-	3,966,028	4,048,209
Cemetery	170,967	-	170,967	137,815
Fleet management	114,186	-	114,186	107,263

	Governmental Activities	Business-Type Activities	Total Year Ending December 31, 2025	Total Year Ending December 31, 2024
Health	27,694	-	27,694	27,705
Planning and zoning	177,308	-	177,308	314,160
Economic development	3,908,693	-	3,908,693	2,063,330
Tourism	466,473	-	466,473	455,028
Parks and recreation	1,228,918	-	1,228,918	1,151,660
Golf	740,621	-	740,621	580,932
Transit	289,126	-	289,126	270,343
Library	791,950	-	791,950	711,572
Civic center	1,318,387	-	1,318,387	1,223,094
Senior citizens	33,888	-	33,888	27,347
Other	65,078	-	65,078	38,303
Debt service	6,937	-	6,937	39,056
Water	-	3,076,367	3,076,367	2,288,019
Sewer	-	2,015,038	2,015,038	2,545,690
Electric	-	18,610,542	18,610,542	17,551,158
Refuse	-	3,949,171	3,949,171	3,827,054
Fiber	-	132,833	132,833	178,589
Total Expenses	21,916,092	27,783,951	49,700,043	45,486,620
Increase in Net Position	$ 6,656,416	$ 2,011,246	$ 8,667,662	$ 2,510,175

Governmental Activities

Governmental activities increased the net position of the City by $6,656,416. Tax revenues for the City were $15,177,399, which represents 53% of the funding of these activities. Program revenues for the functions totaled $12,793,205 or 45% of the funding. The following table shows the cost of the City's nine largest programs as well as each programs' net cost (total cost less revenues generated by the activities). The net cost shows the financial burden that was placed on the taxpayers by each of these functions.

Net Cost of the City of West Plains' Largest Governmental Activities

	Total Cost of Services	Net Cost of Services
Police	$ 4,079,499	$ 3,246,943
Fire	1,840,638	1,717,606
Human Resources	614,059	614,059
Street	3,966,028	(2,572,017)
Economic development	3,908,693	894,249
Parks and recreation	1,228,918	1,001,338
Tourism	466,473	395,047
Library	791,950	679,306
Civic center	1,318,387	988,969
Other governmental activities	3,701,447	2,157,387
	$ 21,916,092	$ 9,122,887

Business-Type Activities

Business-type activities increased the City's net position by $2,011,246. The increase in the prior year was $3,730,204.

Financial Analysis of the City's Funds

The combined fund balances of the City's governmental funds as of December 31, 2025, were $11,654,387. The General Fund decreased by $630,762. The Grants Fund did not change, the Transportation Sales Tax Fund increased $907,558, the Capital Improvement Sales Tax Fund increased by $234,798, and the Nonmajor Funds increased by $158,861.

General Fund Budgetary Highlights

Differences between the original and the final amended budget can be summarized as follows:

The original budget is prepared and approved prior to the beginning of the fiscal year. The budget is reviewed and amended each year as necessary. Department heads recommend changes to budgeted expenditures as administration evaluates the revenue sources for necessary amendments. This information is reviewed by the City Administrator as to the effect the changes will have on expected cash flow. The amended budget is prepared and presented to Council for approval by ordinance prior to the end of the fiscal year at a public meeting.

Capital Asset and Debt Administration

Capital Assets

Capital assets of the governmental activities were $51.3 million (net of accumulated depreciation) as of December 31, 2025. This represents a $5.8 million net increase from the prior year due primarily to current year additions being greater than current year disposals and depreciation. Capital assets for business-type activities were $54.8 million as of December 31, 2025. This represents a $1.9 million increase from the prior year due to current year additions being greater than current year disposals and depreciation.

Debt Administration

Total debt of the governmental activities as of December 31, 2025, was $205,673, which is down $51,753 from the prior year.

Total debt of the business-type activities as of December 31, 2025, was $1,026,596, which is down $237,728 from the prior year.

Economic Factors and Next Year's Budget

The largest consideration for the government-type activities budget is given to anticipated sales tax revenue. Through May 2026 the City's sales tax revenues are up 6% over the previous year and use tax revenues are down 2% from the previous year. Use tax revenues are highly volatile; last year's use tax revenues were 19% below budget and 27% lower than the prior year. FY 2027 sales and use tax revenue is projected to increase 3% over the current year results. Capital sales tax revenues were down 1.3% in 2025 and transportation sales tax revenues were down 1.5% in 2025. Both of those revenues are projected to see an increase of 3% through 2027.

The City anticipates some positive economic factors in the next fiscal year. A national IT firm, Provalus, has approached the City with plans to create a site in West Plains, bringing an estimated 200 jobs to the area within the next five years. A major employer in the area, Leonardo DRS, has planned a significant investment in their West Plains campus over the next ten years. These additions will bring jobs and tax revenues to the local economy. In May, the railroad overpass as Highway 160 (Independence Avenue) was completed and opened to the public. This project was funded through a partnership of local tax funds as well as state and federal grants of approximately $10 million. The City is also making great strides in the construction phases of other major grant projects including replacement of the St. Louis Street Bridge, flood mitigation opportunities, new housing at Garner Villas, and completion of the fuel facility at the airport. The City's comprehensive plan indicated a desire from many stakeholders for a new sports complex. In August, citizens will vote on a 1% sales tax increase intended to fund its construction and ongoing operations. During the next few months, the City will continue to utilize its comprehensive plan including priorities set by citizens and council to compile the 2027 Budget. These data sources will help align the spending of local government funds with the priorities of the community, provide resources for better strategic planning and maintain the City's commitment to provide financial stability for future investments in its workforce and infrastructure.

The City's hotel/motel tax resulted in revenues of $360,990 during FY 25 and is budgeted to bring another $340,000 in the current fiscal year. The City uses these funds for promotions and grants to help bring tourism and events to West Plains.

For business-type activities, city utilities staff continue to implement a multi-year plan to upgrade the metering system to create process efficiencies and better customer service. The Lincoln Substation, which was lost to a fire in November 2021, was completed and in service by the end of 2025. Other large utilities projects planned for 2026 include rebuilding a large electric generation unit, completing the transition of residential sanitation services to a sideload truck, relining the water storage facilities, and a new well at Hwy 14. The City's Integrated Management Plan defined water treatment and wastewater treatment needs and related system maintenance projects. The City continues to use this plan to work toward achievable goals for infrastructure improvements and developing the funding capacity to meet those needs. In 2024, the City completed a sanitary sewer evaluation survey which provided data on the existing sewer collection system and pinpointed issues the system experiences with inflow and infiltration as well as ongoing maintenance and repair needs. Considering the legislative and supply chain challenges that the City anticipates for utility projects, staff will continue to review service capacities of all facilities and funding requirements to provide the utility services our citizens depend on at affordable rates.

Contacting the City's Financial Management

For additional information or questions, please contact any of the following officers at:

City of West Plains
1910 Holiday Lane, PO Box 710
West Plains, Missouri 65775
(417) 256-7176

Sam Anselm, City Administrator
sam.anselm@westplains.gov

Earlene Rich, Finance Director
earlene.rich@westplains.gov

City of West Plains

Statement of Net Position

December 31, 2025

	Primary Government			Component Units		
	Governmental Activities	Business-Type Activities	Total	West Plains Public Library Foundation	63 ByPass Community Improvement District	Ozark Hills Community Improvement District
Assets						
Current						
Cash and cash equivalents - unrestricted	$ 6,952,477	$ 11,325,853	$ 18,278,330	$ 10,096	$ 743,774	$ 4,067
Investments - unrestricted	-	-	-	552,595	-	-
Taxes receivable	1,902,287	-	1,902,287	-	-	-
Utilities receivable, net	-	2,472,602	2,472,602	-	-	-
Other accounts receivable	203,627	415,050	618,677	-	-	-
Court fines receivable, net	52,529	-	52,529	-	-	-
Intergovernmental receivable	3,519,693	-	3,519,693	-	-	-
Inventory	93,582	2,417,259	2,510,841	-	-	-
Prepaid expenses	252,054	358,612	610,666	-	-	-
Noncurrent						
Restricted cash and cash equivalents	499,727	763,135	1,262,862	-	-	-
Capital assets						
Non-depreciable	16,500,436	4,421,998	20,922,434	-	-	-
Depreciable, net	34,765,858	50,358,726	85,124,584	-	170,407	55,141
Total Assets	64,742,270	72,533,235	137,275,505	562,691	914,181	59,208
Deferred Outflow of Resources						
Deferred pension outflows	2,938,274	1,208,914	4,147,188	-	-	-
Total Deferred Outflow of Resources	2,938,274	1,208,914	4,147,188	-	-	-

See accompanying Notes to the Financial Statements.

City of West Plains

Statement of Net Position

December 31, 2025

	Primary Government			Component Units		
	Governmental Activities	Business-Type Activities	Total	West Plains Public Library Foundation	63 ByPass Community Improvement District	Ozark Hills Community Improvement District
Liabilities						
Current						
Accounts payable	1,226,916	1,595,249	2,822,165	-	-	-
Accrued expenses	331,547	174,245	505,792	-	-	-
Accrued interest payable	-	3,227	3,227	-	-	-
Unearned revenue	219,687	-	219,687	-	-	-
Court bonds payable	1,050	-	1,050	-	-	-
Deposits payable	5,247	681,419	686,666	-	-	-
Other payables	19,721	-	19,721	-	-	-
Current maturities of long-term liabilities	784,388	581,779	1,366,167	-	-	-
	2,588,556	3,035,919	5,624,475	-	-	-
Noncurrent						
Compensated absences payable	81,640	51,599	133,239	-	-	-
Net pension liability	703,286	995,371	1,698,657	-	-	-
Certificates of participation payable	-	786,596	786,596	-	-	-
Financed purchases payable	121,088	-	121,088	-	-	-
	906,014	1,833,566	2,739,580	-	-	-
Total Liabilities	3,494,570	4,869,485	8,364,055	-	-	-
Deferred Inflow of Resources						
Deferred pension inflows	12,414	-	12,414	-	-	-
Net Position						
Net investment in capital assets	51,060,621	53,754,128	104,814,749	-	170,407	55,141
Restricted	7,858,087	81,716	7,939,803	-	-	-
Unrestricted	5,254,852	15,036,820	20,291,672	562,691	743,774	4,067
Total Net Position	$ 64,173,560	$ 68,872,664	$ 133,046,224	$ 562,691	$ 914,181	$ 59,208

See accompanying Notes to the Financial Statements.

City of West Plains

Statement of Activities

Year Ended December 31, 2025

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expenses), Revenues, and Changes in Net Position: Primary Government: Governmental Activities	Primary Government: Business-Type Activities	Primary Government: Total	Component Units: West Plains Public Library Foundation	Component Units: 63 ByPass Community Improvement District	Component Units: Ozark Hills Community Improvement District
Primary Government										
Governmental Activities										
Administrative	$ (410,337)	$ 60,543	$ -	$ 210,150	$ (139,644)	$ -	$ (139,644)			
Information technology	(191,966)	-	-	-	(191,966)	-	(191,966)			
Human resources	(614,059)	-	-	-	(614,059)	-	(614,059)			
Building maintenance	(362,782)	-	-	-	(362,782)	-	(362,782)			
Public relations	(96,435)	-	-	-	(96,435)	-	(96,435)			
Building official	(204,016)	43,951	-	-	(160,065)	-	(160,065)			
City attorney	(57,342)	-	-	-	(57,342)	-	(57,342)			
Court	(196,370)	166,755	-	-	(29,615)	-	(29,615)			
Police	(4,079,499)	283,099	534,888	14,569	(3,246,943)	-	(3,246,943)			
Animal control	(93,312)	3,457	50	-	(89,805)	-	(89,805)			
Emergency management	(483)	-	-	-	(483)	-	(483)			
Fire	(1,840,638)	-	123,032	-	(1,717,606)	-	(1,717,606)			
Airport	(462,599)	260,850	-	103,500	(98,249)	-	(98,249)			
Street	(3,966,028)	2,085	-	6,535,960	2,572,017	-	2,572,017			
Cemetery	(170,967)	10,925	-	-	(160,042)	-	(160,042)			
Fleet management	(114,186)	-	-	-	(114,186)	-	(114,186)			
Health	(27,694)	-	-	-	(27,694)	-	(27,694)			
Planning and zoning	(177,308)	3,995	-	-	(173,313)	-	(173,313)			
Economic development	(3,908,693)	-	3,014,444	-	(894,249)	-	(894,249)			
Tourism	(466,473)	41,396	30,030	-	(395,047)	-	(395,047)			
Parks and recreation	(1,228,918)	171,910	55,670	-	(1,001,338)	-	(1,001,338)			
Golf	(740,621)	530,287	-	-	(210,334)	-	(210,334)			
Transit	(289,126)	17,971	131,626	-	(139,529)	-	(139,529)			
Library	(791,950)	42,928	53,718	15,998	(679,306)	-	(679,306)			
Civic center	(1,318,387)	323,418	6,000	-	(988,969)	-	(988,969)			
Senior citizens	(33,888)	-	-	-	(33,888)	-	(33,888)			
Other	(65,078)	-	-	-	(65,078)	-	(65,078)			
Debt service	(6,937)	-	-	-	(6,937)	-	(6,937)			
Total Governmental Activities	(21,916,092)	1,963,570	3,949,458	6,880,177	(9,122,887)	-	(9,122,887)			

See accompanying Notes to the Financial Statements.

City of West Plains

Statement of Activities

Year Ended December 31, 2025

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expenses), Revenues, and Changes in Net Position: Primary Government: Governmental Activities	Primary Government: Business-Type Activities	Primary Government: Total	Component Units: West Plains Public Library Foundation	Component Units: 63 ByPass Community Improvement District	Component Units: Ozark Hills Community Improvement District
Primary Government										
Business-Type Activities										
Water	(3,076,367)	2,747,925	-	-	-	(328,442)	(328,442)			
Sewer	(2,015,038)	2,935,968	6,700	-	-	927,630	927,630			
Electric	(18,610,542)	18,978,309	-	-	-	367,767	367,767			
Sanitation	(3,949,171)	3,828,307	-	-	-	(120,864)	(120,864)			
Fiber	(132,833)	73,314	-	-	-	(59,519)	(59,519)			
Total Business-Type Activities	(27,783,951)	28,563,823	6,700	-	-	786,572	786,572			
Total Primary Government	$ (49,700,043)	$ 30,527,393	$ 3,956,158	$ 6,880,177	(9,122,887)	786,572	(8,336,315)			
Component Units										
West Plains Public Library Foundation	$ (21,215)	$ -	$ -	$ -	-	-	-	$ (21,215)	$ -	$ -
63 ByPass Community Improvement District	(7,107)	-	-	-	-	-	-	-	(7,107)	-
Ozark Hills Community Improvement District	(33,202)	-	-	-	-	-	-	-	-	(33,202)
Total Component Unit	$ (61,524)	$ -	$ -	$ -	-	-	-	(21,215)	(7,107)	(33,202)
General Revenues										
Sales taxes					10,323,338	-	10,323,338	-	70,919	24,646
Ad valorem taxes					1,043,515	-	1,043,515	-	-	-
Motor vehicle and gas taxes					711,789	-	711,789	-	-	-
Other taxes					1,239,086	-	1,239,086	-	-	-
Franchise taxes					1,859,671	-	1,859,671	-	-	-
Investment income					409,091	538,477	947,568	70,684	-	-
Other revenue					192,813	686,197	879,010	9,391	-	-
Total General Revenues					15,779,303	1,224,674	17,003,977	80,075	70,919	24,646
Changes in Net Position					6,656,416	2,011,246	8,667,662	58,860	63,812	(8,556)
Net Position, Beginning of year					57,517,144	66,861,418	124,378,562	503,831	850,369	67,764
Net Position, End of year					$ 64,173,560	$ 68,872,664	$ 133,046,224	$ 562,691	$ 914,181	$ 59,208

See accompanying Notes to the Financial Statements.

City of West Plains

Balance Sheet – Governmental Funds

December 31, 2025

	General Fund	Special Revenue Funds: Grants Fund	Special Revenue Funds: Transportation Sales Tax Fund	Special Revenue Funds: Capital Improvement Sales Tax Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets						
Cash and cash equivalents	$ 357,946	$ -	$ 3,125,160	$ 2,854,233	$ 615,138	$ 6,952,477
Taxes receivable	1,080,060	-	241,807	219,291	361,129	1,902,287
Other accounts receivable	149,948	-	20,870	-	32,809	203,627
Court fines receivable, net	52,529	-	-	-	-	52,529
Intergovernmental receivable	-	3,485,624	-	34,069	-	3,519,693
Due from other funds	2,324,505	-	-	-	-	2,324,505
Inventory	93,582	-	-	-	-	93,582
Prepaid expenses	220,926	-	10,242	1,318	19,568	252,054
Restricted cash and cash equivalents	21,970	-	-	-	477,757	499,727
Total Assets	$ 4,301,466	$ 3,485,624	$ 3,398,079	$ 3,108,911	$ 1,506,401	$ 15,800,481
Liabilities, Deferred Inflow of Resources, and Fund Balance						
Liabilities						
Accounts payable	$ 190,365	$ 991,769	$ 17,667	$ 9,876	$ 17,239	$ 1,226,916
Accrued expenses	272,594	-	35,730	-	23,223	331,547
Unearned revenue	-	219,687	-	-	-	219,687
Court bonds payable	1,050	-	-	-	-	1,050
Due to other funds	-	2,274,168	-	-	50,337	2,324,505
Deposits payable	5,247	-	-	-	-	5,247
Other payables	19,721	-	-	-	-	19,721
Total Liabilities	488,977	3,485,624	53,397	9,876	90,799	4,128,673
Deferred Inflows of Resources						
Unavailable revenue	17,421	-	-	-	-	17,421
Fund Balances						
Nonspendable						
Inventory	93,582	-	-	-	-	93,582
Prepaid items	220,926	-	-	-	16,905	237,831
Restricted for						
Economic development	-	-	-	-	68,673	68,673
Parks and recreation	-	-	-	-	9,707	9,707
MODAG grant	-	-	-	-	40,846	40,846
Police	15,673	-	-	-	137,275	152,948
Fire	-	-	-	-	69,602	69,602
Streets	-	-	3,344,682	-	-	3,344,682
Cemetery perpetual care	-	-	-	-	136,108	136,108
Golf	-	-	-	-	13,793	13,793
Library	-	-	-	-	812,593	812,593
Animal Control	-	-	-	-	436	436
Nuisance abatement	-	-	-	-	1,659	1,659
Capital improvements	-	-	-	3,099,035	-	3,099,035
Tourism	-	-	-	-	108,005	108,005
Unassigned	3,464,887	-	-	-	-	3,464,887
Total Fund Balances	3,795,068	-	3,344,682	3,099,035	1,415,602	11,654,387
Total Liabilities, Deferred Inflow of Resources, and Fund Balances	$ 4,301,466	$ 3,485,624	$ 3,398,079	$ 3,108,911	$ 1,506,401	$ 15,800,481

See accompanying Notes to the Financial Statements.

City of West Plains

Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position

December 31, 2025

Fund balance - total governmental funds	$ 11,654,387
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds:	
Governmental capital assets	144,541,019
Less accumulated depreciation	(93,274,725)
	51,266,294
The net pension liability and related deferred inflows and outflows are not available to pay for current period expenditures and, therefore, are not reported in the funds:	
Net pension liability	(703,286)
Deferred outflows due to pension	2,938,274
Deferred inflows due to pension	(12,414)
	2,222,574
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds	(987,116)
Receivables collected after year-end, but not available soon enough to pay for current year operations, are reported as revenue in governmental funds.	17,421
Net Position of Governmental Activities	$ 64,173,560

See accompanying Notes to the Financial Statements.

City of West Plains

Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds

Year Ended December 31, 2025

	General Fund	Special Revenue Funds: Grants Fund	Special Revenue Funds: Transportation Sales Tax Fund	Special Revenue Funds: Capital Improvement Sales Tax Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues						
Taxes	$ 8,119,586	$ -	$ 3,138,116	$ 2,514,390	$ 1,405,307	$ 15,177,399
Licenses and permits	103,471	-	-	-	-	103,471
Intergovernmental revenues	-	9,999,958	15,806	34,069	75,500	10,125,333
Charges for services	1,698,809	9,514	2,085	-	149,355	1,859,763
Donations	6,050	468,537	-	-	229,715	704,302
Miscellaneous	84,362	-	16,615	84,661	7,184	192,822
Interest	129,221	-	120,658	119,004	40,199	409,082
Total Revenues	10,141,499	10,478,009	3,293,280	2,752,124	1,907,260	28,572,172
Expenditures						
Current						
Administrative	318,426	-	-	-	-	318,426
Human resources	612,623	-	-	-	-	612,623
Public relations	96,024	-	-	-	-	96,024
Information technology	162,169	-	-	20,732	-	182,901
Building maintenance	188,492	-	-	-	-	188,492
Building official	203,261	-	-	-	-	203,261
City attorney	57,249	-	-	-	-	57,249
Court	195,498	-	-	-	-	195,498
Police	3,369,055	452,442	-	-	-	3,821,497
Animal control	84,921	-	-	-	-	84,921
Emergency management	483	-	-	-	-	483
Fire	1,448,113	11,948	-	-	-	1,460,061
Airport	303,906	-	-	-	-	303,906
Street	-	-	2,327,906	-	-	2,327,906
Cemetery	167,649	-	-	-	-	167,649
Fleet management	91,428	-	-	-	-	91,428
Health	27,694	-	-	-	-	27,694
Planning and zoning	175,062	-	-	-	-	175,062
Economic development	103,298	3,210,653	-	-	594,742	3,908,693
Tourism	-	-	-	-	456,764	456,764
Parks and recreation	1,043,345	-	-	31,734	-	1,075,079
Golf	668,040	-	-	18,000	-	686,040
Transit	252,821	-	-	-	-	252,821
Library	-	-	-	12,483	715,717	728,200
Civic center	933,816	-	-	15,452	-	949,268
Senior citizens	33,888	-	-	-	-	33,888
Miscellaneous	-	-	-	-	65,078	65,078
Capital Outlay	16,626	6,735,977	343,179	2,185,235	91,098	9,372,115
Debt Service						
Principal and interest	-	-	-	58,690	-	58,690
Total Expenditures	10,553,887	10,411,020	2,671,085	2,342,326	1,923,399	27,901,717

See accompanying Notes to the Financial Statements.

City of West Plains

Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds

Year Ended December 31, 2025

	General Fund	Grants Fund	Transportation Sales Tax Fund	Capital Improvement Sales Tax Fund	Nonmajor Governmental Funds	Total Governmental Funds
Excess (Deficit) of Revenues Over Expenditures	(412,388)	66,989	622,195	409,798	(16,139)	670,455
Other Financing Sources (Uses)						
Transfer in (out)	(218,374)	(66,989)	285,363	(175,000)	175,000	-
Net Change in Fund Balances	(630,762)	-	907,558	234,798	158,861	670,455
Fund Balance, Beginning of year	4,425,830	-	2,437,124	2,864,237	1,256,741	10,983,932
Fund Balance, End of year	$ 3,795,068	$ -	$ 3,344,682	$ 3,099,035	$ 1,415,602	$ 11,654,387

See accompanying Notes to the Financial Statements.

City of West Plains

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities

Year Ended December 31, 2025

Net change in fund balances - total governmental funds	$	670,455
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of these assets is allocated over their estimated useful lives on a straight line basis and reported as depreciation expense. The following is the detail of the amount of the change:		
Capital outlay		9,372,115
Disposal of capital assets, net		(311,076)
Depreciation		(3,232,490)
		5,828,549
Some revenues reported in the governmental funds represent current financial resources and are recognized in the Statement of Activities when earned.		336
The issuance of long-term debt provides current financial resources to governmental funds. The repayment of the principal of long-term debt is a use of current financial resources of governmental funds. In the Statement of Activities, interest is accrued on outstanding debt whereas in the governmental funds, an interest expenditure is reported when due. The following is the detail of the net effect of these differences:		
Repayment of principal on debt		51,753
Some expenditures reported in the governmental funds represent the use of current financial resources and are recognized in the Statement of Activities when incurred.		
Change in compensated absences		(11,119)
Change in pension related costs		116,442
		105,323
Change in Net Position of Governmental Activities	$	6,656,416

See accompanying Notes to the Financial Statements.

City of West Plains

Statement of Net Position – Enterprise Funds

December 31, 2025

	Electric Fund	Water Fund	Sewer Fund	Sanitation Fund	Fiber Fund	Total Enterprise Funds
Assets						
Current Assets						
Cash and cash equivalents	$ 152,130	$ 5,514,005	$ 4,267,597	$ 1,259,694	$ 132,427	$ 11,325,853
Utilities receivable, net	1,646,570	271,506	245,134	303,417	5,975	2,472,602
Other accounts receivable	415,050	-	-	-	-	415,050
Inventory	1,798,446	618,813	-	-	-	2,417,259
Prepaid expenses	213,266	61,404	68,676	15,266	-	358,612
Total Current Assets	4,225,462	6,465,728	4,581,407	1,578,377	138,402	16,989,376
Restricted Assets						
Cash and cash equivalents	399,219	264,125	-	99,791	-	763,135
Capital Assets	46,419,651	22,854,939	25,664,562	5,564,484	1,623,583	102,127,219
Less accumulated depreciation	(20,089,287)	(11,709,563)	(11,252,508)	(3,824,764)	(470,373)	(47,346,495)
Total Capital Assets	26,330,364	11,145,376	14,412,054	1,739,720	1,153,210	54,780,724
Total Assets	30,955,045	17,875,229	18,993,461	3,417,888	1,291,612	72,533,235
Deferred Outflows of Resources						
Deferred pension outflows	381,171	211,197	162,599	453,947	-	1,208,914
Liabilities						
Current Liabilities						
Accounts payable	1,223,436	192,830	8,350	170,558	75	1,595,249
Accrued expenses	73,955	30,966	17,595	51,729	-	174,245
Accrued interest payable	-	3,227	-	-	-	3,227
Meter deposits payable	399,219	264,123	-	18,077	-	681,419
Current maturities of long-term liabilities	119,700	291,999	45,251	124,829	-	581,779
Total Current Liabilities	1,816,310	783,145	71,196	365,193	75	3,035,919
Long-Term Liabilities						
Certificates of participation payable	-	786,596	-	-	-	786,596
Net pension liability	313,842	173,890	133,877	373,762	-	995,371
Compensated absences payable	17,676	9,346	6,609	17,968	-	51,599
Total Long-Term Liabilities	331,518	969,832	140,486	391,730	-	1,833,566
Total Liabilities	2,147,828	1,752,977	211,682	756,923	75	4,869,485
Net Position						
Net investment in capital assets	26,330,364	10,118,780	14,412,054	1,739,720	1,153,210	53,754,128
Restricted	-	2	-	81,714	-	81,716
Unrestricted	2,858,024	6,214,667	4,532,324	1,293,478	138,327	15,036,820
Total Net Position	$ 29,188,388	$ 16,333,449	$ 18,944,378	$ 3,114,912	$ 1,291,537	$ 68,872,664

See accompanying Notes to the Financial Statements.

City of West Plains

Statement of Revenues, Expenses, and Changes in Net Position – Enterprise Funds

Year Ended December 31, 2025

	Electric Fund	Water Fund	Sewer Fund	Sanitation Fund	Fiber Fund	Total Enterprise Funds
Operating Revenues						
Charges for services	$ 18,978,309	$ 2,747,925	$ 2,935,968	$ 3,828,307	$ 73,314	$ 28,563,823
Miscellaneous	464,476	49,120	12,191	95,841	64,569	686,197
Total Operating Revenues	19,442,785	2,797,045	2,948,159	3,924,148	137,883	29,250,020
Operating Expenses						
Wages and benefits	1,397,688	892,036	551,305	1,655,689	-	4,496,718
Franchise fees	1,473,130	-	-	-	-	1,473,130
Engineering	-	-	-	8,691	-	8,691
Purchased power	10,326,353	-	-	-	-	10,326,353
Landfill service	-	-	-	923,515	-	923,515
Gas, materials, and supplies	1,075,851	330,611	28,607	359,505	83	1,794,657
Repairs and maintenance	309,071	445,809	120,556	230,781	792	1,107,009
Utilities	90,409	338,027	144,971	27,580	36,900	637,887
Contracted services	62,636	59,951	274,742	1,428	158	398,915
Other operating expenses	884,119	234,803	213,139	98,886	11,046	1,441,993
Administration	1,200,891	199,432	199,633	254,820	10,419	1,865,195
Depreciation	1,790,394	575,698	482,085	388,276	73,435	3,309,888
Total Operating Expenses	18,610,542	3,076,367	2,015,038	3,949,171	132,833	27,783,951
Operating Income (Loss)	832,243	(279,322)	933,121	(25,023)	5,050	1,466,069
Nonoperating Revenues (Expenses)						
Interest income	68,351	258,789	163,580	57,611	2,993	551,324
Intergovernmental	-	-	6,700	-	-	6,700
Interest expense	-	(12,847)	-	-	-	(12,847)
Total Nonoperating Revenues (Expenses)	68,351	245,942	170,280	57,611	2,993	545,177
Income (Loss) Before Transfers	900,594	(33,380)	1,103,401	32,588	8,043	2,011,246
Transfers						
Transfer in (out)	500,000	(500,000)	-	-	-	-
Changes in Net Position	1,400,594	(533,380)	1,103,401	32,588	8,043	2,011,246
Net Position, Beginning of Year	27,787,794	16,866,829	17,840,977	3,082,324	1,283,494	66,861,418
Net Position, End of Year	$ 29,188,388	$ 16,333,449	$ 18,944,378	$ 3,114,912	$ 1,291,537	$ 68,872,664

See accompanying Notes to the Financial Statements.

City of West Plains

Statement of Cash Flows – Enterprise Funds

Year Ended December 31, 2025

	Electric Fund	Water Fund	Sewer Fund	Sanitation Fund	Fiber Fund	Total Enterprise Funds
Cash Flows from Operating Activities						
Cash received from customers	$ 19,662,248	$ 2,767,201	$ 2,944,918	$ 3,999,421	$ 139,622	$ 29,513,410
Cash paid to suppliers	(16,516,170)	(1,321,797)	(978,324)	(1,918,562)	(59,356)	(20,794,209)
Cash paid to employees	(1,338,219)	(882,352)	(549,848)	(1,635,745)	-	(4,406,164)
Net Cash Provided by Operating Activities	1,807,859	563,052	1,416,746	445,114	80,266	4,313,037
Cash Flows from Noncapital Financing Activities						
Proceeds from operating grants	-	-	6,700	-	-	6,700
Operating transfer in (out)	500,000	(500,000)	-	-	-	-
Net Cash Provided (Used) by Noncapital Financing Activities	500,000	(500,000)	6,700	-	-	6,700
Cash Flows from Capital and Related Financing Activities						
Purchase of capital assets	(3,289,099)	(334,888)	(936,690)	(854,134)	-	(5,414,811)
Payment of principal on long-term debt	-	(235,000)	-	-	-	(235,000)
Payment of interest expense	-	(16,322)	-	-	-	(16,322)
Net Cash (Used) by Capital and Related Financing Activities	(3,289,099)	(586,210)	(936,690)	(854,134)	-	(5,666,133)
Cash Flows from Investing Activities						
Interest received	68,351	258,789	163,580	57,611	2,993	551,324
Net Cash Provided by Investing Activities	68,351	258,789	163,580	57,611	2,993	551,324
Net Increase (Decrease) in Cash and Cash Equivalents	(912,889)	(264,369)	650,336	(351,409)	83,259	(795,072)
Cash and Cash Equivalents, Beginning of year	1,464,238	6,042,499	3,617,261	1,710,894	49,168	12,884,060
Cash and Cash Equivalents, End of year	551,349	5,778,130	4,267,597	1,359,485	132,427	12,088,988
Less Restricted Cash and Cash Equivalents	399,219	264,125	-	99,791	-	763,135
Unrestricted Cash and Cash Equivalents	$ 152,130	$ 5,514,005	$ 4,267,597	$ 1,259,694	$ 132,427	$ 11,325,853

See accompanying Notes to the Financial Statements.

City of West Plains

Statement of Cash Flows – Enterprise Funds

Year Ended December 31, 2025

	Electric Fund	Water Fund	Sewer Fund	Sanitation Fund	Fiber Fund	Total Enterprise Funds
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities						
Operating income (loss)	$ 832,243	$ (279,322)	$ 933,121	$ (25,023)	$ 5,050	$ 1,466,069
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:						
Depreciation	1,790,394	575,698	482,085	388,276	73,435	3,309,888
(Increase) decrease in						
Receivables	183,372	(5,875)	(3,241)	70,868	1,739	246,863
Inventory	(137,234)	98,450	-	-	-	(38,784)
Prepaid expenses	(61,333)	(4,506)	2,121	(1,503)	-	(65,221)
Net pension asset	115,775	67,963	58,501	145,751	-	387,990
Deferred pension outflows	(107,318)	(64,739)	(58,382)	(138,693)	-	(369,132)
Increase (decrease) in						
Accounts payable	(952,248)	122,638	(29,991)	(14,715)	42	(874,274)
Compensated absences payable	21,085	1,601	43,443	12,238	-	78,367
Accrued expenses	37,933	9,141	(39,058)	9,864	-	17,880
Meter deposits payable	36,091	(23,969)	-	4,405	-	16,527
Other adjustments	57,105	70,254	31,194	2,862	-	161,415
Deferred pension inflows	(8,006)	(4,282)	(3,047)	(9,216)	-	(24,551)
Net Cash Provided by Operating Activities	$ 1,807,859	$ 563,052	$ 1,416,746	$ 445,114	$ 80,266	$ 4,313,037

See accompanying Notes to the Financial Statements.

1. Summary of Significant Accounting Policies

The City operates under a Council/City Administrator form of government. The City provides the following services as authorized by its charter: public safety (police and fire), streets, culture-recreation, public improvements, planning, and general administrative services. Other services include water, sewer, electric, fiber, and sanitation operations.

The accounting policies of the City conform to accounting principles generally accepted in the United States of America as applicable to governments. The following is a summary of the more significant policies.

Financial Reporting Entity

The financial reporting entity consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the primary government is not accountable, but for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. Financially accountable means the primary government is accountable for the component unit and the primary government is able to impose its will or the component unit may provide financial benefits or impose a financial burden on the primary government. In addition, component units can be other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The City is a primary government, which is governed by an elected board. As required by accounting principles generally accepted in the United States of America, the City has evaluated the above criteria to determine whether any other entity meets the definition of a component unit and must be included in these financial statements. The component units discussed below are included in the City's reporting entity because of the significance of their operational or financial relationships with the City.

Component Units

West Plains Public Library Foundation

The West Plains Public Library Foundation, which is governed by an appointed Board of Directors, provides support for the West Plains Public Library. The West Plains Public Library Foundation is included in the financial statements of the City as a component unit due to its financial relationship with the City.

63 By-Pass Community Improvement District

Approved in 2006, the 63 By-Pass Community Improvement District, which is governed by a Board of Directors, provides support for financing improvements in the 63 By-Pass District. The formation of the District allows for the authorization of an additional 1% sales tax to make public improvements that will benefit the District and the City as a whole. This 1% sales tax was approved by the voters within the District and became effective July 2007. This District is an overlay for a Tax Increment Financing area.

Ozark Hills Community Improvement District

Approved March 14, 2014, the Ozark Hills Community Improvement District, which is governed by a Board of Directors, provides support for financing improvements in the Ozark Hills District. The formation of the District allows for the authorization of an additional sales tax of up to 1% to make public improvements that will benefit the District and the City as a whole. This 1% sales tax was approved by the voters within the District and became effective in October 2014.

Government-Wide and Fund Financial Statements

The basic financial statements include both the government-wide (the Statement of Net Position and the Statement of Activities) and fund financial statements.

Government-Wide Financial Statements

The government-wide statements display information about the government as a whole. Interfund activity has been eliminated from these statements to minimize the duplication of internal activities. Governmental activities, which are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely on fees and charges for services for support.

In the government-wide Statement of Net Position, both the governmental and business-type activities are consolidated and presented on the full accrual, economic resources basis of accounting. The consolidated presentation incorporates long-term assets and receivables as well as long-term debt and obligations, and it provides information to improve analysis and comparability.

The government-wide Statement of Activities presents a comparison between direct expenses and program revenues for each function of the City's governmental and business-type activities. Direct expenses are those that are specifically associated with a program or a function. Program revenues include charges for goods or services offered by the programs and grants and contributions that are restricted to meet operating and capital expenses of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements

Separate fund financial statements report information on the City's governmental and proprietary funds. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column.

Governmental fund financial statements use the current financial resources measurement focus and the modified accrual basis of accounting. Consequently, the emphasis on near-term inflows and outflows of resources do not present the long-term impact of transactions. Conversely, the proprietary fund statements incorporate the accrual basis of accounting and focus on the change in total economic resources. This presentation records long-term assets and liabilities, and recognizes revenues and expenses when transactions occur, regardless of their impact on the flow of cash. Since the accounting differs significantly between the governmental funds and the proprietary funds, it is necessary to convert the governmental fund data to arrive at the government-wide financial statements. Therefore, reconciliations have been provided following the Governmental Funds Balance Sheet and the Statement of Revenues, Expenditures and Changes in Fund Balance identifying categories that required conversion from the fund statements.

The City reports the following major governmental funds:

General Fund: The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

Grants Fund: The Grants Fund is used to account for resources and restricted, committed, or assigned for grant agreements.

Transportation Sales Tax Fund: The Transportation Sales Tax Fund is used to account for revenue sources restricted, committed, or assigned for expenditures for transportation.

Capital Improvement Sales Tax Fund: The Capital Sales Tax Fund is used to account for revenue sources restricted, committed, or assigned for expenditures for capital improvement.

The City reports the following major proprietary funds:

Electric Fund: The Electric Fund accounts for the activities and capital improvements of the City's electric operations.

Water Fund: The Water Fund accounts for the activities and capital improvements of the City's water operations.

Sewer Fund: The Sewer Fund accounts for the activities and capital improvements of the City's sewer operations.

Sanitation Fund: The Sanitation Fund accounts for the activities and capital improvements of the City's sanitation operations.

Fiber Fund: The Fiber Fund accounts for the activities and capital improvements of the City's fiber operations.

Capital Assets

Capital assets include land, buildings, improvements, equipment, and infrastructure assets (e.g., roads, bridges, storm sewers, and similar items) and are included in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets, excluding land, are defined by the City as assets with a cost of $5,000 or greater and an estimated useful life of at least one year. All land purchases are capitalized regardless of cost. All purchased fixed assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated fixed assets are valued at their estimated fair market value on the date received. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

In conformity with GASB 34, infrastructure, such as streets and storm sewers, has been capitalized. Additionally, the City elected to depreciate its infrastructure assets. Depreciation is provided in amounts sufficient to relate the cost of the depreciable assets to operations over their estimated service lives on the straight-line basis. The service lives by type of asset are as follows:

Plants, systems, and stations	20-100 years
Buildings and improvements	15-35 years
Machinery and equipment	5-15 years
Infrastructure	5-50 years
Vehicles	5-7 years

Expenditures for maintenance and repairs are charged to expense; renewals and betterments are capitalized.

Fair Value

The fair value measurement and disclosure framework provides for a fair value hierarchy that gives highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. There have been no significant changes from the prior year in the methodologies used to measure fair value. The levels of the fair value hierarchy are described below:

Level 1: Inputs using quoted prices in active markets for identical assets or liabilities

Level 2: Inputs using significant other observable inputs including quoted prices for similar assets or liabilities

Level 3: Inputs are significant unobservable inputs

Pooled Cash, Cash Equivalents, and Investments

The City pools cash resources of its various funds in order to facilitate the management of cash. Cash applicable to a particular fund is readily identifiable. The balance in the pooled cash account is available to meet current operating requirements. For purposes of the statements of cash flows, the City considers all short-term investments with an original maturity of three months or less when acquired to be cash equivalents.

Inventories

Inventories are stated at the lower of cost or market. Cost is determined using the average cost method. Inventory usage is recognized on the consumption method.

Compensated Absences

Employees earn paid time off based on the number of years' service to the City and sick leave at a standard rate per month of service. Outstanding paid time off is payable upon termination of employment. Upon separation from service, an employee is not entitled to receive payment for any accrued and unused sick leave. Compensated absences are recorded as a liability in the Statement of Net Position.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Net Position

In the government-wide and proprietary fund financial statements, equity is displayed in three components as follows:

Net Investment in Capital Assets: This consists of capital assets, net of accumulated depreciation, less the outstanding balances of any bonds, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted: This consists of net position that is legally restricted by outside parties or by law through constitutional provisions or enabling legislation.

Unrestricted: This consists of net position that does not meet the definition of restricted or net investment in capital assets.

When an expense is incurred for purposes for which both restricted and unrestricted net position are available, the City first applies restricted net position.

Fund Balance Classification

In the fund financial statements, governmental funds report aggregate amounts for five classifications of fund balances based on constraints imposed on the use of these resources as follows:

Nonspendable fund balance: This classification includes amounts that cannot be spent because they are either a) not in spendable form or b) legally or contractually required to be maintained intact.

Restricted fund balance: This classification reflects the constraints imposed on resources either a) externally by creditors, grantors, contributors, or laws or regulations of other governments; or b) imposed by law through constitutional provisions or enabling legislation.

Committed fund balance: These amounts can only be used for specific purposes pursuant to constraints imposed by formal resolutions of the City Council – the government's highest level of decision making authority. Those committed amounts cannot be used for any other purpose unless the Council removes the specified use by taking the same type of action imposing the commitment.

Assigned fund balance: This classification reflects the amounts constrained by the City's "intent" to be used for specific purposes, but are neither restricted nor committed. Assigned fund balances include all remaining amounts (except negative balances) that are reported in the governmental funds, other than the General Fund, that are not classified as nonspendable and are neither restricted nor committed.

Unassigned fund balance: This fund balance is the residual classification for the General Fund. It is also used to report negative fund balances in other governmental funds.

In circumstances when a disbursement is made for a purpose for which amounts are available in multiple fund balance classifications, fund balance is depleted in the order of restricted, committed, assigned, and unassigned.

Revenue Recognition – Property Taxes

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on November 1 and are due and payable at that time. All unpaid taxes levied November 1 become delinquent after December 31 of that year.

Program Revenues

In the Statement of Activities, revenues that are derived directly from each activity or from parties outside the City's taxpayers are reported as program revenues. These include 1) charges for city court fines, licenses and permits, planning and zoning services, parks and recreation services or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. All other governmental revenues are reported as general. All taxes are classified as general revenues, even if restricted for a specific purpose.

Operating Revenues and Expenses

Operating revenues and expenses for proprietary funds are those that result from providing services and producing and delivering goods and services. All other revenues and expenses are considered nonoperating.

Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. Currently, the City has one item that qualifies for reporting in this category, deferred amounts relating to the retirement plan.

In addition to liabilities, the Statement of Net Position and Balance Sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Currently, the City has two items that qualify for reporting in this category, deferred pension inflows relating to the retirement plan on the Statement of Net Position and deferred amounts relating to court fines on the Balance Sheet. These amounts are recognized as an inflow of resources in the period that the amounts become available.

Debt Premiums

Debt premiums are amortized over the term of the debt obligation using the straight-line method, which approximates the effective interest method. Debt premiums are netted with the corresponding debt principal liability.

Pensions

For purposes of measuring the net pension asset/liability, deferred outflow of resources and deferred inflow of resources related to pensions, and pension expense, information about the fiduciary net position of the Missouri Local Government Employees Retirement System (LAGERS) and additions to/deductions from LAGERS fiduciary net position have been determined on the same basis as they are reported by LAGERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

2. Cash & Cash Equivalents

State statutes require that the City's deposits be collateralized in the name of the City by the trust department of a bank that does not hold the collateralized deposits. As of December 31, 2025, the City's deposits were adequately insured and collateralized.

3. Investments

West Plains Public Library Foundation

The West Plains Public Library Foundation has $552,595 invested with the Community Foundation of the Ozarks' pooled investment fund, in which the Foundation has a pro-rata share. These investments are fair value level 2.

Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of failure of the counterparty, the entity will not be able to recover the value of its investment. The Foundation's pooled investments are perfected in the name, or for the account of the Foundation, and are held by a third-party custodian as evidenced by safekeeping receipts.

Interest Rate Risk

The City has no formal policy on interest rate risk.

4. Restricted Assets

Cash and investments and net position/fund balance have been restricted in the following funds as follows:

	Restricted Cash and Cash Equivalents	Restricted Fund Balance/ Net Position
General Fund		
Inmate fund	$ 15,673	$ 15,673
Court bonds	1,050	-
Deposits held	5,247	-
	$ 21,970	$ 15,673
Transportation Sales Tax Fund		
Transportation sales tax	$ -	$ 3,344,682
Capital Improvement Sales Tax Fund		
Capital improvement sales tax	$ -	$ 3,099,035
Nonmajor Governmental Funds		
Animal Control	$ 436	$ 436
Cemetery perpetual care	136,108	136,108
Economic development	68,673	68,673
Galloway park donations	9,707	9,707
MODAG grant	40,846	40,846
Fire department	69,602	69,602
Nuisance abatement	1,659	1,659
Police equipment/training	128,689	129,031
K-9 Unit	8,244	8,244
Golf	13,793	13,793
Library	-	812,593
Tourism	-	108,005
	$ 477,757	$ 1,398,697
Electric Fund		
Service deposits	$ 399,219	$ -
Water Fund		
2021 COP reserves	$ 2	$ 2
Service deposits	264,123	-
	$ 264,125	$ 2
Sanitation Fund		
Landfill closure	$ 81,714	$ 81,714
Service deposits	18,077	-
	$ 99,791	$ 81,714

5. Accounts Receivable

Utilities receivable is presented net of an allowance for doubtful accounts as follows:

	Gross Receivable	Allowance	Net Receivable
Utilities Receivable			
Electric Fund	$ 2,989,828	$ 1,343,258	$ 1,646,570
Water Fund	607,792	336,286	271,506
Sewer Fund	452,700	207,566	245,134
Sanitation Fund	489,959	186,542	303,417
Fiber Fund	5,975	-	5,975
	$ 4,546,254	$ 2,073,652	$ 2,472,602

Court fines receivable is presented net of an allowance for doubtful accounts as follows:

	Gross Receivable	Allowance	Net Receivable
Court Fines Receivable			
General Fund	$ 104,792	$ 52,263	$ 52,529

6. Assessed Valuation, Tax Levy, & Legal Debt Margin

The assessed valuation of the tangible property and the tax levy per $100 assessed valuation of that property were as follows:

	2025
Assessed Valuation	
Real estate	$ 153,772,639
Personal property	51,960,178
Total	$ 205,732,817

	2025
Tax Rate Per $100 of Assessed Valuation	
General	$ .3059
Library	.1925
	$ .4984

The legal debt margin at December 31, 2025, was computed as follows:

	General Obligation Bonds		
	Ordinary (1)	Additional (2)	Total
Constitutional Debt Limit	$ 20,573,282	$ 20,573,282	$ 41,146,563
General Obligation Bonds Payable	-	-	-
Legal Debt Margin	$ 20,573,282	$ 20,573,282	$ 41,146,563

(1) Under Article VI, Section 26(b) and (c), Missouri Constitution, the City, by a vote of its qualified electors voting therein, may incur an indebtedness for any purposes authorized in the charter of the City or by any general law of the State of Missouri. The borrowings authorized by this section shall not exceed ten percent of the value of the taxable tangible property in the City.

(2) Under Article VI, Section 26(d) and (e), Missouri Constitution, the City, by a vote of its qualified electors voting therein, may become indebted not exceeding in the aggregate an additional ten percent for the purpose of acquiring rights-of-way, construction, extending, and improving streets and avenues, and/or sanitary or storm sewer systems; and purchasing or constructing waterworks, electric or other light plants, provided that the total general obligation indebtedness of the City does not exceed twenty percent of the value of the taxable tangible property in the City.

7. Long-Term Liabilities – Business-Type Activities

Long-term liabilities in the Enterprise Funds consist of the Series 2021 Certificates of Participation and compensated absences.

Series 2021 Refunding Certificate of Participation

On January 25, 2021 the City issued $1,935,000 in Certificates of Participation. The Certificates of Participation bear interest at 1.09%. Interest payments are due semi-annually on March 15 and September 15 of each year. In the event of default, after 60 days the seller may take possession of any property covered under the certificate and take any action at law or in equity that is deemed necessary or desirable to enforce its rights with respect to the property.

The Certificates of Participation outstanding at December 31, 2025, are due as follows:

Year Ending December 31,	Principal	Interest	Total
2026	$ 240,000	$ 11,063	$ 251,063
2027	240,000	8,448	248,448
2028	245,000	5,832	250,832
2029	250,000	3,162	253,162
2030	40,000	436	40,436
	$ 1,015,000	$ 28,941	$ 1,043,941

A summary of the changes in long-term liabilities – business-type activities for the year ended December 31, 2025, is as follows:

	Balance December 31, 2024	Additions	Retirements	Balance December 31, 2025	Amount due within one year
Direct Placement					
Certificates of Participation					
Series 2021	$ 1,250,000	$ -	$ 235,000	$ 1,015,000	$ 240,000
Premium	14,324	-	2,728	11,596	-
	1,264,324	-	237,728	1,026,596	240,000
Compensated Absences	356,453	36,925	-	393,378	341,779
Total	$ 1,620,777	$ 36,925	$ 237,728	$ 1,419,974	$ 581,779

Additions and retirements of compensated absences are reported as a net change.

8. Long-Term Liabilities – Governmental Activities

Long-term liabilities for governmental activities at December 31, 2025, consists of two financed purchases and compensated absences.

Finance Purchased Agreement – Golf Vehicles

On June 1, 2020, the City entered into a financed purchase agreement to finance the purchase of golf carts and two golf utility vehicles. The agreement requires monthly payments of $1,318 and final payment of $42,005, which includes interest at 3.3%. The balance of the agreement was adjusted during the year ended December 31, 2023 to add two golf utility vehicles. In the event of default, the seller may declare all rental payments immediately due and payable and/or take possession of the equipment at the expense of the City.

The following is a schedule of future payments under the agreement:

Year Ending December 31,	Direct Borrowing
	Golf Vehicles
2026	$ 48,595
Total Minimum Payments	48,595
Less Amount Representing Interest	(1,985)
Principal Balance December 31, 2025	$ 46,610

Finance Purchased Agreement – Radio Equipment

On December 19, 2019, the City entered into a financed purchase agreement to finance the purchase of radio equipment. The agreement requires annual payments of $42,874, which includes interest at 3.08%. In the event of default, the seller may declare all rental payments immediately due and payable and/or take possession of the radio equipment at the expense of the City.

The following is a schedule of future payments under the agreement:

Year Ending December 31,	Direct Borrowing Radio Equipment
2026	$ 42,874
2027	42,874
2028	42,874
2029	42,874
Total Minimum Payments	171,496
Less Amount Representing Interest	(12,433)
Principal Balance December 31, 2025	$ 159,063

A summary of the changes in long-term liabilities – governmental activities for the year ended December 31, 2025, is as follows:

	Balance December 31, 2024	Additions	Retirements	Balance December 31, 2025	Amount due within one year
Direct Borrowing					
Financed Purchases					
Motorola equipment	$ 195,903	$ -	$ 36,840	$ 159,063	$ 37,975
Golf vehicles	61,523	-	14,913	46,610	46,610
	257,426	-	51,753	205,673	84,585
Compensated absences	770,324	11,119	-	781,443	699,803
Total	$ 1,027,750	$ 11,119	$ 51,753	$ 987,116	$ 784,388

Additions and retirements of compensated absences are reported as a net change.

9. Capital Assets

Capital asset activity for the year ended December 31, 2025, was as follows:

	Balance December 31, 2024	Additions	Deletions	Balance December 31, 2025
Governmental Activities				
Non-Depreciable Capital Assets				
Construction in progress	$ 2,394,016	$ 7,071,516	$ 877,397	$ 8,588,135
Land	7,639,903	272,398	-	7,912,301
Total Non-depreciable Capital Assets	10,033,919	$ 7,343,914	$ 877,397	16,500,436
Depreciable Capital Assets				
Building and improvements	24,696,409	$ 852,164	$ 14,951	25,533,622
Machinery and equipment	8,259,436	814,666	675,441	8,398,661
Vehicles	6,440,177	496,432	331,039	6,605,570
Infrastructure	85,384,739	80,990	612,794	84,852,935
Land improvements	1,988,449	661,346	-	2,649,795
Total Depreciable Capital Assets	126,769,210	$ 2,905,598	$ 1,634,225	128,040,583
Less Accumulated Depreciation	91,365,384	$ 3,232,490	$ 1,323,149	93,274,725
Total Depreciable Capital Assets, net	35,403,826			34,765,858
Total Governmental Activities Capital Assets, net	$ 45,437,745			$ 51,266,294

Depreciation expense for governmental activities was charged to functions as follows:

Administrative	$	86,263
Human resources		792
Information technology		8,038
Building maintenance		173,449
Police		302,403
Animal control		8,219
Fire		412,447
Airport		155,687
Street		1,380,842
Cemetery		2,554
Fleet management		22,178
Tourism		8,737
Parks and recreation		233,208
Golf		54,581
Transit		35,595
Library		62,054
Civic center		285,443
	$	3,232,490

	Balance December 31, 2024	Additions	Deletions	Balance December 31, 2025
Business-Type Activities				
Water				
Non-Depreciable Capital Assets				
Land	$ 172,002	$ -	$ -	$ 172,002
Construction in progress	-	29,330	-	29,330
Total Non-Depreciable Capital Assets	172,002	$ 29,330	$ -	201,332
Depreciable Capital Assets				
Buildings and improvements	142,490	$ -	$ 46,974	95,516
Plant	20,853,557	11,709	746,933	20,118,333
Equipment	2,554,466	130,900	817,031	1,868,335
Vehicles	411,624	162,949	3,150	571,423
Total Depreciable Capital Assets	23,962,137	$ 305,558	$ 1,614,088	22,653,607
Less Accumulated Depreciation	12,677,699	$ 575,698	$ 1,543,834	11,709,563
Depreciable Capital Assets, net	11,284,438			10,944,044
Electric				
Non-Depreciable Capital Assets				
Land	754,673	$ -	$ -	754,673
Construction in progress	1,613,300	2,896,817	1,613,300	2,896,817
Total Non-Depreciable Capital Assets	2,367,973	$ 2,896,817	$ 1,613,300	3,651,490
Depreciable Capital Assets				
Buildings and improvements	1,034,956	$ -	$ 105,889	929,067
Plant	36,798,527	1,736,267	3,006,162	35,528,632
Equipment	4,963,793	6,100	1,088,103	3,881,790
Vehicles	2,181,988	263,215	16,531	2,428,672
Total Depreciable Capital Assets	44,979,264	$ 2,005,582	$ 4,216,685	42,768,161
Less Accumulated Depreciation	22,458,473	$ 1,790,394	$ 4,159,580	20,089,287
Depreciable Capital Assets, net	22,520,791			22,678,874

Sewer				
Non-Depreciable Capital Assets				
Construction in progress	-	$ 553,126	$ -	553,126
Total Non-Depreciable Capital Assets	-	$ 553,126	$ -	553,126
Depreciable Capital Assets				
Buildings and improvements	10,275,892	$ -	$ 977	10,274,915
Plant	12,651,255	-	55,669	12,595,586
Equipment	1,547,073	70,175	28,951	1,588,297
Vehicles	378,392	313,389	39,143	652,638
Total Depreciable Capital Assets	24,852,612	$ 383,564	$ 124,740	25,111,436
Less Accumulated Depreciation	10,863,969	$ 482,085	$ 93,546	11,252,508
Depreciable Capital Assets, net	13,988,643			13,858,928
Sanitation				
Non-Depreciable Capital Assets				
Land	16,050	$ -	$ -	16,050
Construction in progress	34,409	-	34,409	-
Total Non-Depreciable Capital Assets	50,459	$ -	$ 34,409	16,050
Depreciable Capital Assets				
Buildings and improvements	510,492	$ -	$ 9,668	500,824
Transfer station	540,911	-	-	540,911
Equipment	965,017	510,390	193,536	1,281,871
Vehicles	2,846,675	378,153	-	3,224,828
Total Depreciable Capital Assets	4,863,095	$ 888,543	$ 203,204	5,548,434
Less Accumulated Depreciation	3,636,830	$ 388,276	$ 200,342	3,824,764
Depreciable Capital Assets, net	1,226,265			1,723,670
Fiber				
Depreciable Capital Assets				
Infrastructure	1,426,134	$ -	$ -	1,426,134
Transfer station	17,219	-	-	17,219
Equipment	263,115	-	82,885	180,230
Total Depreciable Capital Assets	1,706,468	$ -	$ 82,885	1,623,583
Less Accumulated Depreciation	479,823	$ 73,435	$ 82,885	470,373
Depreciable Capital Assets, net	1,226,645			1,153,210
Total Capital Assets, net	$ 52,837,216			$ 54,780,724

Component Units

	Balance December 31, 2024	Additions	Deletions	Balance December 31, 2025
63 ByPass Community Improvement District				
Depreciable Capital Assets				
Infrastructure	$ 249,571	$ -	$ -	$ 249,571
Total Depreciable Capital Assets	249,571	$ -	$ -	249,571
Less Accumulated Depreciation	74,173	$ 4,991	$ -	79,164
Depreciable Capital Assets, net	$ 175,398			$ 170,407
Ozark Hills Community Improvement District				
Depreciable Capital Assets				
Infrastructure	$ 63,321	$ -	$ -	$ 63,321
Total Depreciable Capital Assets	63,321	$ -	$ -	63,321
Less Accumulated Depreciation	6,914	$ 1,266	$ -	8,180
Depreciable Capital Assets, net	$ 56,407			$ 55,141

10. Employee Pension Plan

General Information about the Pension Plan

Plan Description. The City's defined benefit pension plan provides certain retirement, disability and death benefits to plan members and beneficiaries. The City participates in the Missouri Local Government Employees Retirement System (LAGERS). LAGERS is an agent multiple-employer, statewide public employee pension plan established in 1967 and administered in accordance with RSMo. 70.600-70.755. As such, it is LAGERS' responsibility to administer the law in accordance with the expressed intent of the General Assembly. The plan is qualified under the Internal Revenue Code Section 401(a) and is tax exempt. The responsibility for the operations and administration of LAGERS is vested in the LAGERS Board of Trustees consisting of seven persons. LAGERS issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained by accessing the LAGERS website at www.molagers.org.

Benefits Provided. LAGERS provides retirement, death and disability benefits. Benefit provisions are adopted by the governing body of the employer, within the options available in the state statutes governing LAGERS. All benefits vest after 5 years of credited service. Employees who retire on or after age 60 (55 for police and fire) with 5 or more years of service are entitled to an allowance for life based upon the benefit program information provided below. Employees may retire with an early retirement benefit with a minimum of 5 years of credited service and after attaining age 55 (50 for police and fire) and receive a reduced allowance.

	2025 Valuation
Benefit multiplier	2.00% for life
Final average salary	3 years
Member contributions	0%

Benefit terms provide for annual post retirement adjustments to each member's retirement allowance subsequent to the member's retirement date. The annual adjustment is based on the increase in the Consumer Price Index and is limited to 4% per year.

Employees Covered by Benefit Terms. At June 30, 2025, the following employees were covered by the benefit terms:

	General	Police	Fire	Total
Retirees and beneficiaries	127	31	32	190
Inactive, nonretired members	56	20	14	90
Active members	130	31	13	174
	313	82	59	454

Contributions. The employer is required to contribute amounts at least equal to the actuarially determined rate, as established by LAGERS. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year. With an additional amount to finance an unfunded accrued liability. Employer contribution rates are 21.7% (General), 16.5% (Police), and 7.8% (Fire) of annual covered payroll.

Net Pension Liability/Asset. The employer's net pension liability/asset was measured as of June 30, 2025, and the total pension liability used to calculate the net pension liability/asset was determined by an actuarial valuation as of February 28, 2025.

Actuarial Assumptions. The total pension liability in the February 28, 2025, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75% wage inflation, 2.25% price inflation
Salary Increase	2.75% to 6.75% including wage inflation for general
	2.75% to 6.55% wage inflation for police
	2.75% to 7.15% wage inflation for fire
Investment rate of return	7.00%, net of investment expenses

The healthy retiree mortality tables, for post-retirement mortality, used in evaluating allowances to be paid were 115% of the PubG-2010 Retiree Mortality Table for males and females. The disabled retiree mortality tables, for post-retirement mortality, used in evaluating allowances to be paid were 115% of the PubNS-2010 Disabled Retiree Mortality Table for males and females. The pre-retirement mortality tables used were 75% of the PubG-2010 Employee Mortality Table for males and females of General groups and 75% of the PubS-2010 Employee Mortality Table for males and females of Police, Fire and Public Safety groups.

Mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scale to the above described tables.

The actuarial assumptions used in the February 28, 2025, valuation were based on the results of an actuarial experience study for the period March 1, 2015 through February 29, 2020.

The long-term expected rate of return on pension plan investments was determined using a model method in which the best-estimate ranges of expected future real rates of return (expected returns, net of investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimate of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Alpha	5.00%	1.76%
Equity	39.00%	3.39%
Fixed Income	23.00%	3.54%
Real Assets	33.00%	2.68%
Strategic Assets	7.00%	2.83%
Cash/Leverage	-7.00%	-0.86%

Discount Rate. The discount rate used to measure the total pension liability is 7.00%. The projection of cash flows used to determine the discount rate assumes that employer and employee contributions will be made at the rates agreed upon for employees and the actuarially determined rates for employers. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to pay all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payment to determine the total pension liability.

Changes in the Net Pension (Asset) Liability

	Increase (Decrease)		
	Total Pension Liability (a)	**Plan Fiduciary Net Position (b)**	**Net Pension (Asset) Liability (a) - (b)**
General Division			
Balances at beginning of year	$ 34,329,973	$ 32,825,062	$ 1,504,911
Changes for the year			
Service cost	740,003	-	740,003
Interest	2,363,441	-	2,363,441
Difference between expected and actual experiences	952,408	-	952,408
Contributions - employer	-	1,371,678	(1,371,678)
Net investment income	-	2,048,407	(2,048,407)
Benefits paid, including refunds	(1,892,561)	(1,892,561)	-
Administrative expenses	-	(37,748)	37,748
Other changes	-	(216,020)	216,020
Net changes	2,163,291	1,273,756	889,535
Balances at end of year	36,493,264	34,098,818	2,394,446

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension (Asset) Liability (a) - (b)
Police Division			
Balances at beginning of year	7,407,067	7,604,956	(197,889)
Changes for the year			
Service cost	207,699	-	207,699
Interest	513,993	-	513,993
Difference between expected and actual experiences	271,880	-	271,880
Contributions - employer	-	281,986	(281,986)
Net investment income	-	467,994	(467,994)
Benefits paid, including refunds	(338,527)	(338,527)	-
Administrative expenses	-	(8,934)	8,934
Other changes	-	25,758	(25,758)
Net changes	655,045	428,277	226,768
Balances at end of year	8,062,112	8,033,233	28,879
Fire Division			
Balances at beginning of year	4,497,552	5,384,238	(886,686)
Changes for the year			
Service cost	125,798	-	125,798
Interest	309,047	-	309,047
Difference between expected and actual experiences	228,122	-	228,122
Contributions - employer	-	62,826	(62,826)
Net investment income	-	344,237	(344,237)
Benefits paid, including refunds	(293,825)	(293,825)	-
Administrative expenses	-	(6,286)	6,286
Other changes	-	100,172	(100,172)
Net changes	369,142	207,124	162,018
Balances at end of year	4,866,694	5,591,362	(724,668)
Total Plan Balances at end of year	$ 49,422,070	$ 47,723,413	$ 1,698,657

The Net Pension (Asset) Liability is allocated as follows:

	Net Pension (Asset) Liability
Governmental Activities	$ 703,286
Business-Type Activities	995,371
	$ 1,698,657

Sensitivity of the Net Pension (Asset) Liability to Changes in the Discount Rate. The following present the Net Pension (Asset) Liability of the employer, calculated using the discount rate of 7.00%, as well as what the employer's Net Pension (Asset) Liability would be using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current rate.

	1% Decrease 6.00%	Current Single Discount Rate Assumption 7.00%	1% Increase 8.00%
General Division			
Total pension liability	$ 41,656,991	$ 36,493,264	$ 32,248,419
Fiduciary net position	34,098,818	34,098,818	34,098,818
Net Pension (Asset) Liability	7,558,173	2,394,446	(1,850,399)
Police Division			
Total pension liability	9,267,802	8,062,112	7,083,492
Fiduciary net position	8,033,233	8,033,233	8,033,233
Net Pension (Asset) Liability	1,234,569	28,879	(949,741)
Fire Division			
Total pension liability	5,558,757	4,866,694	4,301,173
Fiduciary net position	5,591,362	5,591,362	5,591,362
Net Pension (Asset) Liability	(32,605)	(724,668)	(1,290,189)
Total Net Pension (Asset) Liability	$ 8,760,137	$ 1,698,657	$ (4,090,329)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended December 31, 2025, the employer recognized pension expense of $1,364,873 in the general division, $190,578 in the police division, and $38,904 in the fire division.

The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred (Inflows) of Resources	Net Deferred Outflows (Inflows) of Resources
General Division			
Differences in experiences	$ 907,771	$ -	$ 907,771
Differences in earnings	1,352,657	-	1,352,657
Contributions subsequent to the measurement date*	647,713	-	647,713
	2,908,141	-	2,908,141
Police Division			
Differences in experiences	323,167	(12,414)	310,753
Differences in earnings	337,773	-	337,773
Contributions subsequent to the measurement date*	129,543	-	129,543
	790,483	(12,414)	778,069
Fire Division			
Differences in experiences	194,581	-	194,581
Differences in earnings	221,597	-	221,597
Contributions subsequent to the measurement date*	32,386	-	32,386
	448,564	-	448,564
	$ 4,147,188	$ (12,414)	$ 4,134,774

The deferred (inflow) and outflow of resources are allocated as follows:

	Deferred Outflows of Resources	Deferred (Inflows) of Resources	Net Deferred Outflows/(Inflows) of Resources
Governmental Activities	$ 2,938,274	$ (12,414)	$ 2,925,860
Business-Type Activities	1,208,914	-	1,208,914
	$ 4,147,188	$ (12,414)	$ 4,134,774

*The amount reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as an addition/reduction to the net pension asset/liability for the year ending December 31, 2026.

Amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending December 31,	Net Deferred (Inflows) of Resources			
	General	Police	Fire	Total
2026	$ 1,176,312	$ 361,118	$ 253,658	$ 1,791,088
2027	627,668	181,010	132,668	941,346
2028	382,311	93,800	24,262	500,373
2029	74,137	12,598	5,590	92,325
Total	$ 2,260,428	$ 648,526	$ 416,178	$ 3,325,132

Payable to the Pension Plan

At December 31, 2025, the City had $140,772 in contributions payable to the pension plan required for the year ended December 31, 2025.

11. Risk Management

The City is exposed to various risks of losses related to torts: theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City has transferred its risk by obtaining coverage from a public self-insured insurance pool. In addition, it has effectively managed risk through various employee education and prevention programs. There has been no significant reduction in insurance coverage from the previous year.

12. Internal Balances

Internal balances as of December 31, 2025, consisted of the following:

	General Fund	Grants Fund	Nonmajor Governmental Funds	Total
Internal balances, net	$ 2,324,505	$ (2,274,168)	$ (50,337)	$ -

During the course of its operations, the City has numerous transactions between funds to finance operation, provide services, construct assets and service debt. To the extent that certain transactions between funds had not been paid or received as of December 31, 2025, balances of interfund amounts receivable or payable have been recorded within the fund financial statements and are planned to be repaid in the subsequent year.

13. Interfund Transfers

Transfers between funds of the City for the period ended December 31, 2025, were as follows:

	Transfers In (Out)
General Fund	$ (218,374)
Grants Fund	(66,989)
Transportation Sales Tax Fund	285,363
Capital Improvement Sales Tax Fund	(175,000)
Nonmajor Governmental Funds	175,000
Electric Fund	500,000
Water Fund	(500,000)
	$ -

Transfers are used to (1) move receipts from the fund that statute or budget requires to collect them to the fund that statute or budget requires to disburse them, and (2) use unrestricted receipts in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

14. Conduit Debt

On December 1, 2013, the City authorized the issuance of $7,500,000 aggregate maximum principal amount of Taxable Industrial Development Revenue Bonds (Hoover Brothers Farms, Inc. Project), Series 2013. The issuance is Chapter 100 debt in order to provide economic financial assistance to a third-party private entity and the City has no obligation beyond the rents, revenues, and receipts derived by the City from the Project; therefore, the issue does not constitute a debt of the City and, accordingly, are not included in the City's statement of net position. The bonds are issued as the Project proceeds. At December 31, 2025, the amount issued and outstanding was $2,012,127.

15. Claims & Adjustments

The City participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulation, the City may be required to reimburse the grantor government. As of December 31, 2025, expenditures have not been audited by grantor governments, but the City believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual government funds or the overall financial position of the City.

16. Deferred Inflow – Unavailable Revenue

Revenue has not been realized for receivables not expected to be collected within sixty days of year-end but are expected to be collectible. Deferred revenue as of December 31, 2025, consists of the following:

Court fines	$ 17,421

17. Unearned Revenue

Unearned revenue represents resources that have been received by the City but for which the eligibility requirements or time requirements have not yet been met. These amounts are recognized as revenue in future periods as the related requirements are satisfied. Deferred revenue as of December 31, 2025, consists of donations in the amount of $219,687.

18. Tax Increment Financing Districts & Community Improvement Districts

TIF #2 taxes are pledged to repay the Bond anticipation note, which was used for public improvements. The City is only obligated if taxes are collected, and through October 2028.

19. Tax Abatements

The amount of foregone tax revenues for the year ending December 31, 2025, consisted of the following:

Tax Abatement Program	Type of Tax Abated	Amount of Taxes Abated
Tax Increment Financing Districts	Sales tax	$ 522,407
Tax Increment Financing Districts	Property tax	72,335
Urban Redevelopment (Chapter 353)	Property tax	18,500
Chapter 100	Property tax	9,094
Enhanced Enterprise Zone	Property tax	4,406
		$ 626,742

The City has entered into three Tax Incremental Financing (TIF) Districts which are economic development tools which redirects local tax revenues towards the redevelopment of eligible properties that are otherwise economically unfeasible. Sections 99.800-99.865, RSMo, the Real Property Tax Increment Allocation Redevelopment Act, enables cities to finance certain redevelopment costs with the incremental tax revenue generated by the net increase in assessed valuation resulting from the redevelopment. The purpose of the three TIF Districts is to remove blight, improve roads and traffic flow, and attract new retail development and restaurants.

The City has entered into three agreements under the Urban Redevelopment Corporation Law, or Chapter 353, which is an economic development tool to encourage redevelopment of blighted areas. Under Sections 353.010-353.190, RSMo, the Urban Redevelopment Corporation has a tax abatement available for 25 years. During the first 10 years, the property is not subject to real property taxes except in the amount of real property taxes assessed on the land during the calendar year during with the Urban Redevelopment Corporation acquired title to the real property. For the remaining 15 years, the property may be assessed up to 50% of its true value. The purpose of the abatements are to tear down a blighted hotel and build a new hotel.

The City and Howell County have entered into agreements under the Enhanced Enterprise Zones Program which is designed to attract new or expanding businesses to the area. Under Sections 135.950-135.970, RSMo., for a manufacturer, distributor, or certain service industries to qualify for the 50% tax abatement for 10 years, the business must meet certain minimum criteria depending on the type of business facility. New or expanded business facilities must have two new employees and $100,000 in new investment. Replacement business facilities must have two new employees and $1,000,000 in new investment. Both types of business facilities must also offer health insurance to full time employees in Missouri, of which at least 50% is paid by the employer. The purpose of the abatements are to encourage job creation in blighted areas within the City

The City has entered into one agreement under the Chapter 100 Industrial Development Act which allows cities or counties to purchase or construct certain types of projects with bond proceeds and lease the project to a company under Sections 100.010-100.200, RSMo. Eligible projects include the purchase, construction, extension and improvement of warehouses, distributions facilities, research and development facilities, office industries, agricultural processing industries, service facilities which provide interstate commerce, and industrial plants. Since the city or county owns the property and leases it to the company, an amount of the property taxes can be abated for a term agreed on by the city or county issuer and the company. The purpose of the abatement is to encourage job creation and maintain at least 250 employees on-site for 15 years.

20. Commitments

At December 31, 2025, the City had the following commitments:

Contractor	Project	Amount
Capital Paving & Construction	US 160 Independence Drive	$ 2,202,068
Cary Stewart Construction	Bulk Fueling Airport Design	1,451,610
		$ 3,653,678

Required Supplementary Information

City of West Plains

Schedule of Changes in Net Pension Liability (Asset) and Related Ratios

Year Ended December 31, 2025

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Total Pension Liability										
Service Cost	$ 1,073,500	$ 992,957	$ 939,006	$ 880,363	$ 809,966	$ 705,090	$ 701,064	$ 692,815	$ 663,466	$ 613,175
Interest on the total pension liability	3,186,481	3,030,266	2,915,036	2,763,303	2,719,161	2,458,650	2,333,315	2,238,128	2,136,011	1,974,093
Changes of benefit terms	-	-	-	-	-	2,553,095	-	-	-	-
Difference between expected and actual	1,452,410	583,860	(6,990)	520,900	963,248	(392,119)	432,328	(26,372)	(90,032)	(152,545)
Changes of assumptions	-	-	-	-	(711,899)	-	-	-	-	921,055
Benefit payments including refunds	(2,524,913)	(2,308,796)	(2,148,773)	(1,906,881)	(1,784,591)	(1,781,434)	(1,699,839)	(1,495,141)	(1,141,753)	(1,152,319)
Net Change in Total Pension Liability	3,187,478	2,298,287	1,698,279	2,257,685	1,995,885	3,543,282	1,766,868	1,409,430	1,567,692	2,203,459
Total Pension Liability, Beginning	46,234,592	43,936,305	42,238,026	39,980,341	37,984,456	34,441,174	32,674,306	31,264,876	29,697,184	27,493,725
Total Pension Liability, Ending	49,422,070	46,234,592	43,936,305	42,238,026	39,980,341	37,984,456	34,441,174	32,674,306	31,264,876	29,697,184
Plan Fiduciary Net Position										
Contributions - employer	1,716,490	1,605,879	1,501,198	1,317,539	1,254,063	940,377	813,273	829,814	802,330	762,050
Contributions - employee	-	-	-	-	-	-	-	33,560	-	-
Pension plan net investment income	2,860,638	2,331,168	1,573,180	32,663	9,838,757	483,204	2,282,229	3,959,035	3,498,043	(81,000)
Benefit payments, including refunds	(2,524,913)	(2,308,796)	(2,148,773)	(1,906,881)	(1,784,591)	(1,781,434)	(1,699,839)	(1,495,141)	(1,141,753)	(1,152,319)
Pension plan administrative expense	(52,968)	(54,312)	(63,016)	(43,753)	(39,337)	(50,950)	(45,880)	(33,293)	(31,353)	(30,620)
Other	(90,090)	(268,388)	(548,883)	(637,754)	(35,725)	93,506	(101,422)	163,973	(70,304)	(24,709)
Net Change in Plan Fiduciary Net Position	1,909,157	1,305,551	313,706	(1,238,186)	9,233,167	(315,297)	1,248,361	3,457,948	3,056,963	(526,598)
Plan Fiduciary Net Position, Beginning	45,814,256	44,508,705	44,194,999	45,433,185	36,200,018	36,515,315	35,266,954	31,809,006	28,752,043	29,278,641
Plan Fiduciary Net Position, Ending	47,723,413	45,814,256	44,508,705	44,194,999	45,433,185	36,200,018	36,515,315	35,266,954	31,809,006	28,752,043
Employer Net Pension (Asset) Liability	$ 1,698,657	$ 420,336	$ (572,400)	$ (1,956,973)	$ (5,452,844)	$ 1,784,438	$ (2,074,141)	$ (2,592,648)	$ (544,130)	$ 945,141
Plan fiduciary net position as a percentage of the total pension liability	96.56%	99.09%	101.30%	104.63%	113.64%	95.30%	106.02%	107.93%	101.74%	96.82%
Covered payroll	$ 8,684,744	$ 8,058,185	$ 7,504,573	$ 7,203,852	$ 6,760,987	$ 6,034,065	$ 6,652,839	$ 6,378,809	$ 6,420,240	$ 5,965,732
Employer's net pension (asset) liability as a percentage of covered payroll	19.56%	5.22%	-7.63%	-27.17%	-80.65%	29.57%	-31.18%	-40.64%	-8.48%	15.84%

City of West Plains

Schedule of Contributions

Year Ended December 31, 2025

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Actuarially determined contribution	$ 1,825,337	$ 1,645,212	$ 1,510,474	$ 1,391,367	$ 1,286,462	$ 1,182,024	$ 813,091	$ 855,027	$ 814,798	$ 777,152
Contributions in relation to the actuarially determined contribution	1,819,278	1,645,212	1,506,224	1,391,367	1,286,462	1,182,024	810,664	846,337	809,037	777,153
Contribution deficiency (excess)	$ 6,059	$ -	$ 4,250	$ -	$ -	$ -	$ 2,427	$ 8,690	$ 5,761	$ (1)
Covered payroll	$ 9,354,024	$ 8,670,912	$ 8,084,514	$ 7,549,632	$ 7,145,082	$ 6,752,932	$ 6,438,713	$ 6,676,590	$ 6,427,321	$ 6,176,065
Contributions as a percentage of covered payroll	19.45%	18.97%	18.63%	18.43%	18.00%	17.50%	12.59%	12.68%	12.59%	12.58%

See accompanying Notes to the Schedule of Contributions.

Valuation Date: February 28, 2025

Notes: The roll-forward of total pension liability from February 28, 2025 to June 30, 2025, reflects expected service cost and interest reduced by actual benefit payments.

Methods and Assumptions Used to Determine Contribution Rates

Actuarial Cost Method: Entry Age Normal and Modified Terminal Funding

Amortization Method: A level percentage of payroll amortization method is used to amortize the unfunded actuarial accrued liability (UAAL) over a closed period of years. If the UAAL (excluding the UAAL associated with benefit charges) is negative, then this amount is amortized over the greater of (i) the remaining initial amortization period or (ii) 15 years.

Remaining Amortization Period: Multiple bases from 4 to 15 years for general division 14 to 15 years for the police division and 15 to 18 years for the fire division

Asset Valuation Method: 5-Year smoothed market; 20% corridor

Inflation: 2.75% wage inflation; 2.25% price inflation

Salary Increases: 2.75% to 6.75% including wage inflation for the general division

2.75% to 6.55% for police division

2.75% to 7.15% for fire division

Investment Rate of Return: 7.00%, net of investment expenses

Retirement Age: Experience-based table of rates that are specific to the type of eligibility condition

Mortality: The healthy retiree mortality tables, for post-retirement mortality, used in evaluating allowances to be paid were 115% of the PubG-2010 Retiree Mortality Table for males and females. The disabled retiree mortality tables, for post-retirement mortality, used in evaluating allowances to be paid were 115% of the PubNS-2010 Disabled Retiree Mortality Table for males and females. The pre-retirement mortality tables used were 75% of the PubG-2010 Employee Mortality Table for males and females of General groups and 75% of the PubS-2010 Employee Mortality Table for males and females of Police, Fire and Public Safety groups

Mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scale to the above described tables.

Other Information: None

City of West Plains

Budgetary Comparison Schedule – General Fund

Year Ended December 31, 2025

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Taxes				
Ad valorem taxes, penalties and interest	$ 585,000	$ 585,000	$ 640,690	$ 55,690
Surtax	80,000	80,000	94,936	14,936
City sales tax	4,641,000	5,041,000	5,151,573	110,573
Franchise taxes	1,890,000	1,890,000	1,859,671	(30,329)
Use tax	450,000	450,000	363,694	(86,306)
Other taxes	14,230	14,230	9,022	(5,208)
	7,660,230	8,060,230	8,119,586	59,356
Licenses and Permits				
Liquor	17,500	17,500	19,336	1,836
Building permits	30,000	30,000	20,153	(9,847)
Business licenses	32,000	32,000	39,074	7,074
Other	20,550	20,550	24,908	4,358
	100,050	100,050	103,471	3,421
Charges for Services				
Parks and recreation	158,500	158,500	139,112	(19,388)
Cemetery	12,550	12,550	10,925	(1,625)
Transit	21,200	21,200	17,972	(3,228)
Rental income	213,368	213,368	222,544	9,176
Concessions	75,000	75,000	84,004	9,004
Fuel sales	200,000	200,000	193,407	(6,593)
Golf	396,000	481,000	492,343	11,343
Fines and forfeitures	227,090	177,090	181,875	4,785
Civic Center	204,300	144,300	154,934	10,634
Other	100,260	160,260	201,693	41,433
	1,608,268	1,643,268	1,698,809	55,541
Miscellaneous				
Reimbursements	29,000	29,000	78,379	49,379
Interest	205,000	125,000	129,221	4,221
Donations and other contributions	70	6,070	6,050	(20)
Sale of property	-	-	466	466
Other	1,100	1,100	5,517	4,417
	235,170	161,170	219,633	58,463
Total Revenues	9,603,718	9,964,718	10,141,499	176,781

See accompanying Notes to the Budgetary Comparison Schedules.

City of West Plains

Budgetary Comparison Schedule – General Fund

Year Ended December 31, 2025

	Original Budget	Final Budget	Actual	Variance With Final Budget
Expenditures				
Current				
Administrative	530,543	514,464	318,426	196,038
Human resources	832,439	769,439	612,623	156,816
Public relations	67,208	67,208	96,024	(28,816)
Information technology	186,750	186,750	162,169	24,581
Building maintenance	264,100	209,600	188,492	21,108
Building official	275,060	275,060	203,261	71,799
City attorney	86,826	86,826	57,249	29,577
Court	201,550	201,550	195,498	6,052
Police	3,660,213	3,520,213	3,369,055	151,158
Animal control	104,470	104,470	84,921	19,549
Emergency management	10,573	10,573	483	10,090
Fire	1,552,275	1,479,275	1,448,113	31,162
Airport	380,990	380,990	303,906	77,084
Cemetery	166,495	166,495	167,649	(1,154)
Fleet management	152,581	122,581	91,428	31,153
Health	31,730	31,730	27,694	4,036
Planning and zoning	288,569	253,569	175,062	78,507
Economic development	173,800	108,800	103,298	5,502
Parks and recreation	1,126,528	1,132,528	1,043,345	89,183
Golf	566,770	711,770	668,040	43,730
Transit	293,980	293,980	252,821	41,159
Civic center	1,064,520	1,032,520	933,816	98,704
Senior citizens	24,750	34,750	33,888	862
Capital Outlay	-	-	16,626	(16,626)
Total Expenditures	12,042,720	11,695,141	10,553,887	1,141,254
Excess (Deficit) of Revenues Over Expenditures	(2,439,002)	(1,730,423)	(412,388)	1,318,035
Other Financing Sources (Uses)				
Transfer (out)	(530,000)	(530,000)	(350,000)	(180,000)
Transfer in	147,000	147,000	131,626	15,374
Total Other Financing Sources (Uses)	(383,000)	(383,000)	(218,374)	(164,626)
Net Change in Fund Balance	(2,822,002)	(2,113,423)	(630,762)	1,482,661
Fund Balance, Beginning of year	4,425,830	4,425,830	4,425,830	-
Fund Balance, End of year	$ 1,603,828	$ 2,312,407	$ 3,795,068	$ 1,482,661

See accompanying Notes to the Budgetary Comparison Schedules.

City of West Plains

Budgetary Comparison Schedule – Grants Fund

Year Ended December 31, 2025

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Intergovernmental Revenues				
Grants	$ 12,577,762	$ 18,279,239	$ 9,999,958	$ (8,279,281)
Charges for services	10,000	20,000	9,514	(10,486)
Miscellaneous				
Donations	715,013	715,013	468,537	(246,476)
Total Revenues	13,302,775	19,014,252	10,478,009	(8,289,767)
Expenditures				
Current				
Police	560,000	572,938	452,442	120,496
Fire	5,862	6,882	11,948	(5,066)
Economic development	9,947,099	15,892,575	3,210,653	12,681,922
Capital Outlay	3,505,819	3,505,819	6,735,977	(3,230,158)
Total Expenditures	14,018,780	19,978,214	10,411,020	9,567,194
Excess (Deficit) of Revenues over Expenditures	(716,005)	(963,962)	66,989	1,277,427
Other Financing Sources (Uses)				
Transfer in	863,005	1,110,962	64,637	(1,046,325)
Transfer (out)	(147,000)	(147,000)	(131,626)	15,374
Total Other Financing Sources (Uses)	716,005	963,962	(66,989)	(1,030,951)
Net Change in Fund Balance	-	-	-	-
Fund Balance, Beginning of year	-	-	-	-
Fund Balance, End of year	$ -	$ -	$ -	$ -

See accompanying Notes to the Budgetary Comparison Schedules.

City of West Plains

Budgetary Comparison Schedule – Transportation Sales Tax Fund

Year Ended December 31, 2025

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Taxes				
City sales tax	$ 2,100,000	$ 2,100,000	$ 2,244,480	$ 144,480
Use tax	250,000	250,000	181,847	(68,153)
Motor vehicle tax	627,000	627,000	711,789	84,789
	2,977,000	2,977,000	3,138,116	161,116
Intergovernmental Revenues				
Grants	-	-	15,806	15,806
Charges for services	-	-	2,085	2,085
Miscellaneous				
Other	5,000	5,000	16,615	11,615
Interest	110,000	110,000	120,658	10,658
	115,000	115,000	137,273	22,273
Total Revenues	3,092,000	3,092,000	3,293,280	185,474
Expenditures				
Current				
Street	2,859,895	2,944,240	2,327,906	616,334
Capital outlay	832,500	832,500	343,179	489,321
Total Expenditures	3,692,395	3,776,740	2,671,085	1,105,655
Excess (Deficit) of Revenues over Expenditures	(600,395)	(684,740)	622,195	1,291,129
Other Financing Sources (Uses)				
Transfer in	350,000	350,000	350,000	-
Transfer (out)	(578,005)	(578,005)	(64,637)	513,368
Total Other Financing Sources (Uses)	(228,005)	(228,005)	285,363	513,368
Net Change in Fund Balance	(828,400)	(912,745)	907,558	1,820,303
Fund Balance, Beginning of year	2,437,124	2,437,124	2,437,124	-
Fund Balance, End of year	$ 1,608,724	$ 1,524,379	$ 3,344,682	$ 1,820,303

See accompanying Notes to the Budgetary Comparison Schedules.

City of West Plains

Budgetary Comparison Schedule – Capital Improvement Sales Tax Fund

Year Ended December 31, 2025

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Taxes				
City sales tax	$ 2,300,000	$ 2,105,000	$ 2,332,543	$ 227,543
Use tax	230,000	230,000	181,847	(48,153)
	2,530,000	2,335,000	2,514,390	179,390
Intergovernmental Revenues				
Grants	-	-	34,069	34,069
Miscellaneous				
Other	70,000	70,000	84,661	14,661
Interest	150,000	150,000	119,004	(30,996)
	220,000	220,000	203,665	(16,335)
Total Revenues	2,750,000	2,555,000	2,752,124	197,124
Expenditures				
Current				
Information technology	22,200	22,200	20,732	1,468
Administrative	-	35,000	-	35,000
Library	-	-	12,483	(12,483)
Civic center	5,000	5,000	15,452	(10,452)
Parks	-	-	31,734	(31,734)
Golf	-	-	18,000	(18,000)
Capital outlay	3,624,684	4,902,619	2,185,235	2,717,384
Debt service				
Principal, interest and fees	-	-	58,690	(58,690)
Total Expenditures	3,651,884	4,964,819	2,342,326	2,622,493
Excess (Deficit) of Revenues over Expenditures	(901,884)	(2,409,819)	409,798	2,819,617
Other Financing Sources (Uses)				
Transfer in	180,000	180,000	-	(180,000)
Transfer (out)	(275,000)	(275,000)	(175,000)	100,000
Total Other Financing Sources (Uses)	(95,000)	(95,000)	(175,000)	(80,000)
Net Change in Fund Balance	(996,884)	(2,504,819)	234,798	2,739,617
Fund Balance, Beginning of year	2,864,237	2,864,237	2,864,237	-
Fund Balance, End of year	$ 1,867,353	$ 359,418	$ 3,099,035	$ 2,739,617

See accompanying Notes to the Budgetary Comparison Schedules.

Budgets and Budgetary Accounting

The City uses the following procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to January, Administration submits to the City Council a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditure plans for all fund types and the proposed means of financing them.

2. One public hearing is conducted by the City Council in late November or early December to obtain taxpayers' comments on the proposed budget.

3. Prior to January 1, ordinances are passed by Council which provide for legally adopted budgets for all funds of the City.

4. The City operates on a program performance budget system, with legally adopted budgets prepared by fund, program and department. The level of budgetary control is at the department level. The City's department heads may make transfers of appropriations within a department. Transfers of appropriations between departments require the approval of City Council.

5. Formal budgetary integration is employed as a management control device for all funds of the City.

6. Budgets for the General and Special Revenue Funds are adopted on a basis consistent with GAAP. Budgeted amounts may be amended during the year by City Council on approved budget adjustment forms.

Supplementary Information

City of West Plains

Combining Balance Sheet – Nonmajor Governmental Funds

December 31, 2025

	Special Revenue Funds				
	Library Fund	Tourism Tax Fund	Consolidated Fund	TIF #2 Fund	Total
Assets					
Current Assets					
Cash and cash equivalents	$ 518,465	$ 96,673	$ -	$ -	$ 615,138
Taxes receivable	361,129	-	-	-	361,129
Other accounts receivable	6,670	19,684	6,455	-	32,809
Prepaid expenses	16,905	2,663	-	-	19,568
Cash and cash equivalents - restricted	-	-	477,757	-	477,757
Total Assets	$ 903,169	$ 119,020	$ 484,212	$ -	$ 1,506,401
Liabilities, Deferred Inflow of Resources, and Fund Balance					
Liabilities					
Accounts payable	$ 9,933	$ 1,193	$ 6,113	$ -	$ 17,239
Accrued expenses	13,401	9,822	-	-	23,223
Due to other funds	50,337	-	-	-	50,337
Total Liabilities	73,671	11,015	6,113	-	90,799
Fund Balance					
Nonspendable					
Prepaid items	16,905	-	-	-	16,905
Restricted for					
Cemetery perpetual care	-	-	136,108	-	136,108
Economic development	-	-	68,673	-	68,673
Parks and recreation	-	-	9,707	-	9,707
MODAG grant	-	-	40,846	-	40,846
Police	-	-	137,275	-	137,275
Fire	-	-	69,602	-	69,602
Golf	-	-	13,793	-	13,793
Nuisance abatement	-	-	1,659	-	1,659
Animal Control	-	-	436	-	436
Library	812,593	-	-	-	812,593
Tourism	-	108,005	-	-	108,005
Total Fund Balances	829,498	108,005	478,099	-	1,415,602
Total Liabilities, Deferred Inflow of Resources, and Fund Balances	$ 903,169	$ 119,020	$ 484,212	$ -	$ 1,506,401

City of West Plains

Combining Statement of Revenues, Expenditures, and Changes in Fund Balance – Nonmajor Governmental Funds

Year Ended December 31, 2025

	Special Revenue Funds				
	Library Fund	Tourism Tax Fund	Consolidated Fund	TIF #2 Fund	Total
Revenues					
Taxes	$ 449,574	$ 360,991	$ -	$ 594,742	$ 1,405,307
Intergovernmental	46,085	29,415	-	-	75,500
Charges for service	42,928	41,396	65,031	-	149,355
Donations	23,631	615	205,469	-	229,715
Miscellaneous	7,184	-	-	-	7,184
Interest	32,072	3,637	4,490	-	40,199
Total Revenues	601,474	436,054	274,990	594,742	1,907,260
Expenditures					
Current					
Library	715,717	-	-	-	715,717
Tourism	-	456,764	-	-	456,764
Economic development	-	-	-	594,742	594,742
Miscellaneous	-	-	65,078	-	65,078
Capital Outlay	8,970	-	82,128	-	91,098
Total Expenditures	724,687	456,764	147,206	594,742	1,923,399
Excess (Deficit) of Revenues over Expenditures	(123,213)	(20,710)	127,784	-	(16,139)
Other Financing Sources					
Transfer in	175,000	-	-	-	175,000
Net Change in Fund Balance	51,787	(20,710)	127,784	-	158,861
Fund Balance, Beginning of year	777,711	128,715	350,315	-	1,256,741
Fund Balance, End of year	$ 829,498	$ 108,005	$ 478,099	$ -	$ 1,415,602

Other Reporting Requirements

Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Honorable Mayor and City Council
City of West Plains
West Plains, Missouri

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the City of West Plains, Missouri, as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the City of West Plains, Missouri's basic financial statements, and have issued our report thereon, dated June 15, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of West Plains, Missouri's internal control over financial reporting (internal control) as a basis of designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of West Plains, Missouri's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of West Plains, Missouri's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

KPM CPAs, LLC

KPM CPAs, LLC
Springfield, Missouri
June 15, 2026

Independent Auditors' Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance

Honorable Mayor and City Council
City of West Plains
West Plains, Missouri

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of West Plains, Missouri's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on the City of West Plains, Missouri's major federal program for the year ended December 31, 2025. The City of West Plains, Missouri's major federal program is identified in the Summary of Audit Results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the City of West Plains, Missouri, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2025.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City of West Plains, Missouri, and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City of West Plains, Missouri's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is substantial likelihood that, individually or in the aggregate, it would influence the judgement made by a reasonable user of the report on compliance about the City of West Plains, Missouri's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City of West Plains, Missouri's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City of West Plains, Missouri's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

KPM CPAs, LLC

KPM CPAs, LLC
Springfield, Missouri
June 15, 2026

City of West Plains

Schedule of Expenditures of Federal Awards

Year Ended December 31, 2025

Federal Grantor/Pass Through Grantor/Program Title	Assistance Listing Number	Pass-through Grantor's Number	Passed Through to Subrecipients	Federal Expenditures
U.S. Department of Justice				
Direct				
Bulletproof Vest Partnership Program Grant	16.607	N/A	$ -	$ 4,238
Missouri Department of Public Safety				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	15-PBJA-23-GG-02992-MUMU-F18	189,692	189,692
Total U.S. Department of Justice			189,692	193,930
U.S. Department of Homeland Security				
Missouri State Emergency Management Agency				
Disaster Grants - Public Assistance	97.036	FEMA-DR-4872	-	50,604
Missouri Department of Public Safety				
Homeland Security Grant Program	97.067	EMW-2024-SS-05013-30	-	7,452
	97.067	EMW-2024-SS-05013-38	-	13,129
	97.067	EMW-2021-SS-00038-22	-	7,769
			-	28,350
Total U.S. Department of Homeland Security			-	78,954
Delta Regional Authority				
Direct				
Delta Regional Development	90.200	N/A	-	940,674
Total Delta Regional Authority			-	940,674
U.S. Department of Transportation				
Missouri Department of Transportation				
Highway Safety Cluster				
State and Community Highway Safety	20.600	26-PT-02-152	-	6,337
	20.600	25-PT-02-152	-	10,436
Total Highway Safety Cluster			-	16,773
Alcohol Open Container Requirements	20.607	26-ENF-03-142	-	1,117
	20.607	25-ENF-03-138	-	2,684
			-	3,801
Highway Planning and Construction Grant	20.205	TAP-6600 (918)	-	28,708
Direct				
Safe Streets and Roads for All	20.939	N/A	-	82,535
Missouri Highways and Transportation Commission				
Formula Grants for Rural Areas and Tribal Transit Program	20.509	TM184046WP1	-	121,766
Missouri Department of Transportation				
Airport Improvement Program	20.106	22-104C-01	-	103,500
Total U.S. Department of Transportation			-	357,083
U.S. Department of Housing and Urban Development				
Missouri Department of Economic Development				
Community Development Block Grant	14.228	2018-DP-06	-	1,246,274
	14.228	2019-DP-05	-	1,468,644
	14.228	FR-2018-20	-	18,251
	14.228	18-DP-MIT30	-	86,381
	14.228	18-DP-MF5	-	123,758
	14.228	04-MF-07	-	1,610,027
Total U.S. Department of Housing and Urban Development			-	4,553,335

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

City of West Plains

Schedule of Expenditures of Federal Awards

Year Ended December 31, 2025

Federal Grantor/Pass Through Grantor/Program Title	Assistance Listing Number	Pass-through Grantor's Number	Passed Through to Subrecipients	Federal Expenditures
U.S. Department of Health and Human Services				
Aging Cluster				
SeniorAge Area Agency on Aging				
Special Programs for the Aging, Title III, Part B	93.044	Fiscal Year 2025	-	8,900
Missouri Department of Health and Senior Services				
Epidemiology and Laboratory Capacity for Infectious Diseases	93.323	KQ240055216	-	5,200
Total U.S. Department of Health and Human Services			-	14,100
U.S. Department of Commerce				
Economic Development Cluster				
Direct				
Economic Adjustment Assistance	11.307	N/A	-	2,803,337
Total U.S. Department of Commerce			-	2,803,337
Institute of Museum and Library Services				
Missouri Secretary of State				
Laura Bush 21st Century Librarian Program	45.310	2024-LFL4-SLP24-052	-	7,307
	45.310	2025-LBE5-TLD25-083	-	8,690
	45.310	2025-LFL5-SLT25-062	-	2,630
Total Institute of Museum and Library Services			-	18,627
Total Expenditures of Federal Awards			$ 189,692	$ 8,960,040

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal award activity of the City of West Plains, Missouri, under programs of the federal government for the year ended December 31, 2025. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City of West Plains, Missouri, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City of West Plains, Missouri.

2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The City of West Plains, Missouri, has elected not to use the 10-percent *de minimis* indirect cost rate allowed under the Uniform Guidance.

3. Subrecipients

The City of West Plains, Missouri, provided pass-through funds of $189,692 to the Southwest Missouri Drug Task Force in the current year.

City of West Plains

Schedule of Findings and Questioned Costs

Year Ended December 31, 2025

Section I – Summary of Audit Results

Financial Statements	
Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:	Unmodified
Internal Control over Financial Reporting:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None Reported
Noncompliance material to financial statements noted?	No
Federal Awards	
Internal control over major federal programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None Reported
Type of auditors' report issued on compliance for major federal program:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2CFR 200.516(a)?	No
Identification of major federal program:	

Assistance Listing Number(s)	Name of Federal Program or Cluster
14.228	Community Development Block Grant

Dollar threshold used to distinguish between type A and type B programs:	$1,000,000
Auditee qualified as low-risk auditee?	Yes

Section II – Financial Statement Findings

None

Section III – Federal Award Findings and Questioned Costs

None

City of West Plains

Summary Schedule of Prior Audit Findings

Year Ended December 31, 2025

There were no prior audit findings.

KPM
CPAS & ADVISORS

Honorable Mayor and City Council
City of West Plains
West Plains, Missouri

In planning and performing our audit of the basic financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the City of West Plains, Missouri, for the year ended December 31, 2025, we considered the City's internal control to determine our auditing procedures for the purpose of expressing an opinion on the basic financial statements and not to provide assurance on the internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. However, as discussed in the Report on Internal Control over Financial Reporting and on Compliance and other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*, we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses.

In addition to the Report on Internal Control over Financial Reporting and on Compliance and other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*, we became aware of additional matters to bring to your attention. The following paragraphs summarize our comments regarding these matters.

1. Cybersecurity Program

To enhance the City's security posture against evolving cyber threats, the City should continue to monitor and evaluate its cybersecurity program. Staff training and continuous monitoring and review of internal controls are key elements of a successful program.

Actionable steps for cybersecurity awareness could include mandatory annual training, regular phishing simulations, and regular distribution of security communications informing staff about new and emerging cyber threats. The National Institute of Standards and Technology (NIST) has a Cybersecurity Framework available that is designed to help organizations manage and reduce cybersecurity risks through a flexible, risk-based approach that is structured around six core functions: govern, identify, protect, detect, respond, and recover.

Actionable steps for continual review of internal controls is also needed. These actionable steps include continuous monitoring and vulnerability scanning, regular access controls reviews, third-party vendor assessments, network segmentation, and testing incident response and disaster recovery plans on a continual basis.

2. New Pronouncements

The Governmental Accounting Standards Board (GASB) has issued the following pronouncements that may affect the City in future years:

GASB Statement No. 103 – *Financial Reporting Model Improvements* – changes and improves key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. Improvements and notable changes are made to the unusual or infrequent items, presentation of proprietary fund statements, presentation of major component units, and budgetary comparison information. This statement is effective for the fiscal year ending December 31, 2026.

GASB Statement No. 104 – *Disclosure of Certain Capital Assets* - This standard establishes requirements for certain types of capital assets to be disclosed separately for purposes of note disclosures. This new standard also establishes requirements for capital assets held for sale and requires additional disclosure for those capital assets. This standard is effective for the City's fiscal year ending December 31, 2026.

We Recommend:

Management examine the new pronouncements to determine the effect they will have on future financial reporting and to ensure successful implementation on the effective date.

3. Water Loss

During our audit, we noted that the City's average water loss was 26% for the year. Normal Loss percentages for cities range from 15% to 20%. This could indicate leaks, old unreliable meters, or undocumented City usage.

We Recommend:

The City investigate lines for leaks and investigate undocumented city usage. We further recommend the City investigate the possibility of water service to customers that are not being billed.

We will review the status of these comments during our next audit engagement. We have already discussed these comments with the City's administrative personnel, and we will be pleased to discuss it in further detail at your convenience.

We appreciate this opportunity to serve as the City of West Plains, Missouri's independent auditors and the courtesies and assistance extended to us by the City's employees.

Respectfully submitted,

KPM CPAs, LLC

KPM CPAs, LLC
Springfield, Missouri
June 15, 2026

KPM
CPAS & ADVISORS

Honorable Mayor and City Council
City of West Plains
West Plains, Missouri

We have audited the basic financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the City of West Plains, Missouri, for the year ended December 31, 2025. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated January 22, 2026. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City of West Plains, Missouri, are described in Note 1 to the financial statements. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the business-type activities' financial statements:

> Management's estimate of the Utility Funds allowance for doubtful accounts, which is based on the aged accounts receivable balance. We evaluated the key factors and assumptions used to develop the allowance for doubtful accounts in determining that it is reasonable in relation to the financial statements taken as a whole.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. The following material misstatements detected as a result of audit procedures were corrected by management:

- pension activity

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated June 15, 2026.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the Management's Discussion and Analysis, pension information and budgetary comparison information, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction on Use

This information is intended solely for the use of the City Council and management of the City of West Plains, Missouri, and is not intended to be, and should not be, used by anyone other than these specified parties.

Sincerely,

KPM CPAs, LLC

KPM CPAs, LLC
Springfield, Missouri
June 15, 2026