CITY OF WEST MINERAL, KANSAS

Independent Auditor's Report and
Financial Statement with
Supplementary Information

For the Year Ended December 31, 2025

CITY OF WEST MINERAL, KANSAS

December 31, 2025

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JARRED, GILMORE & PHILLIPS, PA
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and City Council
City of West Mineral, Kansas

Adverse and Unmodified Opinions
We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of the City of West Mineral, Kansas, as of and for the year ended December 31, 2025 and the related notes to the financial statement.

Adverse Opinion on U.S. Generally Accepted Accounting Principles
In our opinion, because of the significance of the matter discussed in the Basis for Adverse and Unmodified Opinions section of our report, the accompanying financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the City of West Mineral, Kansas as of December 31, 2025, or changes in financial position and cash flows thereof for the year then ended.

Unmodified Opinion on Regulatory Basis of Accounting
In our opinion, the accompanying financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the City of West Mineral, Kansas as of December 31, 2025, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note 1.

Basis for Adverse and Unmodified Opinions
We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the *Kansas Municipal Audit and Accounting Guide*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statement section of our report. We are required to be independent of the City, 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 adverse and unmodified audit opinions.

Matter Giving Rise to Adverse Opinion on U.S. Generally Accepted Accounting Principles
As discussed in Note 1 of the financial statement, the financial statement is prepared by the City of West Mineral, Kansas on the basis of the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide*, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Responsibilities of Management for the Financial Statement
Management is responsible for the preparation and fair presentation of this financial statement in accordance with the *Kansas Municipal Audit and Accounting Guide* as described in Note 1; this includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

In preparing the financial statement, 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.

Auditor's Responsibilities for the Audit of the Financial Statement
Our objectives are to obtain reasonable assurance about whether the financial statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 GAAS 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 statement.

In performing an audit in accordance with GAAS, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statement, 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 statement.
- 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 statement.
- 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.

Supplementary Information
Our audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditures-actual and budget and the schedule of receipts and expenditures-actual and budget - regulatory basis for each individual fund (Schedules 1 and 2 as listed in the table of contents) are presented for purposes of additional analysis and are not a required part of the basic financial statement,

however are required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*. 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 statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information is fairly stated in all material respects in relation to the basic financial statement as a whole, on the basis of accounting described in Note 1.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statement of the City of West Mineral, Kansas as of and for the year ended December 31, 2024 (not presented herein), and have issued our report thereon dated February 28, 2025, which contained an unmodified opinion on the basic financial statement. The 2024 basic financial statement and our accompanying report are not presented herein, but are available in electronic form from the web site of the Kansas Department of Administration at the following link https://admin.ks.gov/offices/accounts-reports/local-government/municipal-services. The 2024 actual column (2024 comparative information) presented in the individual fund schedules of regulatory basis receipts and expenditures—actual for the year ended December 31, 2025 (Schedule 2 as listed in the table of contents) is presented for purposes of additional analysis and is not a required part of the basic financial statement. Such 2024 comparative information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2024 basic financial statement. The 2024 comparative information was subjected to the auditing procedures applied in the audit of the 2024 basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2024 basic financial statement or to the 2024 basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2024 comparative information is fairly stated in all material respects in relation to the basic financial statement as a whole for the year ended December 31, 2024, on the basis of accounting described in Note 1.

Jarred, Gilmore & Phillips, PA

JARRED, GILMORE & PHILLIPS, PA
Certified Public Accountants

February 19, 2026
Chanute, Kansas

CITY OF WEST MINERAL, KANSAS

Summary Statement of Receipts, Expenditures, and Unencumbered Cash
Regulatory Basis
For the Year Ended December 31, 2025

Funds	Beginning Unencumbered Cash Balances	Receipts	Expenditures	Ending Unencumbered Cash Balances	Add Encumbrances and Accounts Payable	Ending Cash Balance December 31, 2025
General	$ 3,465.33	$ 133,327.30	$ 132,674.70	$ 4,117.93	$ 1,539.52	$ 5,657.45
Special Purpose Funds:						
Special Highway	101.49	4,166.38	2,286.75	1,981.12	-	1,981.12
Special Parks & Recreation	4,366.01	3,460.90	7,528.71	298.20	-	298.20
Park Grant	-	5,560.00	3,090.00	2,470.00	-	2,470.00
Sewer Grant	-	96,833.50	100,661.30	(3,827.80)	-	(3,827.80)
Water Grant	-	15,000.00	32,281.30	(17,281.30)	-	(17,281.30)
Business Funds:						
Water Utility	40,831.95	67,452.42	56,860.78	51,423.59	1,562.96	52,986.55
Water Reserve	3,600.00	6,000.00	-	9,600.00	-	9,600.00
Sewer Utility	16,295.19	30,381.90	30,333.59	16,343.50	267.00	16,610.50
Sewer Reserve	3,600.00	6,000.00	-	9,600.00	-	9,600.00
Total Reporting Entity	$ 72,259.97	$ 368,182.40	$ 365,717.13	$ 74,725.24	$ 3,369.48	$ 78,094.72

Composition of Cash:	
Cash on Hand	$ 200.00
Labette Bank	
Operating Checking Account	75,324.30
Savings Account	2,570.42
Total Reporting Entity	$ 78,094.72

The notes to the financial statement are an integral part of this statement.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statement and schedule of the City of West Mineral, Kansas, have been prepared in order to show compliance with the cash basis and budget laws of the State of Kansas. The Governmental Accounting Standards Board is the principal standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies follow. Note 1 describes how the City's accounting policies differ from accounting policies generally accepted in the United States of America.

Financial Reporting Entity
The City of West Mineral, Kansas, is a municipal corporation governed by an elected five-member council.

Related Municipal Entities: A related municipal entity is determined by the following criteria. Whether the City exercises oversight responsibility on financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters, scope of the public service, and significant operational or financial relationships with the City. Related municipal entities are not required to be included in the City's audit by the Kansas Municipal Audit and Accounting Guide (KMAAG).

The City has determined that no outside agency meets the above criteria and, therefore, no outside agency has been included as a related municipal entity in this financial statement.

Regulatory Basis Fund Types
A fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. The following types of funds comprise the financial activities of the City of West Mineral, Kansas, for the year of 2025:

General fund – the chief operating fund. Used to account for all resources except those required to be accounted for in another fund.

Special Purpose funds – used to account for the proceeds of specific tax levies and other specific regulatory receipt sources (other than Capital Project and tax levies for long-term debt) that are intended for specified purposes.

Business funds – funds financed in whole or in part by fees charged to users of the goods or services (i.e. enterprise and internal service fund etc.).

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation – Regulatory Basis of Accounting

Regulatory Basis of Accounting and Departure from Accounting Principles Generally Accepted in the United States of America. The KMAAG regulatory basis of accounting involves the recognition of cash, cash equivalents, marketable investments, and certain accounts payable and encumbrance obligations to arrive at a net unencumbered cash and investments balance on a regulatory basis for each fund, and the reporting of changes in unencumbered cash and investments of a fund resulting from the difference in regulatory basis receipts and regulatory basis expenditures for the fiscal year. All recognized assets and liabilities are measured and reported at cost, unless they have been permanently impaired and have no future cash value or represent no future obligation against cash. The KMAAG regulatory basis does not recognize capital assets, long-term debt, accrued receivables and payables, or any other assets, liabilities or deferred inflows or outflows, other than those mentioned above.

The City has approved a resolution that is in compliance with K.S.A. 75-1120a(c), waiving the requirement for application of generally accepted accounting principles and allowing the City to use the regulatory basis of accounting.

Reimbursed Expenses

The City records reimbursable expenditures in the fund that makes the disbursement and records reimbursements as a receipt to the fund that receives the reimbursement. For purposes of budgetary comparisons, the expenditures are properly offset by the reimbursements under the KMAAG regulatory basis of accounting.

Property Taxes

In accordance with governing state statutes, property taxes levied during the current year are a regulatory receipt source to be used to finance the budget of the ensuing year. Taxes are assessed on a calendar year basis and become a lien on the property on November 1st of each year. The county treasurer is the tax collection agent for all taxing entities within the County. Property owners have the option of paying one-half of the full amount of taxes levied on or before December 20th during the year levied with the balance to be paid on or before May 10th of the ensuing year. State statutes prohibit the county treasurer from distributing taxes collected in the year levied prior to January 1st of the ensuing year. Consequently, for receipt recognition purposes, taxes levied during the current year are not due and receivable until the ensuing year. At December 31st such taxes are a lien on the property.

Budgetary Information

Kansas statutes require that an annual operating budget be legally adopted for the general fund, special purpose funds (unless specifically exempted by statute), bond and interest funds, and business funds. Although directory rather than mandatory, the statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

1. Preparation of the budget for the succeeding calendar year on or before August 1st.
2. Publication in local newspaper on or before August 5th of the proposed budget and notice of public hearing on the budget.
3. Public hearing on or before August 15th, but at least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25th.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgetary Information (Continued)
If the City is holding a revenue neutral rate hearing, the public hearing shall be no sooner than August 20th and no later than September 20th, but at least ten days after all statutory notification and publication requirements have been met. Municipal budgets requiring a hearing to exceed the revenue neutral rate should be adopted on or before October 1st but may not be adopted prior to the revenue neutral rate hearing. The City did hold a revenue neutral rate hearing for this year.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in regulatory receipts other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held and the governing body may amend the budget at that time. There were no such budget amendments for this year.

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of the individual funds. Budget comparison schedules are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

All legal annual operating budgets are prepared using the regulatory basis of accounting, in which regulatory receipts are recognized when cash is received and expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments by the City for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year-end.

A legal operating budget is not required for capital projects funds, trust funds, and the following special purpose fund:

- Park Grant Fund
- Sewer Grant Fund
- Water Grant Fund

Spending in funds which are not subject to the legal annual operating budget requirement is controlled by federal regulations, other statutes, or by the use of internal spending limits established by the governing body.

2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Compliance with Kansas Statutes
Statement 1 and Schedule 1 have been prepared in order to show compliance with the cash basis and budget laws of Kansas. As shown in Statement 1, the City was in apparent violation with K.S.A. 10-1113, as the City has obligated expenditures in excess of available monies in the Sewer Grant Fund and Water Grant Fund. However, K.S.A. 10-1116 provides that under certain situations, a fund can end the year with a negative unencumbered cash balance and therefore, exempt from the cash basis laws of the State of Kansas. All of the funds listed above met the criteria under the statutes, and therefore, are not deemed to be in violation of the Kansas cash basis law. As shown in Schedule 1, the City was in compliance with the budget laws of Kansas.

3. DEPOSITS AND INVESTMENTS

K.S.A. 9-1401 establishes the depositories which may be used by the City. The statute requires banks eligible to hold the City's funds have a main branch or branch bank in the county in which the City is located, or in an adjoining county if such institution has been designated as an official depository, and the bank provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The City has no other policies that would further limit interest rate risk.

K.S.A. 12-1675 limits the City's investment of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. Government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The City has no investment policy that would further limit its investment choices.

Concentration of credit risk. State statutes place no limit on the amount the City may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405.

Custodial credit risk – deposits. Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. State statutes require the City's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka. All deposits were legally secured at December 31, 2025.

Deposits: At year-end the carrying amount of the City's deposits was $77,894.72 and the bank balance was $77,894.72. The bank balance was held by one bank resulting in a concentration of credit risk. Of the bank balance, $77,894.72 was covered by the Federal Deposit Insurance Corporation (FDIC) insurance.

4. LONG-TERM DEBT

Changes in long-term liabilities for the City for the year ended December 31, 2025, were as follows:

Issue	Interest Issue	Date of of Issue	Amount Maturity	Date of Final Maturity	Balance Beginning of Year	Additions	Reductions/ Payments	Balance End of Year	Interest Paid
Finance Lease									
Fence Lease	6.013%	May 8, 2023	$ 31,284.00	May 8, 2027	$ 19,962.14	$ -	$ 7,842.55	$ 12,119.59	$ 976.13
Total Contractual Indebtedness					$ 19,962.14	$ -	$ 7,842.55	$ 12,119.59	$ 976.13

Issue	2026	2027	Total
Principal			
Finance Lease			
Fence Lease	$ 8,327.32	$ 3,792.27	$ 12,119.59
Total Principal Payments	8,327.32	3,792.27	12,119.59
Interest			
Finance Lease			
Fence Lease	491.36	54.62	545.98
Total Interest Payments	491.36	54.62	545.98
Total Principal and Interest	$ 8,818.68	$ 3,846.89	$ 12,665.57

5. FINANCE LEASE OBLIGATIONS

The City has entered into a finance lease agreement in order to purchase a new fence around their maintenance shop. Payments are made monthly, including interest rate of 6.013%. Final maturity of the lease is May 8, 2027. Future minimum lease payments are as follows:

Year Ended December 31	Totals
2026	$ 8,818.68
2027	3,846.89
Total Net Minimum Lease Payments	12,665.57
Less: Imputed Interest	(545.98)
Net Present Value of Minimum Lease Payments	12,119.59
Less: Current Maturities	(8,327.32)
Long-Term Finance Lease Obligations	$ 3,792.27

6. OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS

Compensated Absences:
employees earn and accumulate vacation leave as follows:

City Clerk – two full weeks of paid vacation per year – 60 hours
Maintenance Employee – two full weeks of paid vacation per year – 80 hours

Vacation is not earned for partial years worked. Employees must use vacation time in the year earned, based on anniversary hire date, as carryover is not allowed. Vacation time can be sold back to the City. Upon resignation, quitting, termination, or lay-off, all earned vacation time will be paid to the employee.

Employees do not earn any sick leave.

The City accrues a liability for compensated absences which meet the following criteria:

1. The City's obligation relating to employees' rights to receive compensation for future absences is attributable to employees' services already rendered.
2. The obligation relates to rights that vest or accumulate.
3. Payment of the compensation is probable.
4. The amount can be reasonably estimated and, is material.

In accordance with the above criteria, the City has estimated a liability for vacation pay of $0.00.

7. INTERFUND TRANSFERS

Operating transfers were as follows:

From Fund:	To Fund:	Statutory Authority	Amount
Water Utility	Water Reserve	K.S.A. 12-825d	$ 6,000.00
Sewer Utility	Sewer Reserve	K.S.A. 12-825d	6,000.00

8. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; injuries to employees; employees' health and life; and natural disasters. The City manages these risks of loss through the purchase of various insurance policies.

9. RELATED PARTY TRANSACTIONS

During the year ended December 31, 2025, the City paid $20,013.00 for contract labor to the Mayor for assisting the City with water and sewer maintenance.

10. SUBSEQUENT EVENTS

The City evaluated events and transactions occurring subsequent to year end, and there were no subsequent events requiring recognition in the financial statements. Additionally, there were no nonrecognized subsequent events requiring disclosure.

SUPPLEMENTARY INFORMATION

CITY OF WEST MINERAL, KANSAS

Summary of Expenditures - Actual and Budget
(Budgeted Funds Only)
Regulatory Basis
For the Year Ended December 31, 2025

Funds	Certified Budget	Adjustments for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Charged to Current Year Budget	Variance - Over (Under)
General Fund	$ 143,075.00	$ 1,793.75	$ 144,868.75	$ 132,674.70	$ (12,194.05)
Special Purpose Funds:					
Special Highway	8,389.00	-	8,389.00	2,286.75	(6,102.25)
Special Parks & Recreation	7,846.00	-	7,846.00	7,528.71	(317.29)
Business Funds:					
Water Utility	118,201.00	-	118,201.00	56,860.78	(61,340.22)
Sewer Utility	52,620.00	-	52,620.00	30,333.59	(22,286.41)

CITY OF WEST MINERAL, KANSAS
GENERAL FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2025
(With Comparative Actual Amounts for the Prior Year Ended December 31, 2024)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Taxes and Shared Receipts				
Ad Valorem Property Tax	$ 29,055.79	$ 38,249.80	$ 42,549.00	$ (4,299.20)
Delinquent Tax	3,049.25	8,384.77	3,513.00	4,871.77
Motor Vehicle Tax	4,823.62	5,703.29	5,669.00	34.29
Recreational Vehicle Tax	337.57	215.05	277.00	(61.95)
16 & 20M Truck Tax	108.47	82.37	97.00	(14.63)
Watercraft Tax	-	-	35.00	(35.00)
Sales Tax	13,785.67	16,065.37	15,094.00	971.37
Franchise Tax	11,601.46	17,233.77	11,234.00	5,999.77
Special Alcohol Tax	2,997.21	3,460.91	3,027.00	433.91
Intergovernmental				
State Grant	6,433.05	-	-	-
Charges for Services				
Licenses and Fees	200.00	90.00	540.00	(450.00)
Copies	19.00	6.00	33.00	(27.00)
Refuse Collections	14,009.27	14,243.18	14,023.00	220.18
Fire Contracts	3,020.94	24,848.00	14,858.00	9,990.00
Rentals	30.00	-	25.00	(25.00)
Other Receipts				
Donations	1,300.00	1,250.00	300.00	950.00
Miscellaneous	1,287.07	1,701.04	-	1,701.04
Reimbursed Expense	10,386.24	1,793.75	386.00	1,407.75
Operating Transfer from				
Water Utility Fund	10,000.00	-	31,908.00	(31,908.00)
Total Receipts	112,444.61	133,327.30	$ 143,568.00	$ (10,240.70)
Expenditures				
General Government				
Personal Services	25,428.92	26,646.36	$ 34,583.00	$ (7,936.64)
Contractual Services	47,105.03	55,122.71	47,334.00	7,788.71
Commodities	5,025.75	10,731.66	11,600.00	(868.34)
Capital Outlay	3,118.03	6,257.00	8,093.00	(1,836.00)

CITY OF WEST MINERAL, KANSAS
GENERAL FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2025
(With Comparative Actual Amounts for the Prior Year Ended December 31, 2024)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Expenditures (Continued)				
Cemetery				
Contractual Services	$ 2,200.00	$ 3,750.00	$ 2,962.00	$ 788.00
Fire				
Contractual Services	9,609.33	8,286.96	8,287.00	(0.04)
Commodities	7,378.41	2,673.35	7,542.00	(4,868.65)
Streets				
Contractual Services	1,130.12	-	1,000.00	(1,000.00)
Commodities	1,666.66	730.12	1,551.00	(820.88)
Refuse				
Contractual Services	10,579.42	9,657.86	11,304.00	(1,646.14)
Finance Lease				
Principal	7,386.01	7,842.55	8,819.00	(976.45)
Interest	1,432.67	976.13	-	976.13
Total Certified Budget			143,075.00	(10,400.30)
Adjustments for Qualifying Budget Credits			1,793.75	(1,793.75)
Total Expenditures	122,060.35	132,674.70	$ 144,868.75	$ (12,194.05)
Receipts Over(Under) Expenditures	(9,615.74)	652.60		
Unencumbered Cash, Beginning	13,081.07	3,465.33		
Unencumbered Cash, Ending	$ 3,465.33	$ 4,117.93		

CITY OF WEST MINERAL, KANSAS
SPECIAL HIGHWAY FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2025
(With Comparative Actual Amounts for the Prior Year Ended December 31, 2024)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Intergovernmental				
Special Highway Tax	$ 4,035.87	$ 3,990.18	$ 4,630.00	$ (639.82)
Other Receipts				
Miscellaneous	150.00	176.20	-	176.20
Total Receipts	4,185.87	4,166.38	$ 4,630.00	$ (463.62)
Expenditures				
General Government				
Personal Services	-	-	$ 3,000.00	$ (3,000.00)
Contractual Services	1,587.41	206.32	-	206.32
Commodities	4,221.90	2,080.43	5,389.00	(3,308.57)
Capital Outlay	2,399.50	-	-	-
Total Expenditures	8,208.81	2,286.75	$ 8,389.00	$ (6,102.25)
Receipts Over(Under) Expenditures	(4,022.94)	1,879.63		
Unencumbered Cash, Beginning	4,124.43	101.49		
Unencumbered Cash, Ending	$ 101.49	$ 1,981.12		

CITY OF WEST MINERAL, KANSAS
SPECIAL PARKS & RECREATION FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2025
(With Comparative Actual Amounts for the Prior Year Ended December 31, 2024)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Taxes and Shared Receipts				
Special Alcohol Tax	$ 2,997.20	$ 3,460.90	$ 3,027.00	$ 433.90
Total Receipts	2,997.20	3,460.90	$ 3,027.00	$ 433.90
Expenditures				
General Government				
Personal Services	-	-	$ 200.00	$ (200.00)
Contractual Services	793.54	641.30	7,646.00	(7,004.70)
Capital Outlay	4,293.16	6,887.41	-	6,887.41
Total Expenditures	5,086.70	7,528.71	$ 7,846.00	$ (317.29)
Receipts Over(Under) Expenditures	(2,089.50)	(4,067.81)		
Unencumbered Cash, Beginning	6,455.51	4,366.01		
Unencumbered Cash, Ending	$ 4,366.01	$ 298.20		

CITY OF WEST MINERAL, KANSAS
PARK GRANT FUND
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Year Ended December 31, 2025
(With Comparative Actual Amounts for the Prior Year Ended December 31, 2024)

	Prior Year Actual	Current Year Actual
Receipts		
Intergovernmental		
Local Grant	$ -	$ 3,090.00
Other Receipts		
Donations	-	2,470.00
Total Receipts	-	5,560.00
Expenditures		
Improvements		
Capital Outlay	-	3,090.00
Total Expenditures	-	3,090.00
Receipts Over(Under) Expenditures	-	2,470.00
Unencumbered Cash, Beginning	-	-
Unencumbered Cash, Ending	$ -	$ 2,470.00

CITY OF WEST MINERAL, KANSAS
SEWER GRANT FUND
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Year Ended December 31, 2025
(With Comparative Actual Amounts for the Prior Year Ended December 31, 2024)

	Prior Year Actual	Current Year Actual
Receipts		
Intergovernmental		
State Grant	$ -	$ 96,833.50
Total Receipts	-	96,833.50
Expenditures		
Sewer System		
Capital Outlay	-	100,661.30
Total Expenditures	-	100,661.30
Receipts Over(Under) Expenditures	-	(3,827.80)
Unencumbered Cash, Beginning	-	-
Unencumbered Cash, Ending	$ -	$ (3,827.80)

CITY OF WEST MINERAL, KANSAS
WATER GRANT FUND
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Year Ended December 31, 2025
(With Comparative Actual Amounts for the Prior Year Ended December 31, 2024)

	Prior Year Actual	Current Year Actual
Receipts		
Intergovernmental		
State Grant	$ -	$ 15,000.00
Total Receipts	-	15,000.00
Expenditures		
Water System		
Capital Outlay	-	32,281.30
Total Expenditures	-	32,281.30
Receipts Over(Under) Expenditures	-	(17,281.30)
Unencumbered Cash, Beginning	-	-
Unencumbered Cash, Ending	$ -	$ (17,281.30)

CITY OF WEST MINERAL, KANSAS
WATER UTILITY FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2025
(With Comparative Actual Amounts for the Prior Year Ended December 31, 2024)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Charges for Services				
Water Sales	$ 65,478.30	$ 66,279.27	$ 70,782.00	$ (4,502.73)
Other Fees	1,032.83	1,098.15	292.00	806.15
Other Receipts				
Miscellaneous	263.96	75.00	-	75.00
Total Receipts	66,775.09	67,452.42	$ 71,074.00	$ (3,621.58)
Expenditures				
Production				
Personal Services	12,391.80	9,166.17	$ 19,759.00	$ (10,592.83)
Contractual Services	12,415.71	15,771.95	15,000.00	771.95
Commodities	26,015.83	25,922.66	50,334.00	(24,411.34)
Operating Transfers to:				
General Fund	10,000.00	-	31,908.00	(31,908.00)
Water Reserve Fund	2,400.00	6,000.00	1,200.00	4,800.00
Total Expenditures	63,223.34	56,860.78	$ 118,201.00	$ (61,340.22)
Receipts Over(Under) Expenditures	3,551.75	10,591.64		
Unencumbered Cash, Beginning	37,280.20	40,831.95		
Unencumbered Cash, Ending	$ 40,831.95	$ 51,423.59		

CITY OF WEST MINERAL, KANSAS
WATER RESERVE FUND
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Year Ended December 31, 2025
(With Comparative Actual Amounts for the Prior Year Ended December 31, 2024)

	Prior Year Actual	Current Year Actual
Receipts		
Operating Transfer from Water Utility Fund	$ 2,400.00	$ 6,000.00
Total Receipts	2,400.00	6,000.00
Expenditures		
Operating Transfer to Water Utility Fund	-	-
Total Expenditures	-	-
Receipts Over(Under) Expenditures	2,400.00	6,000.00
Unencumbered Cash, Beginning	1,200.00	3,600.00
Unencumbered Cash, Ending	$ 3,600.00	$ 9,600.00

CITY OF WEST MINERAL, KANSAS
SEWER UTILITY FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2025
(With Comparative Actual Amounts for the Prior Year Ended December 31, 2024)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Charges for Services				
Sewer Collections	$ 29,749.48	$ 30,381.90	$ 31,695.00	$ (1,313.10)
Sewer Taps/Connects	50.00	-	-	-
Total Receipts	29,799.48	30,381.90	$ 31,695.00	$ (1,313.10)
Expenditures				
Operating Expenditures				
Personal Services	11,142.55	8,696.67	$ 14,087.00	$ (5,390.33)
Contractual Services	10,141.02	11,535.94	37,333.00	(25,797.06)
Commodities	206.00	4,100.98	-	4,100.98
Debt Service				
Principal	10,859.70	-	-	-
Interest	253.96	-	-	-
Operating Transfer to				
Sewer Reserve Fund	2,400.00	6,000.00	1,200.00	4,800.00
Total Expenditures	35,003.23	30,333.59	$ 52,620.00	$ (22,286.41)
Receipts Over(Under) Expenditures	(5,203.75)	48.31		
Unencumbered Cash, Beginning	21,498.94	16,295.19		
Unencumbered Cash, Ending	$ 16,295.19	$ 16,343.50		

CITY OF WEST MINERAL, KANSAS
SEWER RESERVE FUND
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Year Ended December 31, 2025
(With Comparative Actual Amounts for the Prior Year Ended December 31, 2024)

	Prior Year Actual	Current Year Actual
Receipts		
Operating Transfer from Sewer Utility Fund	$ 2,400.00	$ 6,000.00
Total Receipts	2,400.00	6,000.00
Expenditures		
Operating Transfer to Sewer Utility Fund	-	-
Total Expenditures	-	-
Receipts Over(Under) Expenditures	2,400.00	6,000.00
Unencumbered Cash, Beginning	1,200.00	3,600.00
Unencumbered Cash, Ending	$ 3,600.00	$ 9,600.00

Jarred Gilmore Phillips

The Honorable Mayor and City Council
City of West Mineral, Kansas

In planning and performing our audit of the financial statement of the City of West Mineral, Kansas as of and for the year ended December 31, 2025, in accordance with auditing standards generally accepted in the United States of America, we considered the City of West Mineral, Kansas' system of internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of City of West Mineral, Kansas' internal control. Accordingly, we do not express an opinion on the effectiveness of the City of West Mineral, Kansas' internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies.

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 misstatement 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 misstatements of the City's financial statement will not be prevented, or detected and corrected, on a timely basis. We did not identify any deficiencies in internal control that we consider to be material weaknesses.

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. We consider the following deficiencies in internal control to be significant deficiencies:

Preparation of Financial Statement

Professional standards require management to accept responsibility for the preparation and fair presentation of the financial statement, including related note disclosures. The City engages the auditor to assist in drafting the financial statement in accordance with the Kansas Municipal Audit and Accounting Guide. The City does not have personnel with specialized training in governmental financial reporting necessary to independently prepare the complete financial statement and related disclosures. Accordingly, management relies on the auditor for preparation of the financial statement. While this condition is common among smaller governmental entities and does not reflect on management's integrity or oversight, it represents a deficiency in internal control over financial reporting because the preparation of the financial statement is not performed by individuals independent of the audit process.

Management has reviewed and approved the financial statement and has accepted responsibility for them. We encourage management and the Council to continue their oversight of the financial reporting process and to remain informed of reporting requirements.

Segregation of Duties

Due to the limited number of personnel, complete segregation of duties is not achievable. As a result, certain internal control functions are necessarily performed by the same individual. Under auditing standards generally accepted in the United States, this condition represents a significant deficiency in internal control, as it increases the risk that errors or irregularities could occur and not be detected on a timely basis.

We also noted that the City Clerk is the spouse of the current Mayor. While we are not aware of any inappropriate transactions or activities arising from this relationship, the existence of a close familial relationship within key governance and administrative roles may increase the perception of reduced independence or oversight. This does not, in itself, constitute a finding; however, it underscores the importance of transparency and enhanced monitoring procedures.

This comment is provided as a reminder to those charged with governance of their fiduciary oversight responsibilities, rather than as a recommendation for corrective action. Management and the governing body are aware of these circumstances and have determined that the costs associated with additional staffing or restructuring would outweigh the related benefits at this time.

Accordingly, the governing body should continue to exercise diligent financial oversight, including active involvement in the review of financial information, approval of disbursements, and periodic review of internal control procedures, to mitigate the risks inherent in these conditions.

This communication is intended solely for the information and use of management, the Mayor, City Council, and others within the City of West Mineral, Kansas, and is not intended to be and should not be used by anyone other than these specified parties.



JARRED, GILMORE & PHILLIPS, PA
Certified Public Accountants

Chanute, Kansas
February 19, 2026