NIXA FIRE DISTRICT ANNUAL FINANCIAL SUMMARY

Ending December 31, 2025

MISSION:

WE PROTECT THE QUALITY OF LIFE AND PROPERTY OF THOSE IN OUR COMMUNITY

Athena Fitts
Accounting & Human Resource Manager

Statement of the Accounting & Finance Division

The **five pillars** of the Nixa Fire Protection District

Respect, Integrity, Compassion, Courage, and Honesty are its foundation. Ensuring the administrative support team mirrors the exact standards expected of the firefighters on the front lines.

Mission: To protect District resources with **Honesty** and absolute transparency, managing public funds with the highest ethical **Integrity** to ensure our emergency teams are fully equipped to serve the Nixa Community.

Vision: To build an administration of excellence that honors the District through fiscal accountability, treating every taxpayer dollar with **Respect** and ensuring the community's trust is never compromised.

Respectfully,

Athena C. Fitts

Athena C. Fitts

Accounting & Human Resource Manager

ANNUAL FINANCIAL SUMMARY

Fiscal Year: Ended December 31, 2025
Entity: Nixa Fire Protection District, Christian County, Missouri
Basis of Accounting: Modified Cash Basis (Audited)

---

1. EXECUTIVE SUMMARY & DISTRICT OVERVIEW

Accounting Manager Message

The Nixa Fire Protection District remains committed to protecting lives and property throughout our community. This report summarizes the District's financial activities for the fiscal year ended December 31, 2025. Using the modified cash basis of accounting, the District maintained stable general revenue collections while continuing to invest in essential capital improvements and infrastructure updates necessary to support local growth. The year began on a strong note with the final payment and retirement of the 2015 Bond Series.

Governance and Administration

- **Board of Directors (President):** Larry LaForge
- **Board of Directors (Pro Tem):** Summer Lampe
- **Board of Directors (Member):** Terry Young
- **Board of Directors (Member):** Stephen Randolph
- **Board of Directors (Member):** Terry Risner
- **Fire Chief:** Lloyd Walles
- **Assistant Chief:** Whitney Weaver
- **Division Chief Operations:** Gary Josephsen
- **Accounting & Human Resource Manager:** Athena Fitts

District Profiles & Operational Metrics

- **Purpose:** Fire suppression, protection, prevention, and emergency services.
- **Funding Base:** Supported by property tax levies collected across Christian and Stone Counties.
- **Active Pension Members:** 35 active employees, 11 retirees/beneficiaries, and 43 inactive members (p. 21).

- **Current Capital Infrastructure:** Ongoing execution of the Station Improvement Projects for Headquarters and Station 4. Financed through the 2022 Bond Series.

---

2. FINANCIAL SUMMARY (AT-A-GLANCE) (p. 7)

Total District Revenues

- **Property Taxes (General Operating):** $4,503,715.00
- **Property Taxes (Debt Service):** $550,470.00
- **Interest Income (General Fund):** $150,130.00
- **Interest Income (Capital Improvements Fund):** $50,528.00
- **Interest Income (Debt Service Fund):** $47,697.00
- **Miscellaneous Income:** $45,968.00
- **TOTAL REVENUES: $5,348,508.00**

Total District Expenditures

- **Current Administration (General Fund Operations):** $3,927,156.00
- **Capital Outlay (General & Capital Improvements):** $1,598,845.00
- **Debt Service Principal Retirement:** $476,789.00
- **Debt Service Interest:** $271,829.00
- **TOTAL EXPENDITURES: $6,274,619.00**

Net Change & Fund Balances

The net change in fund balances is a result of Bond Proceeds received in July 2022 and distributed over time as projects are in progress until completed.

- **Excess Expenditures over Revenues:** ($926,111.00)
- **Other Financing Sources (Sale of Assets):** $8,500.00 2013 Ford Expedition Command Vehicle
- **Net Change in Fund Balances:** ($917,611.00)
- **Total Fund Balance - Beginning (January 1, 2025):** $7,143,880.00
- **Total Fund Balance - Ending (December 31, 2025):** $6,226,269.00

---

3. MANAGEMENT'S DISCUSSION & ANALYSIS (MD&A)

Financial Highlights & Cost Drivers

- **Capital Investments:** The district intentionally drew down its fund balances this year by executing $1.59 million in capital outlays. This includes the Station #2 Improvement project and Training Facility upgrades financed via general obligation bonds.
- **Pension Liabilities:** The district maintains retirement coverage for all eligible staff through LAGERS and a 457B plan (p. 20). Employer pension contributions totaled $327,051.00 for the year (p. 22).
- **Minimum Fund Reserve Compliance:** To maintain systemic safety reserves, the district successfully adhered to its formal policy by preserving $1,110,337.00 in a dedicated Reserve Fund (p. 13).

Economic Factors

- **The 2024 Assessed Valuation:** The total assessed property valuation (2025 Budget) for the district reached **$710,620,094.00**, underscoring expanding residential and commercial bases in Nixa.
- **Debt Positioning:** The district holds a highly secure debt margin (p. 15). Against a constitutional debt limit of $38,401,888.00, only $6,400,000.00 in general obligation bonds remain outstanding.

---

4. BASIC FINANCIAL STATEMENTS

Statement of Net Position (Modified Cash Basis)

As of December 31, 2025

Assets	Amount	Liabilities & Net Position	Amount
Cash & Cash Equivalents	$5,175,894.00	Due Within One Year	$268,397.00
Restricted GO Bond Debt Service	$456,291.00	General Obligation Bonds	$6,155,000.00
Restricted Capital Improvements	$594,084.00	Bond Premium Liability	$280,652.00
Land	$820,739.00	**Total Liabilities**	**$6,704,049.00**
Construction in Progress	$90,667.00		
Other Net Capital Assets	$10,303,291.00	Unrestricted Net Position	$5,769,978.00
		Restricted Net Position	$4,966,939.00
TOTAL ASSETS	**$17,440,966.00**	**TOTAL NET POSITION**	**$10,736,917.00**

Split Fund Balance Summary (p. 7)

- **General Fund Operating Cash:** $5,175,894.00
- **Capital Improvements Fund Restricted Balance:** $594,084.00
- **Debt Service Fund Restricted Balance:** $456,291.00
- **Total Combined Governmental Fund Balances: $6,226,269.00**

---

5. STATISTICAL, LEVY, & FUTURE DEBT SERVICE OVERVIEW

Approved Property Tax Levy Structure

The district tax levy is locked at a combined **$0.6911 per $100 of assessed valuation**. It breaks down into the following components:

- **2025 General Operating Levy:** $0.6121 per $100
- **Debt Service Levy:** $0.0790 per $100

Upcoming Annual Debt Service Requirements

Future obligations required to service the outstanding General Obligation Bonds (p. 19):

Fiscal Year	Principle	Interest	Total
2026	$245,000.00	$251,100.00	**$496,100.00**
2027	$270,000.00	$240,800.00	**$510,800.00**
2028	$325,000.00	$229,400.00	**$529,400.00**
2029	$360,000.00	$216.900.00	**$541,900.00**
2030	$360,000.00	$203,200.00	**$563,200.00**
2031-2039	$4,840,000.00	$982,200.00	**$5,822,200.00**

---

6. MAJOR APPARATUS & EQUIPMENT PURCHASED

- Training Center Breathing Air Compressor-General Fund $48,862.76
- Extrication Tools for 2024 Spartan Pumper-General Fund $32,205.00
- Command Unit 2025 Chevy Tahoe-General Fund $77,802.98 (replaced 2017 Ford Expedition Command Unit)
- October 2025 the Board approved the Allocation of General Funds for a 2000 Gallon Tanker $396,565.00

---

7. MAJOR BUILDING IMPROVEMENTS

- Headquarters Building Improvements- 2022 Bond Series Fund $90,355.88
- Final Construction of Training Facility Remodel-2022 Bond Series Fund $381,378.29
- Furniture & Fixtures to equip the Training Facility-2022 Bond Series Fund $41,469.53
- July 2025 Early Payoff Lease Purchase Tactical Training Building-General Fund $139,179.52 in addition to the budgeted annual premium was paid in January 2025.

---

8. $6.4M 2022 BOND SERIES PROJECTS

Station 1-710 N. McCroskey	Completed 3- 2024
BUDGETED $4.1 M	**Cost $3,488,129.70**
Training Facility Remodel at 711 N. Main Street	Completed 3-2025
BUDGETED $1M	**Cost $938,634.46**
Tactical Training Building-Burn Building	Completed 2-2025
General Fund $448,218.60 Bond Fund $152,107.78	**Cost $600,326.38**
Apparatus & Equipment	
BUDGETED $1.4M	
2024 Spartan Pumper (with equipment)	Completed 9-2024
	Cost $803,368.38
2026 Spartan Pumper (with equipment)	Completed 11-2025
	Cost $866,150.79
Extrication Tools for Pumper	Completed 8-2025
	Cost $32,270.00
Breathing Air Apparatus	Allocated Funds 12-2025
	Cost $204,868.70

Ongoing Building Improvements			
Station 2 (built in July 2001)			
Garage Doors	Roof	Gutters	H-Vac System
Interior Updates	Concrete Repairs	Rear Parking Lot	
Station 4			
Roof	Exterior Updates	Concrete	

Station 5
Garage Doors

9. OTHER AREAS OF FOCUS

- Adding SWR Technicians
- Swift Water Rescue Equipment-General Fund $12,743.91
- 7 Sets of Bunker Gear-General Fund $21,770.00
- Update website (2013) nixafire.gov September 2025 - $7,500.00

10. PERSONNEL

- **Total Authorized Positions:** 41
- **Open Positions as of January 1, 2025:** Four positions were unfilled, including Fire Inspector, Lieutenant, Captain, and one additional firefighter vacancy.
- **Open Positions at Year-End 2025:** Three positions remained open. The remaining firefighter vacancies resulted from promotions made to fill other open positions.
- **Staffing Expansion:** In 2024, the District promoted nine Firefighters to Driver/Operator to strengthen operational capacity.

11. DISTRICT CHALLENGES

- **Inflationary Pressure on Operating Costs**
  - General operating expenses continue to increase across key cost categories, including insurance, fuel, utilities, repairs, and general goods and services.
  - Apparatus, equipment, and personal protective equipment costs remain elevated, placing additional pressure on capital and operating budgets.
  - Competitive wages and benefits are essential to recruitment and retention, especially as employee turnover creates additional staffing and training demands.
- **Limited Revenue Sources**
  - The District remains heavily dependent on property tax revenue, making long-term planning sensitive to changes in assessed valuation and property tax reform.
- **Grant Opportunities**
  - The District continues to monitor and pursue grant opportunities that may help offset the cost of equipment, training, infrastructure, and operational needs.

- **High Call Volume**
  - Increasing service demand requires continued attention to staffing, apparatus readiness, response capacity, and sustainable funding for emergency operations.

---

12. INTERNAL BUDGETING & CONTROLS

All funds are budgeted on an annual basis. Budgets are essential for financial planning and measurements of operational expenditure levels. Internal controls are designed to provide reasonable security, but are not absolute, that the assets are effectively safeguarded, and transactions are performed in accordance with management's authorization. We are confident that these controls adequately provide those safeguards for the organization's assets.

The organization's investment policy provides guidelines and requirements for the investment of all revenue funds. The Nixa Fire District strives to earn the highest rate of return, to avoid unreasonable risk, to maintain liquidity, and ensure maximum security.

Independent Audit

An independent audit of all District accounts is performed at least annually in accordance with generally accepted accounting standards by a certified public accountant or accounting firm with no direct or indirect personal interest in the District's fiscal affairs or any of its officers.

This summary report is designed to provide taxpayers, citizens, and creditors with a general overview of the District's Financial Accountability and Transparency.

Bond Arbitrage and Rebate

In the municipal bond context, arbitrage generally refers to the profit from barrowing funds in the tax-exempt market (through a bond issue) and investing them in the taxable market (financial institutions). Interest on a bond is not excluded from federal tax purposes under Section 148 of the Internal Revenue Code of 1986 and applicable United States treasury Regulations, rulings and decisions.

$6.4M 2022 Bond Series
On July 1, 2025, an arbitrage analysis was completed, and no rebate payment is due. Future arbitrage analysis is scheduled July 2026 and an anticipated rebate may be due by July 2027.

EXHIBIT A

2025 ANNUAL BUDGET OVERVIEW

Nixa Fire Protection District

2025 Budget Overview

Accrual Basis

January through December 2025

	Jan - Dec 25
Ordinary Income/Expense	
Income	
400-General Revenue	4,349,706.00
402-Debt Service	550,470.00
Total Income	4,900,176.00
Gross Profit	4,900,176.00
Expense	
600-Salaries & Wages	3,068,540.00
700-Dues & Subscriptions	4,430.00
704-Office Supplies	8,600.00
706-Computers/IT	66,548.00
710-Bond Handling	2,500.00
714-Elections	10,000.00
718-Professional Fees	47,500.00
720-Insurance	628,379.00
722-Public Relations	11,250.00
724-Prevention	7,000.00
726-Station Maint. & Supplies	54,000.00
728-Fire/EMS Equipt/Expendables	50,250.00
734-Fire/EMS Repairs	20,845.00
742-Telecommunications	14,650.00
744-Utilities	54,700.00
746-Training/Tuition	33,000.00
750-Uniforms	42,500.00
751-Fuel	50,000.00
753-Fleet Repairs/PM	75,000.00
900-COP's - Bonds	550,470.00
901-Lease Purchase	100,000.00
950-Capital Improvements	14.00
Total Expense	4,900,176.00
Net Ordinary Income	0.00
Net Income	**0.00**

THIS PAGE IS INTENTIONALLY LEFT BLANK

NIXA FIRE PROTECTION DISTRICT, NIXA, MISSOURI

FINANCIAL STATEMENTS
(MODIFIED CASH BASIS)
AND SUPPLEMENTARY DATA WITH
INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED
DECEMBER 31, 2025

CONTENTS

Decker & Pace
CERTIFIED PUBLIC ACCOUNTANTS

3259A EAST SUNSHINE
SPRINGFIELD MISSOURI 65804
417 887 1888
FAX 417 887 0028

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Nixa Fire Protection District
Nixa, Missouri

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying modified cash basis financial statements of the governmental activities and the major funds, of the Nixa Fire Protection District, Nixa, Missouri as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the Nixa Fire Protection District'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 modified cash basis financial position of the governmental activities and the major funds of the Nixa Fire Protection District, as of December 31, 2025, and the respective changes in modified cash basis financial position for the year then ended in accordance with the modified cash basis of accounting described in Note A.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Nixa Fire Protection District 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.

Emphasis of Matter-Basis of Accounting

We draw attention to Note A of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the modified cash basis of accounting described in Note A; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible 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.

Auditor's 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 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 generally accepted 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, 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 Nixa Fire Protection District'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 Nixa Fire Protection District'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.

Other Matters

Supplementary information

Management is responsible for the other information included in the annual report. The supplementary information comprises the analysis and budgetary comparison information but does not include the financial statements and our auditor's report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the supplementary information and the financial statements, or the supplementary information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the supplementary information exists, we are required to describe it in our report.

Decker & Pace LLC

Decker & Pace, LLC
Springfield, Missouri
June 6, 2026

NIXA FIRE PROTECTION DISTRICT,
NIXA, MISSOURI
STATEMENT OF NET POSITION-
(MODIFIED CASH BASIS)
DECEMBER 31, 2025

	Governmental Activities
ASSETS	
Cash and cash equivalents	$ 5,175,894
Restricted cash and cash equivalents	
GO Bond debt service	456,291
Capital improvements	594,084
Land	820,739
Construction in progress	90,667
Other capital assets, net of accumulated depreciation	10,303,291
Total Assets	17,440,966
Liabilities:	
Due within one year	268,397
Due in more than one year-Lease obligations	
General Obligation Bonds	6,155,000
Bond Premium	280,652
Total Liabilities	6,704,049
Net Position:	
Net investment in capital assets	4,510,648
Restricted-General Obligation Bonds Debt Service	456,291
Unrestricted	5,769,978
Total Net Position	$ 10,736,917

See accompanying notes to the financial statements.

NIXA FIRE PROTECTION DISTRICT,
NIXA, MISSOURI
STATEMENT OF ACTIVITIES
(MODIFIED CASH BASIS)
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2025

		Program Revenues			Net (Expense) Revenue and Changes in Net Position
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental activities:					
Fire protection	$ 4,416,762	$ -	$ -	$ -	$ (4,416,762)
Interest expense	271,829	-	-	-	(271,829)
Total governmental activities	$ 4,688,591	$ -	$ -	$ -	(4,688,591)

General Revenues	
Taxes:	
Property taxes for general purposes	4,503,715
Property taxes for debt service purposes	550,470
Interest on investments	271,752
Miscellaneous	45,968
Gain on sale of asset	8,500
Total general revenues and special items	5,380,405
Change in net position	691,814
Net position beginning	10,045,103
Net position ending	$ 10,736,917

See accompanying notes to the financial statements.

NIXA FIRE PROTECTION DISTRICT,
NIXA, MISSOURI
BALANCE SHEET
(MODIFIED CASH BASIS)
GOVERNMENTAL FUNDS
DECEMBER 31, 2025

	General Fund	Capital Improvement Fund	Debt Service Fund	Total Governmental Funds
ASSETS				
Cash and cash equivalents	$ 5,175,894	$ -	$ -	$ 5,175,894
Restricted cash and cash equivalents		594,084	456,291	1,050,375
TOTAL ASSETS	$ 5,175,894	$ 594,084	$ 456,291	$ 6,226,269
Fund Balances -				
Restricted	$ -	$ 594,084	$ 456,291	$ 1,050,375
Unassigned	5,175,894	-	-	5,175,894
TOTAL FUND BALANCES	$ 5,175,894	$ 594,084	$ 456,291	$ 6,226,269

Reconciliation to Statement of Net Position

Total Fund Balances-Total Government Funds	$ 6,226,269
Capital assets used in governmental activities are not financial resources and therefore are not reported in the fund financial statements.	11,214,697
Certain long-term liabilities are not reported in the Governmental Funds.	(6,704,049)
Net position of governmental activities	$ 10,736,917

See accompanying notes to the financial statements.

NIXA FIRE PROTECTION DISTRICT,
NIXA, MISSOURI

STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES -
(MODIFIED CASH BASIS)
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2025

	General Fund	Capital Improvements	Debt Service Fund	Total Governmental Funds
REVENUES				
Property taxes	$ 4,503,715	$ -	$ 550,470	$ 5,054,185
Miscellaneous	45,968	-	-	45,968
Interest income	150,130	50,528	47,697	248,355
Total Revenues	4,699,813	50,528	598,167	5,348,508
EXPENDITURES				
Current:				
Administration	3,927,156	-	-	3,927,156
Capital outlay	24,105	1,574,740	-	1,598,845
Debt service:				
Principal	-	-	476,789	476,789
Interest	-	-	271,829	271,829
Total Expenditures	3,951,261	1,574,740	748,618	6,274,619
EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES	748,552	(1,524,212)	(150,451)	(926,111)
OTHER FINANCING SOURCES				
Sale of assets	8,500	-	-	8,500
NET CHANGE IN FUND BALANCE	757,052	(1,524,212)	(150,451)	(917,611)
FUND BALANCES - BEGINNING	4,418,842	2,118,296	606,742	7,143,880
FUND BALANCES - ENDING	$ 5,175,894	$ 594,084	$ 456,291	$ 6,226,269

See accompanying notes to the financial statements.

NIXA FIRE PROTECTION DISTRICT,
NIXA, MISSOURI

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES TO STATEMENT OF ACTIVITIES

(MODIFIED CASH BASIS)
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2025

Net change in fund balances--Local governmental funds	
Amounts reported for *governmental activities* in the statement of activities are different because:	(917,611)
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
Capital outlay	1,598,844
Depreciation expense	(489,605)
Issuance of debt is recorded as an other financing source in the funds; however, in the statement of activities, it is not reported as revenues as it increases liabilities on the statement of net position.	
Principal paid	476,789
Amortization of bond premium cost	23,397
Change in net position of governmental activities	$ 691,814

See accompanying notes to the financial statements.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

As discussed further under *Measurement Focus and Basis of Accounting*, these financial statements are presented in accordance with a modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America (GAAP) established by the Governmental Accounting Standards Board (GASB). These modified cash basis financial statements generally meet the presentation and disclosure requirements applicable to GAAP, in substance, but are limited to the elements presented in the financial statements and the constraints of the measurement and recognition criteria of the modified cash basis of accounting.

THE REPORTING ENTITY

The purpose of the Nixa Fire Protection District is to provide fire suppression, protection, prevention, and incidental services. The operation of the Nixa Fire Protection District is funded by a portion of property taxes collected by Christian and Stone County.

BASIS OF PRESENTATION

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The Statement of Net Position and Statement of Activities display information about the reporting government as a whole within the limitations of the modified cash basis of accounting. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

FUND FINANCIAL STATEMENTS

A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts which are segregated for the purpose of accounting for specific activities. The District uses a fund to report results of operation and financial position, and demonstrate compliance with legal, contractual, and regulatory requirements.

The funds of the financial reporting entity are described subsequently:

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Governmental Funds

General Fund

The General Fund is the primary operating fund of the District and always classified as a major fund. It is used to account for all financial resources not accounted for and reported in another fund.

Capital Improvement Fund

This fund was established to account for the proceeds of the general obligation 2022 bond issue that is legally restricted to expenditures for the purpose of construction of fire station.

Debt Service Fund

This fund was established to account for the proceeds of property tax revenue that is legally restricted to expenditures for the purpose of retirement of principal, interest, and agents' fees for general obligation bonds.

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Measurement focus is a term used to describe what transactions or events are recorded within the various financial statements. Basis of accounting refers to when and how transactions or events are recorded, regardless of the measurement focus applied.

MEASUREMENT FOCUS

The government-wide financial statements are reported using the economic resources measurement focus and the modified cash basis method of accounting. Revenues are recorded when collected and deposited and expenses are recorded when a liability is paid, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are collected and deposited to the proper bank account. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met and funds collected and deposited by the District.

BASIS OF ACCOUNTING

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified cash basis method of accounting. Revenues are recognized as soon as they are collected and deposited to the proper bank account. Expenditures generally are recorded when a liability is paid, as under the cash basis method of accounting. However, debt service expenditures, as well as expenditures related to compensated absences, claims, and judgments, are recorded only when payment is due (i.e., matured).

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

FINANCIAL POSITION

CASH AND CASH EQUIVALENTS

The District maintains separate bank accounts for each fund and\or special requirements such as reserve for debt or construction projects. Cash in excess of current requirements is invested in savings accounts or certificates of deposits. State statutes authorize the District to invest in obligations of the U.S. Treasury, federal agencies, commercial paper, corporate bonds, and repurchase agreements.

INVESTMENTS

Investments classified in the financial statements consist entirely of certificates of deposit acquired with cash whose original maturity term exceeds three months. Investments are carried at a cost which approximates fair value.

Capital Assets and Depreciation

Capital assets, which include property, equipment, and infrastructure (e.g., parking lots, sidewalks, and similar items), are reported in the applicable governmental activities' columns in the government-wide financial statements. Capital assets are defined by the District as assets with an initial cost of more than $ 5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable. The District elected on infrastructure not to go back 20 years and capitalize the cost of parking lots but to begin in 2004 and from that point forward capitalize the cost of infrastructure improvements and additions.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets and Depreciation - continued

Depreciation has been provided over the estimated useful lives using the straight-line method of depreciation. The estimated useful lives for each major class of depreciable capital assets are as follows:

Buildings	20-50 years
Equipment	5-15 years
Vehicles	5-20 years

LONG-TERM DEBT

All long-term bonds, notes, and other debt arising from cash transactions or events to be repaid from governmental resources are reported as liabilities in the government-wide statements.

Long-term debt arising from cash transactions or events of governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources, and payments of principal and interest is reported as expenditures.

NET POSITION/FUND BALANCE CLASSIFICATIONS

Government-Wide Statements

Net Position is classified and displayed in three components:

1. *Net investment in capital assets.* Consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets and adjusted for any deferred inflows and outflows of resources attributable to capital assets and related debt.

2. *Restricted.* Consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets, with restriction constraints placed on the use either by external groups, such as creditors, grantors, contributors, or laws and regulations of other governments, or law through constitutional provisions or enabling legislation.

3. *Unrestricted.* Net amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

NET POSITION/FUND BALANCE CLASSIFICATIONS - **continued**

It is the District's policy to first use restricted net resources prior to the use of unrestricted net resources when an expense is incurred for purposes for which both restricted and unrestricted net resources are available.

Fund Financial Statements

Governmental Fund

The difference among assets, deferred outflows, liabilities, and deferred inflows of governmental funds is reported as fund balance and classified as nonspendable, restricted, committed, assigned, and unassigned based on the respective level of constraint. These constraints are defined as follows:

> Nonspendable - Amounts that cannot be spent because they are in a nonspendable form or are required to be maintained intact.
>
> Restricted - Amounts constrained regarding use from restrictions externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or by restrictions imposed by law through constitutional provisions or enabling legislation.
>
> Committed - Amounts constrained regarding use for specific purposes pursuant to requirements imposed by formal action of the District's highest level of decision-making authority.
>
> Assigned - Amounts constrained by the District's intent to be used for specific purposes but that are neither restricted nor committed.
>
> Unassigned - Amounts are residual positive net resources of the General Fund in excess of what can properly be classified in one of the other four categories and include all deficit amounts in all other governmental funds.

As discussed in Note A, restricted funds are used first as appropriate. Assigned Funds are reduced to the extent that expenditure authority has been budgeted by Board, or the Assignment has been changed by the Chairman. Decreases to fund balance first reduce Unassigned Fund balance; in the event that Unassigned Fund Balance becomes zero, then Assigned and Committed Fund Balance are used in that order.

The District adopted a formal minimum fund balance policy and has set aside $1,110,337 in a separate bank account as of year-end.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of Estimates

The preparation of financial statements in accordance with the modified cash basis method of accounting used by the District requires management to make estimates and assumptions that affect certain reported amounts and disclosures (such as estimated useful lives in determining depreciation expense); accordingly, actual results could differ from those estimates.

Revenue Recognition – Property Taxes

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on October 1 and are due and payable at that time. All unpaid taxes levied October 1 become delinquent January 1, of the following year. Valuation for the District was $ 768,037,752 with the levy set at $ .6820, which is broken down $ .6030 for General Operating Levy and $ .0790 for Debt Service Levy. Property tax revenues are recognized when they are collected.

Compensated Absences

Full-time, permanent employees are granted vacation benefits in varying amounts to specified maximums depending on tenure with the District. Generally, after specified service, employees are entitled to a portion of accrued vacation upon termination. The estimated liability for vested vacation attributable to the District is recorded when paid. The District has not presented an amount for this liability as it does not consider it will have a material impact on the financial statements.

STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgets and Budgetary Accounting

The District is required by Missouri State Law RSMo 105.485 to prepare a budget each year based on estimates of revenues and expected expenditures which include at a minimum a budget message, budget summary, schedule with prior year comparison of estimated revenue and expenditures, schedule of bonded debt obligations and budget approval letter. The accompanying statement of revenues, expenditures, and changes in fund balance—budget and actual includes the budgeted expenditures for the year, along with management's estimate of revenues for the year for both the original budget and the final budget which is reflective of any amendments throughout the fiscal year. The legal level of budgetary control is at the total fund level.

Excess of expenditures over appropriations

For the year ended the General Fund was within the authorized budget.

Budgetary basis of accounting

Annual budgets are adopted on a basis consistent with another method of accounting (modified cash basis) for all governmental funds.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Debt restrictions

General obligation debt

Article VI, Sections 26 (b) and (c), Constitution of Missouri, limits the outstanding amount of authorized general obligation debt of a District to 5% percent of the assessed valuation of taxable tangible property as shown by the last completed assessment for state or county purposes. Authorization for debt issuance requires four-sevenths at the general municipal election day, primary or general elections and two-thirds at all other elections, vote of the qualified electors thereof. The computed legal debt margin of the District on December 31, 2025, was:

Constitutional Debt Limit	$ 38,401,888
Outstanding G.O. Bonds	(6,400,000)
Legal debt margin	$ 32,001,888

Other long-term debt

Article VI, Section 26 (a), Constitution of Missouri, limits the outstanding indebtedness of a District without popular vote to an amount exceeding in any year the income and revenue provided for such year plus any unencumbered balances from previous years. For the year ended December 31, 2025, the District was in compliance with this requirement.

NOTE B – DEPOSITS AND INVESTMENTS

Statutes authorize the District to invest in certificates of deposit, repurchase agreements, passbooks, banker's acceptances, and other available bank investments provided that approved securities are pledged to secure those funds on deposit in an amount equal to the amount of those funds. In addition, the District can invest in direct debt securities of the United States Government unless such an investment is expressly prohibited by law.

Deposits. Custodial credit risk for deposits is the risk that in the event of a bank failure, the District's deposits may not be returned, or the District will not be able to recover collateral securities in the possession of an outside party. The District's bank deposits are required by state law to be secured by the deposit of certain securities specified at RSMo 30.270 with the District or trustee institution. The value of the securities must amount to the total of the District's cash not insured by the Federal Deposit Insurance Corporation.

As of December 31, 2025, the District's bank balances were entirely secured or collateralized with securities held by the District or by its agent in the District's name.

NOTE B – DEPOSITS AND INVESTMENTS (Continued)

Investment Policies

Credit Risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The District does have a written investment policy covering credit risk.

Interest Rate Risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Investments held for longer periods are subject to increased risk of adverse interest rate changes. The District's policy is to limit the length of investments to meet cash flow requirements for ongoing operations, thereby avoiding the need to sell securities before maturity.

Concentration of Credit Risk is the risk of loss attributed to the magnitude of the District's investment in a single issuer. The District policy is to invest in only those instruments approved by the State of Missouri which have minimal risk.

Custodial Credit Risk is the risk that in the event of a broker/agent failure, securities that are uninsured and not registered in the name of the District and are held by either the counterparty to the transaction or the counterparty's trust department or agent but not in the government's name will not be returned to the District. The District does have a written investment policy on custodial credit risk in which all investments are either insured or registered in the District's name and held by the District's agent.

NIXA FIRE PROTECTION DISTRICT

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2025

NOTE C – CAPITAL ASSETS AND DEPRECIATION

Capital asset activity resulting from modified cash basis transactions or events for the fiscal year ended December 31, 2025, was as follows:

Governmental Activities:

	Beginning Balance	Increases	Decreases	Ending Balances
Capital assets not being depreciated:				
Land	$ 820,739	$ -	$ -	$ 820,739
Construction in progress	1,333,321	90,667	1,333,321	90,667
Capital assets being depreciated:				
Building	$ 6,535,906	$1,784,549	$ -	$ 8,320,455
Equipment	1,990,161	166,367	-	2,156,528
Vehicles	4,421,547	890,583	-	5,312,130
Total capital assets being depreciated	12,947,614	2,841,499	-	15,789,113
Accumulated depreciation:				
Building	1,117,549	187,730	-	1,305,279
Equipment	1,861,700	49,761	-	1,911,461
Vehicles	2,016,968	252,114	-	2,269,082
Total accumulated depreciation	4,996,217	489,605	-	5,485,822
Total capital assets being depreciated, net	$ 7,951,397	$2,351,894	$ -	$10,303,291
Governmental activities capital assets, net	$10,105,457			$11,214,697

NOTE D – CAPITALIZED LEASE OBLIGATIONS

The following is a summary of the District's long-term debt transactions for the year ended December 31, 2025.

	Beginning Balance	Additions	Reductions	Ending Balance	Amount Due Within One Year
2022 G.O. Bond	$ 6,400,000	$ -	$ -	$ 6,400,000	$ 245,000
2015 G.O.Bond	250,000	-	250,000	-	-
2023 Lease Purchase	226,789	-	226,789	-	-
	6,876,789	-	476,789	6,400,000	245,000
Bond Premium	327,446	-	23,397	304,049	23,397
	$ 7,204,235	$ -	$ 500,186	$ 6,704,049	$ 268,397

Debt outstanding as of December 31, 2025, consisted of the following:

$6,400,000, July 28, 2022 General Obligation Improvement Bond for the construction, furnishing and equipping a new fire station; renovating, improving and repairing existing fire stations and acquiring fire trucks, vehicles and other firefighting apparatus and equipment Principal payments are annual and range from $151,000 to $734,000 and interest paid annually at a rate of 4.0% Loan matures March 1, 2039.	$ 6,400,000
	$ 6,400,000

NOTE D – CAPITALIZED LEASE OBLIGATIONS (Continued)

On December 31, 2025, debt service requirements were as follows:

December 31,	Principal	Interest	Total
2026	$ 245,000	$ 251,100	$ 496,100
2027	270,000	240,800	510,800
2028	300,000	229,400	529,400
2029	325,000	216,900	541,900
2030	360,000	203,200	563,200
2031-2035	2,300,000	765,000	3,065,000
2036-2039	2,600,000	217,200	2,817,200
Totals	$ 6,400,000	$ 2,123,600	$ 8,523,600

NOTE E – RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District maintains commercial insurance coverage for property damage and various Missouri Official's bonds. Management believes coverage is sufficient to preclude any significant uninsured losses to the District. For the past three years, the District has had no losses that exceeded commercial insurance coverage.

NOTE F – DEFINED CONTRIBUTION PENSION PLAN

457B Plan

The District has a deferred compensation plan created in accordance with the Internal Revenue Code Section 457. The plan is administered by independent plan administrators through administrative service agreements. The plan is available to all District employees meeting certain requirements. Employees defer a portion of their salary until future years. Deferred compensation is not available to employees until termination, retirement, death, or financial hardship. The Districts contribution for the year totaled $12,900.

The deferred compensation plan is accounted for in the fund for which wages are paid. The plan's assets are presented at fair value and captioned as "investments" with corresponding liabilities captioned "deferred compensation benefits."

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are (until paid or made available to the employee or other beneficiary) solely the property and rights of the District (without being restricted to the provisions of benefits under the plan), subject only to the claims of the District's general creditors. Participants' rights under the plan are equal to those of general creditors of the District in an amount equal to the fair value of the deferred amount for each participant.

It is the District's opinion that the District has no liability for losses under the plan agreement but does have the duty of due care that would be required of an ordinary prudent investor. The District believes that it is unlikely that it will use the assets to satisfy the claims of general creditors in the future.

NOTE G – DEFINED BENEFIT PENSION PLAN

LAGERS Plan

The Nixa Fire Protection District participates in the Missouri Local Government Employees Retirement System (LAGERS). LAGERS is an agent multiple-employer, statewide public employee retirement plan for units of local government which is legally separate and fiscally independent of the State of Missouri. The retirement system covers all full-time District employees.

Plan description

The Nixa Fire Protection District's defined benefit pension plan provides certain retirement, disability, and death benefits to plan members and beneficiaries. The Nixa Fire Protection District 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.

NOTE G – DEFINED BENEFIT PENSION PLAN (Continued)

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 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 fire) and receive a reduced allowance.

	2025 Valuation
Benefit Multiplier:	1.75%
Final Average Salary:	3 years
Member Contributions:	0.00%

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.

On June 30, 2025, the following employees were covered by the benefits terms:

Inactive employees or beneficiaries currently receiving benefits	11
Inactive employees entitled to but not yet receiving benefits	43
Active employees	35
Total	89

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. Employers' contribution rates are 23.8% for General and 13.8 % Fire of annual covered payroll.

NOTE G – DEFINED BENEFIT PENSION PLAN (Continued)

Contributions required and made for the past five years are as follows:

Fiscal Year	Actuarially Determined Contribution	Contribution in Relation	Contribution (Deficiency) Surplus
2021	$ 250,907	$ 250,907	$ -
2022	245,229	245,229	-
2023	263,848	263,848	-
2024	299,602	299,602	-
2025	327,051	327,051	-

NOTE H– SALE OF ASSETS

For the year, the Fire District sold miscellaneous equipment for a total of $8,500 and with a net basis of $-0-.

NOTE I– CONSTRUCTION IN PROGRESS

This consisted of the Station #2 Improvement Project, with a cost to date of $90,667. The project is expected to be completed by the end of 2026.

NOTE J- SUBSEQUENT EVENTS

Management has evaluated events and transactions for subsequent events disclosures occurring after December 31, 2025, through June 6, 2026, the date of the financial statements were available to be issued and there are no material events requiring recognition of disclosure.

NIXA FIRE PROTECTION DISTRICT
NIXA, MISSOURI

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -BUDGET AND ACTUAL-MODIFIED CASH BASIS-(UNAUDITED) FOR THE YEAR ENDED DECEMBER 31, 2025

	Budgeted Amounts			Variance With
REVENUES	Original	Final	Actual	Final Budget
Property taxes including penalties and interest	$ 4,900,176	$ 5,054,185	$ 5,054,185	$ -
Miscellaneous	-	45,968	45,968	-
Grant revenue	-	-	-	-
Interest Income	-	248,355	248,355	-
Total Revenues	4,900,176	5,348,508	5,348,508	-
EXPENDITURES				
Current:				
Administration	4,249,692	3,927,156	3,927,156	-
Capital outlay	14	1,598,845	1,598,845	-
Debt service:				
Principal	384,683	476,789	476,789	-
Interest and fees	265,787	271,829	271,829	-
Total Expenditures	4,900,176	6,274,619	6,274,619	-
EXCESS (DEFICIT) OF REVENUE OVER EXPENDITURES	-	(926,111)	(926,111)	-
OTHER SOURCES				
Sale of assets	-	8,500	8,500	-
NET CHANGE IN FUND BALANCE	$ -	$ (917,611)	(917,611)	$ -
FUND BALANCES - BEGINNING			7,143,880	
FUND BALANCES - ENDING			$ 6,226,269	

THIS PAGE IS INTENTIONALLY LEFT BLANK

NIXA FIRE PROTECTION DISTRICT

301 S. NICHOLAS ROAD
NIXA MISSOURI 65714
417-725-4025
NIXAFIRE.GOV